



Wednesday, 20 September 2017

AUDIT COMMITTEE

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

Thursday, 28 September 2017

commencing at **2.00 pm**

The meeting will be held in the Meadfoot Room, Town Hall, Castle Circus,
Torquay, TQ1 3DR

Members of the Committee

Councillor Tyerman (Chairman)

Councillor Bent

Councillor O'Dwyer

Councillor Stocks

Councillor Stringer

Councillor Barnby

A prosperous and healthy Torbay

For information relating to this meeting or to request a copy in another format or language please contact:

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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 4 - 6)
To confirm as a correct record the Minutes of the meeting of the Audit Committee held on 26 July 2017.

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. **Food Standards Agency Audit of Food Hygiene Service Delivery** (Pages 7 - 51)
To receive the final audit report from the Food Standards Agency Audit of Food Hygiene Service Delivery. A copy of the Council's Food Service Plan is also attached to this agenda for Members reference.

6. **Treasury Management Mid-Year Review 2017/18** (To Follow)
To consider the submitted report on the above.

- 7. Performance and Risk** (Pages 52 - 76)
To consider the Performance and Risk Report for quarter one of 2017/2018 and identify areas which the Committee would like to investigate further.
- 8. The Annual Audit Letter for Torbay Council** (Pages 77 - 91)
To note a report that summarises the key findings arising from the work Grant Thornton have carried out at Torbay Council for the year ended 31 March 2017.
- 9. Torbay Council Audit Committee Update - September 2017** (Pages 92 - 107)
To note a report that provides an update on the progress Grant Thornton has made in delivering their responsibilities as the Council's external auditors.



Minutes of the Audit Committee

26 July 2017

-: Present :-

Councillor Tyerman (Chairman)

Councillors Barnby, Bent, O'Dwyer and Pentney

99. Apologies

An apology for absence was received from Councillor Stringer.

It was reported that, in accordance with the wishes of the Liberal Democrat Group, the membership of the Committee had been amended for this meeting by including Councillor Pentney instead of Councillor Stocks.

100. Minutes

The Minutes of the meeting of the Audit Committee held on 31 May 2017 were confirmed as a correct record and signed by the Chairman.

101. The Audit Findings for Torbay Council

Members considered a report that highlighted the key issues affecting the results and preparation of the Council's financial statements for the year ended 31 March 2017. Alex Walling, Engagement Lead for Grant Thornton, informed Members that the audit was substantially complete, draft financial statements and accompanying working papers were received in accordance with the agreed timetable. As in previous years early discussions with the Finance Team around key technical issues were also helpful. Members were informed that the audit did not identify any adjustments affecting the Council's reported financial position. However, an amendment to the gross expenditure and income in the Comprehensive Income and Expenditure Statement was identified along with a small number of adjustments to improve the presentation of the financial statements.

The Council's external auditors proposed to give a qualified 'except for' value for money (VFM) conclusion, on the council's arrangements for securing economy, efficiency and effectiveness in the use of its resources. Members were advised that whilst the Council had proper arrangements in all significant respects with the exception of Children's Services and progress had been made in implementing the Ofsted inspection action plan, until the inadequate rating for Children's Services is removed the VFM conclusion will be qualified.

Members were further informed that an objection to the Council's Statement of Accounts had been received from a Member of the Public. The objection was in relation to the retention of the parish council grant. Members noted that whilst the objection did not impact the audit opinion the audit certificate could not be issued until the Council's external auditors had fully considered the objection.

102. Statement of Accounts and Annual Governance Statement 2016/17

Members considered a report that sought approval of the Council's Statement of Accounts for the year ended 31 March 2017. The Accounts and Audit Regulations 2015 required approval of the accounts by a committee of the Council before 30 September 2017, the regulations also required approval of an Annual Governance Statement that informed Members of the Council's governance and internal control framework and any significant control issues.

Resolved that:

- (i) The Audit Committee reviewed the accounts including the significant accounting policies and considered the External Auditor's report and opinion on the accounts;
- (ii) following (i) above, the Council's Statement of Accounts for 2016/2017, as set out in pages 21 to 112 of Appendix 2 to this report;
- (iii) following approval of (ii) above, the person presiding at the meeting of the Audit Committee shall sign and date the accounts on behalf of the Council, to represent the completion of the Council's approval process of the accounts, in the 'Statement of Responsibilities for the Statement of Accounts' shown on page 23 of the Statement of Accounts; and
- (iv) that the letter of representation to Grant Thornton from the Council in relation to the 2016/17 Statement of Accounts, as circulated at the meeting, be approved.

103. Annual Audit Report 2016-17

Members noted the Annual Audit Report for 2016/2017, Members were informed that the report reviews the work undertaken during 2016/2017 and provides an opinion on the overall adequacy and effectiveness of the Authority's internal control environment. The Head of the Devon Audit Partnership advised that based upon work performed during 2016/2017, experience from the current year progress and previous years' audit, the Head of the Devon Audit Partnership was able to issue the opinion of 'Significant Assurance' on the adequacy and effectiveness of the Authority's internal control framework. The exception to this is in relation to Public Health and Children's Services where opinions are of 'Limited Assurance' due to the level of audit activity.

Members noted that Children's Services had received 'limited assurance' and were informed by the Head of the Devon Audit Partnership that his team had met with the Director of Children's Services who was committed to working with

Internal Audit to ensure continued improvement in those areas where recommendations were to be implemented.

104. Corporate Fraud Update

Members noted a report that outlined work that had been undertaken since the employment of the Corporate Counter Fraud Officer. Members noted that in January 2017 a Corporate Fraud Policy was introduced to assist the council to deter, prevent, detect, investigate and pursue all types of fraud affecting the authority accompanied with various reporting methods including a web based form, resulting in 59 allegations having been received. Members challenged whether the Corporate Counter Fraud Officer's time was spread too thin with activities requiring greater prioritisation. Members were advised that Senior Officers were clear that the focus of attention was on the maximisation of the Council Tax collection, however a business case had been put forward for consideration to expand the team.

105. Apprenticeship Levy

Members noted a report which outlined work undertaken to ensure the Council was prepared to make full use of the Apprentice Levy. Members were informed that levy funds can only be used to fund the cost of apprenticeship training and assessment, it does not include salary costs. The Council has therefore changed its strategy to reflect this and has reduced the number of 'new' apprentices it commits to employ each year. Members were advised that the funding can be used to train existing staff, therefore, as part of its workforce planning activities, the Council will use the funds to upskill existing staff, to support their continuing professional development and for succession planning.

106. Regulatory of Investigatory Powers Act 2000

Members noted a report that provided an update on current Regulations of Investigatory Powers Act 2000 (RIPA) and communications data authorisations. Members noted that whilst the Council had not undertaken any RIPA authorisations since 2008, it was necessary to ensure that all Members and staff are aware of the requirements of RIPA should the need arise. Members were informed that the Office of Surveillance Commissioners released updated procedures the resulting in the Council's local policy and procedures being updated in respect of the use of Social Networking Sites for surveillance.

Members were further advised that the Council was recently inspected by the Office of Surveillance Commissioners with verbal feedback having been positive the final inspection report would be presented to a future meeting of the Audit Committee.

Chairman/woman



Steve Parrock
Chief Executive
Torbay Council

By email

6 July 2017

Reference: EPA 30/874

Dear Mr Parrock

**Food Standards Agency Audit of Food Hygiene Service Delivery
Focusing on Service Organisation, Management and Internal Monitoring
Arrangements – Torbay Council – 28 February 2017**

Thank you for Helen Perkins' correspondence regarding the draft audit report of your Authority's delivery of official controls for food and feed and your action plan.

I now enclose an electronic copy of the final report, which incorporates changes in response to your Authority's comments on the content of the draft report. We expect the report to be brought to the attention of Members.

The report will be placed on the enforcement portal of the Food Standards Agency website at www.food.gov.uk/enforcement and copies will also be placed in the British Library and the Copyright Library.

To help us to continually improve our services, we are keen to receive feedback on all aspects of the audit, including pre-visit arrangements. I would be grateful if Helen Perkins could complete our short online customer satisfaction questionnaire which can be found [here](#).

I will contact your authority again in six months to review your progress against the action plan attached at the end of the audit report.

If you require any further information please do not hesitate to contact me.

Yours sincerely

A handwritten signature in black ink, consisting of the letters 'A' and 'G' followed by a long, sweeping horizontal stroke that curves upwards at the end.

Andrew Gangakhedkar
Head of Regulatory Division Assurance Team
Email: Andrew.Gangakhedkar@foodstandards.gsi.gov.uk
Tel: 07919 690420

cc: Helen Perkins, Principal Environmental Health Officer
Steve Cox, Commercial Services Manager

Enc: Audit Report, Customer Satisfaction Questionnaire

**Audit of Food Hygiene Service Delivery
Focusing on Service Organisation,
Management and Internal Monitoring
Arrangements**

Torbay Council
28 February 2017



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1.0 Introduction

1.1 This is a report on the outcomes of the Food Standards Agency's (FSA's) audit of Food Hygiene Service Delivery, focussing on Service Organisation, Management and Internal Monitoring Arrangements, conducted at Torbay Council on the 28th of February 2017. The audit was carried out as part of a programme of audits on local authorities (LA) in England. The report has been made available on the Agency's website at:

www.food.gov.uk/enforcement/auditandmonitoring/auditreports

Hard copies are available from the FSA by emailing the FSA at LAAudit@foodstandards.gsi.gov.uk or telephoning 01904 232116.

- 1.2 The power to set standards, monitor and audit local authority feed and food law enforcement services was conferred on the Food Standards Agency by the Food Standards Act 1999 and the Official Feed and Food Controls (England) Regulations 2009. This audit was undertaken under section 12(4) of the Act as part of the Food Standards Agency's annual audit programme.
- 1.3 Regulation (EC) No. 882/2004 on official controls performed to ensure the verification of compliance with feed and food law, includes a requirement for competent authorities to carry out internal audits or to have external audits carried out. The purpose of these audits is to verify whether official controls relating to feed and food law are effectively implemented. To fulfil this requirement, the Food Standards Agency, as the central competent authority for feed and food law in the UK has established external audit arrangements. In developing these, the Agency has taken account of the European Commission guidance on how such audits should be conducted.^[1]
- 1.4 The Authority was included in the Food Standards Agency's programme of audits of local authority food law enforcement services because of the relatively low percentage of planned interventions achieved on lower risk premises based on data submitted by the Authority to the FSA via the Local Authority Enforcement Monitoring System (LAEMS).
- 1.5 For assistance, a glossary of technical terms used within the audit report can be found at Annex C.

^[1] Commission Decision of 29 September 2006 setting out the guidelines laying down criteria for the conduct of audits under Regulation (EC) No. 882/2004 of the European Parliament and of the Council on official controls to verify compliance with feed and food law, animal health and animal welfare rules (2006/677/EC)

2.0 Scope of the Audit

- 2.1 The audit examined arrangements for organisation, management, and internal monitoring arrangements with regard to food hygiene law enforcement. Assurance was sought that key authority food hygiene systems and arrangements were in place and effective, including suitable arrangements for the internal monitoring of official controls delivered by the Service. The on-site element of the audit took place at Torbay Council, Town Hall, Castle Circus, Torquay TQ1 3DR.

3.0 Background

- 3.1 Torbay Council is situated in the County of Devon in the south west of England and covers some 62.87 km². The main centres of population are Torquay, Paignton and Brixham.
- 3.2 Torbay's population is approximately 131,000 according to 2011 Census data. The population is predominantly white with other ethnic groups making up 2.5% of the population compared with the national average (6%).
- 3.3 The Council is a Unitary Authority operated through a Mayoral model. The mayoral model was explored through a referendum in 2016 and will be abolished from 2019 onwards.

4.0 Executive Summary

4.1 This audit of Torbay Council sought to gain assurance that key local authority food hygiene law enforcement systems and arrangements were effective in supporting business compliance, and that local enforcement was managed and delivered effectively. The audit focused on the Authority's service organisation, management and internal monitoring arrangements.

4.2 The Authority had recently faced challenging circumstances in terms of staff resources. There had been a recent reduction of 1.5 full time equivalents (FTE) and two members of staff had been on long term maternity leave. The Authority had compensated for this by concentrating its resources on the higher risk premises. This had resulted in a substantial number of overdue inspections in the lower risk categories and a high number of unrated establishments. The Authority acknowledged it needed to address the shortfall in resources and bring the intervention programme in line with the Food Law Code of Practice (FLCoP).

Strengths

4.3 The Authority was committed to providing a good quality service, as demonstrated by its participation in inter authority audit, peer review, regional consistency exercises and regional sampling programmes.

4.4 Generally the Authority's database was accurate and up to date. The Authority was committed to a strong monitoring regime to maintain database accuracy and was keen to explore new methods of database analysis to further enhance their quality systems.

4.5 The Authority had implemented an effective system to ensure officers were authorised commensurate with their qualifications training and experience. A competency matrix linked to authorisation procedures had also been developed and maintained.

Good Practice

4.6 The Authority participated in a regional scheme to monitor mobile food traders across borders to ensure food safety standards are maintained and that there is consistency in enforcement.

4.7 The Authority produced a bi-annual Food Safety Bulletin issued to food traders by e-mail that contained topical advice related to food safety issues.

4.8 The Authority had proactively developed guidance documents for traders including Guidance for Catering at Outdoor Events, Markets and Mobile Food Traders and Guidance on Sous Vide Cooking.

Key areas for improvement

- 4.9 Service Planning: The Authority needed to document its service planning arrangements to demonstrate that senior delegated officers and appropriate council member forums are fully aware of any shortfalls in resources and the full demands on the Service. A full annual performance review based on the Service Plan, including any variances and improvements identified also needed to be included.
- 4.10 The Authority should carry out a review to ensure that it had enough FTE to complete the work specified in the annual Service Plan, including outstanding interventions in accordance with the FLCoP.
- 4.11 Food Premises Interventions: The Authority had a significant number of overdue lower risk food hygiene interventions and unrated premises outstanding. The Authority needed to review the overdue interventions including unrated premises and implement a risk based intervention programme to ensure all food premises receive an intervention at the frequency required in accordance with the Framework Agreement and the FLCoP.
- 4.12 Food Sampling: The Authority should develop and implement a food sampling policy and compile and fully document the annual sampling programme.
- 4.13 Internal Monitoring: The Authority should ensure that internal monitoring is fully documented and covers all areas of food law enforcement on a risk basis.

5.0 Audit Findings

5.1 Service Organisation & Management

5.1.1 The Food and Safety Team sits within the Commercial Team of the Community Safety Business Unit. The service is delivered under the direction of the Principal Environmental Health Officer (PEHO) – Lead Food Officer (LFO) for Food and Safety, reporting directly to the Environmental Health Manager (Commercial). The Environmental Health Manager (Commercial) reported to the Assistant Director (Community Safety and Customer Services) who had responsibility for approving the annual Food Safety Service Plan.

5.2 Service Planning

5.2.1 The Authority had put in place a Food Service Plan for 2016/17 which was not completely in accordance with Service Planning Guidance in the Framework Agreement. The Service Plan had been approved by the Assistant Director (Community Services and Customer Services) as the appropriate senior delegated officer.

5.2.2 The Service Plan contained a documented annual intervention programme for premises risk rated A-C. However, a programme for premises risk rated D and E, where the majority of overdue inspections lay, had not been documented in the Service Plan. The Authority had documented an intervention programme for D rated premises in officer's annual appraisal form. In practice the Authority did not aim to complete all due D and E premise interventions contrary to the FLCoP but this had not been documented in the Service Plan.

5.2.3 Additionally, auditors were informed that the Authority was not fully complying with the Brand Standard in regard to the implementation of the Food Hygiene Rating Scheme (FHRS). The reason stated was because they are not giving wet pubs an FHRS rating and this has been documented in the Food Hygiene Rating Scheme procedure.

5.2.4 A review of the Service Plan was carried out annually. As D and E premises were not included in the Service Plan they were also not included in the review. In addition, a shortfall in FTE (detailed in section 5.5 below) had not been identified in the Service Plan. Auditors were informed that the senior delegated officer had been made aware of the shortfalls and this had been brought to the attention of members by the documented annual Priority and Resources review.

5.2.5 Auditors discussed improving the Service Plan to ensure that certain essential information was communicated to the senior delegated officer to highlight the full picture of the demands on the Service, any variances from the delivery of the plan, any actual or potential resource deficiencies and any shortfall in the delivery of statutory duties in

regard to the delivery of food safety. Auditors also discussed whether it would be beneficial for any potential risks to consumer safety due to the overdue interventions to be identified on the corporate risk register.

- 5.2.6 As part of the audit, auditors discussed the resilience of present finances and their likely impact on resources. Over recent years the Authority has had to implement significant reductions in resources and as a consequence food safety officers have been subject to formal consultation with the threat of redundancy in the past three years. However this has only resulted in the reduction of 0.5 FTE during this period. In addition, two officers (1.4FTE) had been on maternity leave during the past 18 month period. Auditors were informed this had impacted on the manager's ability to implement an effective annual programme of work.
- 5.2.7 The Authority's Key Performance Indicator (KPI) for premises risk rated A, B and C was 100% and this was reported quarterly to the management team and annually in the Service Plan.

Recommendation 1 - Service Planning

[The Standard 3.1, 3.2 & 3.3]

The Authority should ensure that future Service Plans include the following information:

- i. A comparison of the full time equivalents (FTE) required to ensure the delivery of food safety activities in accordance with the Food Law Code of Practice against those available to the Service. Any shortfall should be reported to the senior delegated manager and/or the appropriate Member forum.
- ii. All the demands placed upon the Service including the full intervention programme across all premises risk ratings in accordance with Service Planning Guidance.
- iii. An annual review of the Service Plan including an assessment of the full intervention programme with the identification of any variances from the programme including any unrated or overdue premises that needs to be carried over to next year's intervention programme.

5.3 Service Delivery

Interventions

5.3.1 The Authority was responsible for enforcement at 1863 food business establishments at the time of the audit. Due to an increasing focus on prioritising the completion of high risk interventions before lower risk the Authority had recently built up a backlog of inspections in the D and E risk categories as seen in Table 1 below (data taken from LAEMS 2014/5 and 2015/16).

5.3.2 **Table 1: Recent performance data – interventions (source: LAEMS)**

Premises Risk Rating	Interventions Carried out 2014/15	Interventions Carried out 2015/16	Interventions overdue 2014/15	Interventions overdue 2015/16
A	39	27	0	0
B	106	105	7	0
C	291	273	36	11
D	404	286	153	335
E	181	49	455	381
Unrated	59	223	1	112
Total	1080	963	652	839

5.3.3 The 2016/17 Service Plan included the planned intervention targets of 100% for premises risk rated A-C. As reported above there were no planned intervention targets for premises risk rated D and E, apart from those documented in the appraisal process. Table 2 below shows the overdue status of each category based on an analysis of the Authority's database.

Table 2: Planned targets 2016/17 and overdue premises at time of audit – interventions

Intervention categories	Planned 2016/17	Overdue at the time of the audit
Category A	100%	2 outstanding
Category B	100%	5 outstanding
Category C	100%	39 outstanding
Category D	Not specified	264 outstanding
Category E	Not specified	595 outstanding

Total Overdue Interventions	N/A	905 outstanding
Unrated	100%	254 outstanding

- 5.3.4 The Authority had fallen behind its in-year intervention targets for 2016/17. The recent long term absence of two staff members for 13 months for maternity leave and resource reductions (detailed above) were cited by the Authority as the principal causative factors.
- 5.3.5 Auditors discussed current and future capacity within the Authority in the context of long term absences, reduced resources and the number of overdue interventions at the time of audit. The Authority reported that the return of staff members from long term absence and the transfer of food standards to Devon County Council would help the Authority deal with the current backlog of inspections. In addition the Authority planned to recruit an intern EHO who would be able to assist with the lower risk premises. However, the Authority was doubtful that these measures alone would be able to ensure full compliance with the FLCoP.
- 5.3.6 Auditors noted that the vast majority of overdue interventions were lower risk D and E risk rated establishments. However, a substantial number of the premises were several years overdue, and some of the premises types, such as restaurants and caterers, had the potential to have become high risk since the last visit by the Authority. This presented a risk to consumer safety and to the reputation of the Authority. The Authority had implement some of the flexibilities available in the FLCoP and auditors discussed the implementation of alternative enforcement strategies and further FLCoP flexibilities to aid the intervention programme, including the use of verification visits (e.g. revisit) and intelligence gathering using questionnaires.

Recommendation 2 – Overdue interventions and unrated premises

[The Standard 7.1]

The Authority should carry out interventions at all food hygiene establishments in their area, at a frequency which is not less than that determined under the intervention rating schemes set out in the relevant legislation, Code of Practice or other centrally issued guidance.

Sampling

- 5.3.7 The Authority had not developed a food sampling policy in accordance with the Standard in the Framework Agreement. Sampling procedures had been developed and implemented.
- 5.3.8 The Authority had a sampling programme for 2016/17 which had not been fully documented. The sampling programme was being co-ordinated by Devon, Cornwall and Somerset and included the microbiological quality of the following:
- Hogs Pudding' and similar style meat puddings;
 - Fermented and dried meat products;
 - Pre-packed sandwiches at the point of sale; and
 - Cooked rice at the point of sale

Recommendation 3 – Sampling policy and programme

[The Standard 12.4]

The Authority should set up, maintain and implement a documented sampling policy and programme in accordance with the Food Law Code of Practice and any centrally issued guidance.

5.4 Database

- 5.4.1 The database was capable of reporting information reasonably requested by the FSA and the Authority was maintaining appropriate backup systems and security measures. In addition, the Authority had a maintenance contract in place with the software provider.
- 5.4.2 Data analysis carried out by the auditors identified some limited anomalies in terms of premises duplicates, visit frequencies, and disparities in the allocation of risk scores and these were discussed with the Authority.
- 5.4.3 The Authority had put in place a procedure for maintaining the food premises database which included internal monitoring and reporting arrangements. The Authority expressed an interest in using the FSA's methods of data analysis by Excel spreadsheet to further enhance their monitoring arrangements.

5.5 Staff Training and Authorisation

- 5.5.1 All officer authorisations had been signed by the appropriate delegated officer in accordance with the Council's Constitution and the documented Authorisation Procedure.
- 5.5.2 The Authority had appointed a LFO with the necessary specialist knowledge to carry out the role and meet the competency requirements of the FLCoP.
- 5.5.3 The Authority reported that they had five FTEs to carry food safety enforcement activities. The Authority reported that in recent years the food safety service had lost 1.5 FTE due to resource reductions. A recent review of service activities had identified some areas where more FTE capacity could be allocated to food safety and it was noted that food standards activities would soon move to Devon County Council. The Authority had not previously carried out any analysis to identify how many FTE were needed to deliver food safety activities, though accepted that this needed to be reviewed. However, auditors were informed the present number of FTE was not considered enough resource to fully ensure food safety enforcement in accordance with the FLCoP.

Recommendation 4 – Authorised Officers

[The Standard 5.3]

The Authority should ensure that sufficient officers have been appointed to carry out the work detailed in the annual Service Plan.

- 5.5.4 The training and qualification records of officers were checked and it was found that the Authority had an appropriate competency assessment protocol and matrix in place. The level of authorisation and duties of officers were consistent with their qualifications, training, experience and the requirements of the FLCoP.
- 5.5.5 All staff checked had received the necessary 20 hours continuous professional development training in accordance with the FLCoP. Training undertaken included key topics such as HACCP, E. coli O157 and cross contamination risks and allergens.
- 5.5.6 Records of academic qualifications, training and competency assessments had been maintained by the Authority in accordance with the Framework Agreement.

5.6 Documented Policies and Procedures

- 5.6.1 The Authority had set up and implemented a number of suitable documented procedures for food safety activities. They included procedures for interventions, approval of establishments, complaints, incidents and alerts and enforcement. The procedures were a mixture of Regulatory Information and Management Systems (RIAMS) procedures and locally developed procedures. Auditors were informed there was no specific overarching document for the review and updating of operating policies and procedures. Reviews were carried out on an adhoc basis or when there had been a change to legislation or centrally issued guidance.
- 5.6.2 All procedures were readily available to officers.
- 5.6.3 In addition to the intervention procedure the Authority had work instructions that included reference to the use of partial inspections and the other flexibilities allowed within the FLCoP in defined circumstances. In addition, the intervention procedure made appropriate reference to carrying out unannounced inspections allowing for the specific exemptions outlined in the FLCoP.
- 5.6.4 The Authority had an appropriate intervention visit aide-memoire in place. The aide-memoire included prompts for officers to record decisions around Food Safety Management, cross contamination and food safety training. Auditors discussed the benefits of providing more space on the aide-memoire for officers to record their on-site observations in more detail and helping to avoid making 'tick-box' appraisals. There were also supplementary guidance notes for dealing with catering at outdoor events, markets and mobile food traders and guidance on particular issues relating to sous vide cooking.
- 5.6.5 In addition the Authority had procedures covering the Approval of Product Specific Premises, Approved Premises Interventions and the use of Approved Premises Remedial Action Notices. The Authority had developed specific aide-memoires for use at their product specific premises, including specialist documentation for the fishery product establishments.

5.7 Ensuring an Effective and Consistent Service

Internal Monitoring

- 5.7.1 Although not subject to a documented procedure the Authority was able to provide evidence of regular structured quantitative monitoring being carried out in regard to the annual inspection programme. An inspection list was generated at the start of the year which was split into districts and issued to individual officers. As the inspections were carried out they were crossed off the list and this was subject to a quarterly check. Progress against the inspection list was discussed at officer one to one meetings approximately every six weeks, although these were not always documented. These discussions included the prioritisation of premises on a risk basis. Progress was reported to senior management on a quarterly basis.
- 5.7.2 The Authority had developed a Procedure for Ensuring the Accuracy of the Food Premises Database. Qualitative checks were carried out on the database at regular intervals and any anomalies were communicated to officers via e-mail. However, there was no system for recording officer's corrective actions. Pre-audit checks carried out on the database only highlighted a few minor anomalies on the system and these were discussed.
- 5.7.3 The Authority had developed a Performance Monitoring Procedure which included checks on inspection reports, letters and risk rating scores by the PEHO at a rate of approximately 10%. However, although there was some evidence that this had been carried out in regard to reports and letters it was not always recorded. The Authority was able to show documentary evidence of risk score analysis. Auditors discussed ensuring that internal monitoring was effectively documented and carried out on a risk basis. This risk based strategy should help the Authority to more effectively verify conformance with the Standard, relevant legislation, Codes of Practice, Guidance and the Authority's documented policies and procedures.
- 5.7.4 The Performance Monitoring Procedure also detailed that all staff were subject to a six monthly accompanied inspection for monitoring purposes. Although it was clear that this had been carried out historically the Authority admitted the practice had not been carried out recently due to resource issues.

Third Party or Peer Review

- 5.7.5 The Authority was part of the South West SWERCOTS Inter-Authority Auditing Scheme but had not been audited within the last two years.
- 5.7.6 The Authority was an active member of the Devon and Cornwall Food Liaison Group (DCFLG) and it was observed in the minutes of recent meetings that a representative had consistently attended food liaison group meetings. The minutes of DCFLG meetings were circulated to all staff.
- 5.7.7 As a member of the DCFLG the Authority had participated in regionally organised consistency exercises. As part of the exercises mock scenarios are drawn up for officers to complete. On completion notes are issued to all DCFLG members and the results are discussed at a sub-group meeting.

Audit Team: Robert Hutchinson - Lead Auditor
Michael Bluff - Auditor

Food Standards Agency
Regulatory Delivery Division

ANNEX A - Action Plan for Torbay Council

Audit date: 28 February 2017

TO ADDRESS (RECOMMENDATION INCLUDING STANDARD PARAGRAPH)	BY (DATE)	PLANNED IMPROVEMENTS	ACTION TAKEN TO DATE
<p>Recommendation 1 - Service Planning [The Standard 3.1, 3.2 & 3.3]</p> <p>The Authority should ensure that future Service Plans include the following information:</p> <p>i. A comparison of the full time equivalents (FTE) required ensuring the delivery of food safety activities in accordance with the Food Law Code of Practice against those available to the Service. Any shortfall should be reported to the senior delegated manager and/or the appropriate Member forum.</p> <p>ii. All the demands placed upon the Service including the full intervention programme across all premises risk ratings in accordance with Service Planning Guidance.</p> <p>iii. An annual review of the Service Plan including an assessment of the full intervention programme with the identification of any variances from the programme including any unrated or overdue premises that needs to be carried over to next year's intervention programme.</p>	<p>31/10/17</p>	<p>An initial report is to be taken to Senior Leadership Team on the 20th June 2017, along with a copy of the draft FSA Audit Report 2017.</p> <p>As the Service plan for 2017/18 has been put on hold to wait for the findings of the FSA audit this plan will now be completed with the recommended additions required by this report.</p> <p>Following completion of the 17/18 Food Safety Service Plan it will go to Torbay Council's Senior Leadership Team representative along with the final FSA Audit Report 2017 to ensure that they are fully aware of its content and the potential consequences on the Authority of not meeting its statutory targets with the current resources. The report will also be sent to Devon Audit Partnership for their consideration and will form part of their 2017 audit of food safety at Torbay Council.</p> <p>The information will be used during the 2017-18 budget setting process, as described in the amended audit report.</p>	

Recommendation 2 – Overdue interventions and unrated premises

[The Standard 7.1]

The Authority should carry out interventions at all food hygiene establishments in their area, at a frequency which is not less than that determined under the intervention rating schemes set out in the relevant legislation, Code of Practice or other centrally issued guidance.

31/03/18

The following is an action plan for the remainder of 2017-18 to meet the backlog of overdue interventions identified in the draft FSA Audit Report 2017.

1. All staff are currently back at work, i.e. returned from maternity leave, although the team remains 0.5 FTE less than 2016-17.
2. Advice visits for Unrated Premises have ceased, though some advice is still given by phone. This will mean they will get a quicker inspection, which will steadily reduce this figure. However the consequence is that rating scores will be lower and further intervention visit(s) might be needed.
3. The inspections planned are based upon doing those first that are the most overdue with the highest considered risk. This is in line with our current policy.
4. Use allocated contingency funding to support additional interventions for categories C and D. Though how this money will be used is still to be agreed in detail.
5. Use graduate EHO to undertake interventions for E's.
6. Review what can be classed as an intervention with the FSA.
7. A Devon Partnership Audit is being undertaken and will include the FSA report. They will report back to Audit Committee in

Items 1, 2, 3, 4 and 5 have already been implemented, though the detail of item 4 still needs to be agreed.

the autumn of 2017.

8. Report to SLT on the 20th June 17 about the need for additional resources, which will be fed into the budget process of 2017-18.
9. SAQ for E rated premises to be sent by Sept '17 and E rated premises to be up to date by March '18.
10. D rated premises to be up to date by March'18.
11. Unrated premises to be cut by 50% by March '18

If these measures do not fully redress the backlog, then further measures will be considered for the next financial year.

<p>Recommendation 3 – Sampling policy and programme [The Standard 12.4]</p> <p>The Authority should set up, maintain and implement a documented sampling policy and programme in accordance with the Food Law Code of Practice and any centrally issued guidance.</p>	31/10/17	This will be added to the Food Safety Service Plan.	
<p>Recommendation 4 – Authorised Officers [The Standard 5.3]</p> <p>The Authority should ensure that sufficient officers have been appointed to carry out the work detailed in the annual Service Plan.</p>	31/03/18	See response to recommendation 2 above. This key point will be raised at SLT on the 20 th June 2017 and will be included within the service plan 2017-18.	

ANNEX B - Audit Approach/Methodology

The audit was conducted using a variety of approaches and methodologies as follows:

(1) Examination of LA plans, policies and procedures.

The following relevant LA policies, procedures and linked documents were examined before and during the audit:

- Torbay Council Food Safety Service Plan 2016/17
- Torbay Council Food Safety Service Plan 2015/16
- Torbay Council Meeting Minutes
- Community Safety Policy & Procedure Covering Authorisation
- Authorised Officer Competency Requirements
- Procedural Document: Food Complaints
- Commercial Premises Visit Report Form
- Primary Food Safety Inspection Form
- Guidance Documents
- Food Safety Bulletin
- Mobile Food Business Inspection Log
- Protocol for the National Food Hygiene Rating Scheme
- Approval of Specific Premises Procedure
- Approved Premises Interventions Procedure
- Approved Premises Remedial Action Notices Procedure
- Investigating Food Alerts for Action, Product Withdrawal and Recall Information Notices from the Food Standards Agency Procedure
- Investigating Food Incidents Identified Within the Local Authority Area Procedure

- Devon, Cornwall and Somerset Co-ordinated Food Sampling Overviews
- Community Safety Enforcement Policy & Prosecution Policy
- Performance Monitoring Procedure
- Accompanied inspection/intervention monitoring form
- Procedure for Ensuring the Accuracy of the Food Premises Database
- Devon & Cornwall Liaison Group Minutes
- Devon & Cornwall Food Liaison Group Consistency Exercise Templates
- FHRS Consistency Meeting Notes January 2017

(2) A range of LA file records were reviewed – the following LA file records were reviewed during the audit:

- Internal monitoring records
- Qualification and training records
- Authorisations

(3) Review of Database records:

- To assess the completeness and accuracy of the food premises database
- To assess the capability of the system to generate food law enforcement activity reports and the monitoring information required by the Food Standards Agency.

(4) Officer interviews – the following officers were interviewed:

- Environmental Health Manager
- Principal Environmental Health Officer

ANNEX C - Glossary

Authorised officer	A suitably qualified officer who is authorised by the local authority to act on its behalf in, for example, the enforcement of legislation.
Brand Standard	This Guidance represents the 'Brand Standard' for the Food Hygiene Rating Scheme (FHRS). Local authorities in England and Northern Ireland operating the FHRS are expected to follow it in full.
Codes of Practice	Government Codes of Practice issued under Section 40 of the Food Safety Act 1990 as guidance to local authorities on the enforcement of food legislation.
County Council	A local authority whose geographical area corresponds to the county and whose responsibilities include food standards and feeding stuffs enforcement.
District Council	A local authority of a smaller geographical area and situated within a County Council whose responsibilities include food hygiene enforcement.
Environmental Health Officer (EHO)	Officer employed by the local authority to enforce food safety legislation.
Food Safety Management System	A written permanent procedure, or procedures, based on HACCP principles. It is structured so that this requirement can be applied flexibly and proportionately according to the size and nature of the food business.
Feeding stuffs	Term used in legislation on feed mixes for farm animals and pet food.
Food hygiene	The legal requirements covering the safety and wholesomeness of food.
Full Time Equivalents (FTE)	A figure which represents that part of an individual officer's time available to a particular role or set of duties. It reflects the fact that individuals may work part-time, or may have other responsibilities within the organisation not related to food and feed enforcement.

HACCP	Hazard Analysis and Critical Control Point – a food safety management system used within food businesses to identify points in the production process where it is critical for food safety that the control measure is carried out correctly, thereby eliminating or reducing the hazard to a safe level.
LAEMS	Local Authority Enforcement Monitoring System is an electronic system used by local authorities to report their food law enforcement activities to the Food Standards Agency.
Service Plan	A document produced by a local authority setting out their plans on providing and delivering a food service to the local community.
Unitary Authority	A local authority in which the County and District Council functions are combined, examples being Metropolitan District/Borough Councils, and London Boroughs. A Unitary Authority's responsibilities will include food hygiene, food standards and feeding stuffs enforcement.

Food Safety

Service Plan

2017/18



Food Safety - why does it matter to Torbay?



The National Food Hygiene scheme was launched in Torbay in November 2011 and over 1000 food premises are now rated. Because of the scheme many premises have gone from a 0 or 1 to a 4 or 5.

We do not however currently meet the full range of statutory requirements set down on us by the Food Standards Agency and as a result of a recent FSA audit a potential risk to food safety has been identified in Torbay Councils area.



In 2016/17 the Community Safety Department continue to play a vital role in a national scheme called Better Business for All which is a partnership scheme between businesses and regulators such as Environmental Health with the aim of supporting local businesses in Torbay and helping them to survive and prosper, by providing good quality, free, impartial business advice. All 10 local authorities in Devon are also signed up as well as most of Somerset to ensure a consistent approach to business across the South West.



Fishery establishments in Torbay cannot export their product without the support that is given to them by the Food and Safety Team. In addition the team signs every Health Certificate that is needed before they can export to countries such as China and America. In 2016/17 the Food Safety Team continued to protect the public health of both residents and visitors alike by ensuring that the mussel beds in Torbay comply with food safety requirements.



In 2017/18 the Food and Safety Team set up as a training centre for Level 2 Food Hygiene course. 7 courses were run and over 80 food handlers trained. These courses have been well received.

Running these courses not only aids legal compliance but promotes good working relationships with the food business operators as well as providing well trained employees. These courses will continue to be run in 2017/18

**TORBAY COUNCIL
FOOD SAFETY SERVICE PLAN 2017/18**

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TORBAY COUNCIL FOOD SAFETY SERVICE PLAN

1.0 Service Aims and Objectives

1.1 Aims and Objectives

This Food Safety Service Plan is required under the Framework Agreement by the Food Standards Agency. The plan is concerned with food safety enforcement work for which Torbay Council is responsible for. This plan is a Key Policy document and as such requires member approved to ensure there is transparency and accountability and once approved the plan is published on the Councils website.

The Food Safety Service has the following vision:

- To improve public health and safety through partnership, education and enforcement

Torbay Council's Food Safety Service Aims and Objectives are:

Aim 1: To promote, through education and enforcement, the sale and/or production of food which is fit and without risk to health.

Objective 1.1: To undertake a risk-based programme of inspections and interventions in food premises in accordance with the Food Standards Agency Food Law Code of Practice

Objective 1.2: To register food businesses in accordance with EC852/2004 and the Food Safety and Hygiene (England) Regulations 2013.

Aim 2: To prevent and control the spread of food borne illness through education and enforcement.

Objective 2.1: To provide a risk-based response to all notifications of food related illness or suspected illness in order to minimise effects on the community.

Objective 2.2: To carry out pro-active sampling in accordance with nationally and locally set programmes.

Objective 2.3: To provide information, advice and education on food safety and public health issues to the business and residential community, in line with the principles of Better Business for All.

Objective 2.4: To respond to high risk complaints concerning food and food safety.

Aim3: To take action on a consistent, transparent and proportionate basis.

1.2 Links to Corporate Objectives and Plans

The Council's Corporate priorities fed from the Community Plan sets out a number of corporate goals. One of these goals has direct links to the Food Safety Service:

- Working for a healthy, prosperous and happy Bay
- **Public Health.** With the introduction of the Public Health function now sitting within the Local Authority the Food and Safety Team have an important role to play in some of the aims and objectives of the Torbay Public Health Strategy based on the Joint Strategic Needs Assessment.

2.0 Background

2.1 Authority Profile

Torbay Council is a Unitary Authority which comprises of the three main towns of Torquay, Paignton and Brixham on the south coast of England. Tourism is the dominant industry with the majority of employees working in the service industry. There is also a fishing industry predominantly based in the port of Brixham where there is a large fish market.

More details on the profile of the Authority can be found on the website www.torbay.gov.uk

2.2 Organisational Structure

The chart attached at Appendix A shows the structure of the Food and Safety Team.

The Food and Safety Team sits within the Commercial Team of the Community Safety Business Unit and comprises of Corporate Health and Safety officers and Environmental Health Officers.

Additional support services:-

Additionally appointed specialist services are provided by the Food Examiner at the NAMAS accredited Public Health England Laboratory in Porton Down and a Public Analyst from PASS Laboratory Services based in Wolverhampton.

Advice and support is also provided by Public Health England.

2.3 Scope of the Food Service

The Food Safety service comprises a range of key functions:

- Programmed food hygiene inspections of food premises within the Bay.
- Implementing and Promoting the National Food Hygiene Rating Scheme across Torbay
- Programmed High risk health and safety inspections and accident investigations, dealing with Corporate Health and Safety issues that arise.
- Responding to food alerts and incidents of food fraud.
- Investigating food and food related complaints and other service requests on a risk based approach.

2.4 Demands on the Food Service

- Implementing an annual food sampling programme
- Registering food premises and mobile vehicles
- Assessing imported food and its origin.
- Support, advice and training to food businesses.
- Investigating cases of food related illness and other infectious diseases.
- Issuing of health certificates for the export of food products.
- Specific duties with regard to regulating Brixham Fish Market and the mussel harvesting beds off Brixham..

Until April 2017 The Food and Safety Team had the main responsibility for food standards enforcement work, this work is now carried out by Devon, Somerset and Torbay Trading Standards Partnership as part of a formal shared service agreement.

The Food Safety service operates from Torbay Council Town Hall between 9.00am and 5.00pm, Monday to Friday. Early morning and late night visits are also undertaken as required.

Emergency food safety issues are currently directed initially to a 24 hour central control team and then onto authorised food officers as required. The Council does not have a formal Out of Hours Service.

On 1st April 2017 the Council had 2067 registered food businesses. The risk profile of these premises shown in Table 1 has been determined in accordance with the FSA's Food Law Code of Practice.

Table 1

Priority	Premises Category	Frequency of Inspection/ Intervention	Total number of premises in category (April 2016)	Total number of premises in category due this year.
A	High	6 months	6	6
B	High	12 months	55	59
C	High	18 months	231	148
D	Other	24 months	721	454
E	Other	36 months	862	717
U	-	Awaiting inspection	192	245
Total			2067	1629

The range of premises is as follows:- Primary producers 10
Manufacturers and packers 36, Importers and exporters 1,
Distributors 11, Retailers 431 and Restaurants and caterers
456, Hotel/Guest House 371, Caring premises 268, Pub/club
180, Takeaway 130, School/college 52, Supermarket 41,
Mobile food unit 63.

Torbay also has 17 Approved fishery establishments which
can take up a lot of time and staffing resource particularly in
the area of exporting their products outside of the EU.

Brixham Fish Quay is also a significant demand pressure to
the work of the Food and Safety Team with its daily auction
and regular exports to the EU and other nations and involves
at least fortnightly food hygiene inspections by officers. There
is also a mussel bed off Brixham which requires monthly
sampling and has Category B status which means the
mussels are required to be purified before sale. In addition
there is also a new mussel bed which opened in 2016, 21
miles out to sea for which Torbay Council Food Safety Team
will be the Enforcing Authority- this is particularly resource
intensive.

The Torbay area has already been described primarily as a
tourist area and there are a large number of hotels and other
tourist attractions which are only open during the tourist
season between Easter and October. There is also a high
turnover of food businesses in Torbay putting an additional
pressure on the Food and Safety Team. In 2016/17 there
were 233 new Food Registration Forms.

Additional demands for 2017/18 include:

In 2016/17 all of the Food Safety Officers were put at risk
during a restructure of the Community Safety Department,
this involved a considerable amount of additional pressure on
the team until the final restructure was announced. It is
possible that the Food and Safety Team will be subject to
further restructures in coming years.

In 2016/17 Community Safety signed up to a national scheme
called Better Business for All which is a partnership between
regulators and the business community to help business
growth by helping to support them through the regulatory
process in an effective and impartial way. As Community
Safety which includes the Food Safety Service is the main
front facing service of the Council out meeting businesses
this ongoing piece of work is not only very exciting but
extremely important for the economy of Torbay.

As in 2016 this year the Food Team will continue to carry out
signposting work on asbestos safety and this year the team
will also be involved in statutory work ensuring the risk of
legionella is effectively managed in our holiday parks.

In 2016/17 Torbay Council Food Safety Team was subject to an audit from the Food Standards Agency because of its LAEMS return for 2015/16. This audit identified that Torbay Council is not meeting its statutory function in terms of food safety and that there is a potential risk to food safety in Torbay as there are a considerable number of overdue premises that require an intervention – this is due to the team not having sufficient staff to carry out all the interventions as required by the Food Law Code of Practice. The main recommendations are as follows :-

1. The Food Safety Service Plan should include :
 - 1a. A comparison of the full time equivalents (FTE) required ensuring the delivery of food safety activities in accordance with the Food Law Code of Practice against those available to the Service. Any shortfall should be reported to the senior delegated manager and/or the appropriate Member forum.
 - b. All the demands placed upon the Service including the full intervention programme across all premises risk ratings in accordance with Service Planning Guidance.
 - c. An annual review of the Service Plan including an assessment of the full intervention programme with the identification of any variances from the programme including any unrated or overdue premises that needs to be carried over to next year's intervention programme.
2. The Authority should carry out interventions at all food hygiene establishments in their area, at a frequency which is not less than that determined under the intervention rating schemes set out in the relevant legislation, Code of Practice or other centrally issued guidance.
3. The Authority should set up, maintain and implement a documented sampling policy and programme in accordance with the Food Law Code of Practice.
4. The Authority should ensure that sufficient officers have been appointed to carry out the work detailed in the annual Service Plan.

An action plan has been completed to address the issues raised in the audit and some of these issues are also identified in the Areas of Improvement at the end of this report.

2.5 Enforcement Policy

The Community Safety Enforcement and Prosecution Policy sets out what food businesses and others being regulated can expect from the service. The Policy is based on the principles contained within the Regulators Compliance Code and has been updated in 2014 to reflect the recent changes in the Code.

All formal enforcement actions such as prosecutions are taken before the departments Enforcement Panel made up of officers from Community Safety and the Councils Legal team.

The service is committed to ensuring the active implementation and monitoring of the Council's Corporate Equality and Diversity Policy, which states that services will be provided in a fair and equitable way to all groups and individuals in the community.

3.0 Service Delivery

3.1 Food Premises Interventions

Torbay Council has a number of internal performance indicators relating to food safety. For 2017/18 these are as follows:-

- Number of high risk food premises (food hygiene) inspected (Target 100%)
- Number of medium risk interventions (100%)
- Number of low risk interventions (Target 100%)
- Number of unrated premises receiving an intervention (the target is to reduce these by half from 2016/17)

Officers will use a range of different interventions depending on the risk of the business and they are required to follow Torbay Council's internal Intervention Policy.

Low risk and new potentially low risk businesses are contacted by the business support unit to ensure that they have basic information for compliance and to identify any that might be of higher risk which will then be inspected.

In previous years advice visits have been given to new businesses prior to their initial rating but due to resource pressures these advice visits are no longer done – the new business will however receive a telephone advice call.

As there is a considerable turnover of premises in Torbay it is currently not possible to inspect them within 28 days, however they are all assessed following receipt of the food registration form and those of a high risk nature are given priority.

All premises where a statutory notice has been served or which are found to require significant work to be carried out will be subject to a secondary visit within an agreed timescale. It is estimated that at least 103 re-visits will be carried out in addition to the programmed inspections and alternative intervention initiatives. There may also be a number of businesses formally requesting to be revisited for the purposes of rescoring under the Food Hygiene Rating Scheme. In 2016/17 the number of requests for rescoring totalled 84.

Environmental Health currently has an estimated FTE of 5.0 officers ([See Table 4](#)), working on food safety issues. This is a reduction of 0.5 from last year. In 2016/17 the team were 2 Senior EHO's down as one was on maternity leave and the other on sick leave.

3.2 Food Complaints

The Environmental Health Service responds to all complaints about food or food premises made to the Council, however deciding whether or not they require investigation will be done by using a risk based approach to ensure that resources are used effectively.

There were 39 complaints about defective food received up to the end of March 2017 There were also 779 other service requests received relating to issues such as unhygienic food premises, requests for information and advice that were handled by the Food Safety team in 2016/17.

3.3 Primary Authority Scheme

The previous Home Authority Scheme has now been replaced by the Primary Authority Scheme under the new Regulatory Enforcement and Sanctions Act 2009. This aims for the first time to give companies the right to form a statutory partnership with a single local authority. The objective of this is to provide robust and reliable advice on compliance that other Councils must take into account when carrying out inspections or dealing with non-compliance premises.

The Food and Safety Team are currently not involved in any Primary Authority partnerships.

3.4 Advice to Business

The Authority is committed to improving food safety standards through both education and enforcement. In order to use limited resources most effectively, advice is targeted and is as follows:

- During inspections and as part of follow up documentation;
- Via electronic Food Safety Newsletters
- New Business telephone advice
- Through guidance information available on the Food Safety Teams website
- Distribution of relevant food safety material to food businesses particularly via the website and the Food Safety Team Twitter account
- Advice and information is given to businesses requesting guidance either by telephone or e-mail.

During 2016/17 the Food Safety Team further developed links into the business community by working with the Torbay Business Forum, The Torbay and Devon Chambers of Commerce and the Torbay Development Agency to further promote the Food Hygiene Rating Scheme across the Bay. Work in this area will further develop through the Better Business for All Steering Group which includes members from the Federation of Small Businesses, Economic Development and the Regulatory Delivery Office. Work streams coming out of this group include a regional Commercialisation project and the harmonisation of Export certification charges. The Food Safety Team have also set up a Business Connect group to improve communications and information sharing between all the front facing services of Torbay Council such as Business Rates, Building Control and Food Safety.

3.5 Food Inspection and Sampling

The Service has a documented sampling programme which contains details of the sampling and swabbing to be undertaken for the year.

The sampling programme is drawn up in consultation with the Devon Chief Environmental Health Officers Food Sub Group and the SWERCOTS Food Group, in partnership with the Food Examiner from Public Health England Laboratory covering the Torbay area and the Public Analyst at PASS Laboratory Services.

The programme covers authority, county, national and when required European sampling objectives. Each Authority is allocated sampling credits by Public Health England in order to undertake food hygiene sampling which is resourced from an allocated budget within the Food Safety overall budget.

During 2016/17 168 samples were taken of a range of products including rice sampling, hogs pudding and charcuterie as well as a number of PHE National Sampling surveys.

Food safety sampling for 2017/18 will include sous vide foods, hygiene and food sampling of mobile food vehicles as well as the PHE National studies.

3.6 Control and Investigation of Outbreaks and Food Related Infectious Disease

All formal and informal notifications are recorded on the Environmental Health Service Authority database. Subsequent investigations are based on the type of organism, the number of cases, and are in accordance with Public Health England guidance.

A documented procedure has been produced and agreed with Public Health England and follows the principles established in a countywide procedural document, prepared by the Devon Food Safety Sub Group. During 2016/17 211 infectious disease notifications were received

3.7 Food Safety Incidents

The service has a documented procedure which deals with action to be taken following the receipt or initiation of a food alert. The FSA Food Law Code of Practice has required specific recording of actions taken following the receipt of a food alert.

Food alerts are received from the Food Standards Agency (FSA), by direct emails to the Principal Environmental Health Officer and the Food Safety email box which is checked every day and by text messages to officers' mobile phones.

The Food Alert warning procedure for food incidents recognises that such issues are required to be dealt with quickly in accordance with the categories for each food alert. The procedure identifies the mechanism for passing on the food alert to the appropriate officer, an outline of the action to be taken. Most food alert warnings received require only a small amount of officer resource.

However on occasions it is necessary to provide more resources to deal with food alerts. Any actions taken on a food alert are documented within the Authority data recording system.

During 2016/17 74 Food Alerts were received by the Food Safety Team, a number of which required local action in food premises in Torbay. A number of incidents have required action by the Food Team, one of which being an unprecedented level of Norovirus contamination in relation to shellfish which involved an investigation with the business involved and the Food Standards Agency.

3.8 Liaison with other Organisations

Consistency and value for money is a key feature in all of the Council's Environmental Health functions. With regard to the food safety service, this is achieved by:

- Priority being given to attendance and active participation by the Principal Environmental Health Officer at the Devon Chief Environmental Health Officers' Food Sub Group. This Group co-ordinates peer review and consistency exercises, acts as the discussion forum for topical issues and a means of optimising countywide consistency in enforcement and advice.
- The Food Safety Service also liaises with the following :
 - Public Health England
 - Torbay Development Agency
 - The Food Standards Agency
 - Devon and Cornwall Police
 - The Immigration Service
 - The Regulatory Delivery Office
 - Trading Standards Sub Regional Group

3.9 Food Safety Promotion

The Community Safety Service have access to all development and building control applications and acting as a formal consultee on key planning and building control applications and a statutory consultee on all Licensing Act applications.

Education and promotional activities are considered to be important aspects in the delivery of a comprehensive food safety service and it is achieved in the following ways:

- Food Safety articles in the bi annual Food and Safety Newsletter emailed to all food businesses in the Bay.
-
- Running of Level 2 Food Hygiene courses.
- Food information available directly from the Food Safety section of the Council website and from the team directly.
- Targeted advice/information sent to relevant groups on issues of county or national significance e.g. on E Coli 0157 guidance, cooking of rice, Sous Vide etc.
- Targeted seminars and training sessions are undertaken on various food safety subjects.

4.0 Resources

4.1 Staffing Allocation

The Community Safety Business Unit structure is based on a number of multidisciplinary teams. The Food Safety Team is located within the wider Commercial Team.

[Table 4](#) shows the current full time equivalent of staff working on food safety enforcement, broken down by the competency requirements of the Food Standards Agency Food Law Code of Practice (England) - General qualification and experience requirements. The Code of Practice was updated in 2015/16 and as a result there is a new competency framework for food officers which has been completed in 2016/17 to ensure that all food officers in Torbay have the correct competencies to undertake their roles effectively.

Whilst the table shows we have 5.0 FTE officers in practice this is reduced to 4.5FTE as 0.5 of a post mainly deals with work associated with the fish market, mussel sampling and export certification. Although these resources are believed to be insufficient to meet the food requirements of the Food Law Code of Practice, only when the changes already agreed in the audit action plan have been implemented, will the Council be able to better estimate the resources required. These figures will be included in the 2018-19 Food Safety Service Plan.

EHRB officers are Environmental Health Officers who are registered with the Environmental Health Officers Registration Board, (EHRB), after attaining the approved qualifications in Environmental Health.

Table 4: Staff resources dedicated to food safety

Environmental Health Officer (Food and Safety Team)	EHORB	FTE	Other
Principal EHO	YES	0.8	No
Senior EHO	YES	0.8	Lead Assessor
Senior EHO	YES	0.8	Lead Assessor
Senior EHO	YES	0.8	Lead Assessor
Senior EHO	YES	0.8	Lead Assessor
Senior EHO	YES	0.8	No
Senior EHO	YES	0.1	No
Senior EHO	YES	0.1	Lead Assessor

4.2 Staff Development Plan

All food safety staff are subject to an annual appraisal and one progress review which tracks and identifies training and development needs. Food safety training needs are prioritised in the context of wider Environmental Health requirements identified within the service wide training plan.

All food safety staff completes a training record log to further assist in identifying development and training needs and for monitoring the competency of individual officers. The officers undertaking specific duties, such as dealing with approved premises, are identified and the training requirements assessed accordingly.

Some of the specific food safety training undertaken by staff during 2016/17 include:-

- Internal Sous Vide training
- PHE Sampling techniques
- Level 3 Education and Training Certificate (City and Guilds)

5.0 Quality Assessment

5.1 Quality Assessment

The provision of quality services is one of the Council's three guiding principles and food safety is no exception. With regard to food safety the quality agenda is pursued via a number of methods.

Management Monitoring

The documented quality management procedure includes specific monitoring arrangements that are in place for example

checking of inspection letters and notices and joint consistency/quality monitoring visits undertaken by the Principal Environmental Health Officer. Complaints against the service are monitored on a Service and Corporate basis.

Food Standards Agency

The service is required to submit an Annual return, detailing the inspections, enforcement and educational activities undertaken, to The Food Standards Agency who closely monitor performance to ensure compliance with the FSA framework agreement.

The FSA also has the power to set standards and to monitor local authority food law enforcement services under the Food Standards Act 1999. The FSA collects information from all United Kingdom food authorities and submits the information to the European Commission.

As detailed in section 3.8, the Principal Environmental Health Officer attends meetings of the Devon Food Sub Group to discuss relevant issues on a regular basis. This group comprises of representatives of all the District and Unitary councils, and Public Health England.

This forum offers the opportunity to discuss, in detail, a wide range of quality and consistency issues relevant to food safety.

In February 2017 Torbay Council was audited by the FSA for food safety compliance, the findings of which are highlighted in Section 2.4 and the public report and action plan can be found on www.food.gov.uk

6.0 Review Process

6.1 Review against the service plan

As detailed within Section 1.2, the Council has an established performance management board to monitor the performance of its services.

From an operational perspective the Principal Environmental Health Officer reviews the key performance measures and service improvements contained in the plan on a quarterly basis. [Table 5](#) shows some of the internal indicators covering service delivery and performance as well as the national indicator for food safety and the wider key indicators on the Community Safety Balanced Scorecard that the Food Safety Team feed into and it is those which are reported to management team and members through their performance boards.

In addition, regular one to one meetings are held with staff involved in the Food Safety Service. This is to ensure that on-going projects and improvements outlined in this service plan are effectively monitored and managed. The notes for these meetings are documented, along with actions and timescales for relevant staff.

Table 5 – Food Safety Service Performance Indicators

Risk of premises	Risk of premises	2015/16	2016/17	2017/18
A risk interventions carried out	Target	100%	100%	100%
	Outcome	100%	100%	
B risk interventions carried out	Target	100%	100%	100%
	Outcome	100%	100%	
C risk interventions carried out	Target	100%	100%	100%
	Outcome	96%	100%	
D risk interventions carried out	Target		25%	100%
	Outcome	Not available	44%	
E risk interventions carried out	Target			100%
	Outcome	Not available	No target set	
Number of unrated premises outstanding	Target			
	Outcome	Not available	Not available	50% reduction in no of unrated premises.

6.2 Identification of achievements and any variation from the service plan

Table 6 below identifies the status of planned service improvement actions from 2016/17 Any remaining improvement objectives are shown in the table below along with the reason for the delay and a revised target, which will be included in the work programme for 2017/18 where appropriate.

Table 6 Achievements and variance from Service Plan 2016/17

Action	Planned Outcome/Output	Achieved Or reason	New Target Date
To ensure that we offer the regulatory service in terms of Community Safety in a way that helps businesses, thereby encouraging economic prosperity and helping businesses to survive.	To further develop closer links with the various trade bodies in Torbay to ensure that we raise the profile of the team and the services we can offer thereby increasing their awareness of new legislation, what they need to do to comply etc.	Achieved: We now have links with all the main business groups in Torbay through our Better Business for All and Business Connect links. The team have also attended a number of high profile events such as the National Conference of the Federation of Small Businesses to	
To improve the level of training all food officers get on aspects of the fishing industry	To run an internal training course for all food officers on aspects of fishery inspection. To improve the knowledge and awareness of food officers in relation to fish issues	Achieved: A training course was run for the food officers on aspects of fish enforcement and safety	
To implement the actions detailed in the Devon Inter authority auditing Action Plan for Torbay	By completing the actions this will ensure that we have full compliance with the FHRs Brand Standard	Achieved: All the actions on the audit Action Plan were completed.	
To improve the level of awareness and knowledge of both food business operators and officers alike in the area of Sous Vide	To produce a Sous Vide Guidance note for food business operators to increase their knowledge and awareness and Sous Vide . Carry out an internal officer training session on Sous Vide to increase the knowledge of food safety officers on this issue	Achieved: Sous Vide officer training carried out and guide for food business operators now complete	
To set up Torbay as a training body to deliver food safety training courses	To start running Level 2 Food Hygiene course from April 1 st 2017 with the aim of improving food business compliance and also developing the training skills of food safety officers	Achieved: Torbay now set up as a training centre for Level 2 Food Hygiene training and 7 courses have been run to date for 83 delegates with positive feedback from delegates.	To arrange more dates for new courses by Aug 2017

To ensure the food safety and standards officers are competent to undertake their roles in line with the new FSA Food Law Code of practice Competency Framework.	To complete the FSA Competency Framework with all officers to ensure they have the necessary skills and knowledge to undertake their role in accordance with the Food Law Code of Practice	Achieved: The Competency Framework document is now complete for the Food Safety Team and its authorised officers.	
To improve partnership working in terms of event safety	To develop an Events Food Safety checklist for food officers to use on events to ensure food safety. Develop Food Safety Guidance for food business Operators attending outdoor events.	Achieved: Outdoor Events Guidance and checklist now completed and being used by both the Events Team and the Food Safety Team.	
To improve the communications that the Food Safety Team has with new businesses	To take part in the Food Standards Agency Communications Pilot which is designed to look at the letters that go out to new food businesses to see if they have an impact on their food hygiene rating	Achieved: Torbay Food Safety team is now part of the FSA pilot and is following a project plan developed by the Regulatory Delivery Office	Pilot due to finish in Feb 2018.

6.3 Targets and areas of Improvement for 2017/18

Targets for 2017/18 are in Table 7 and the current planned improvements for 2017/1 are contained in Table 8.

Whilst the team meet the targets for higher risk premises they are not meeting their statutory targets for medium and low risk premises which in turn could move into the higher risk categories if they are not inspected regularly.

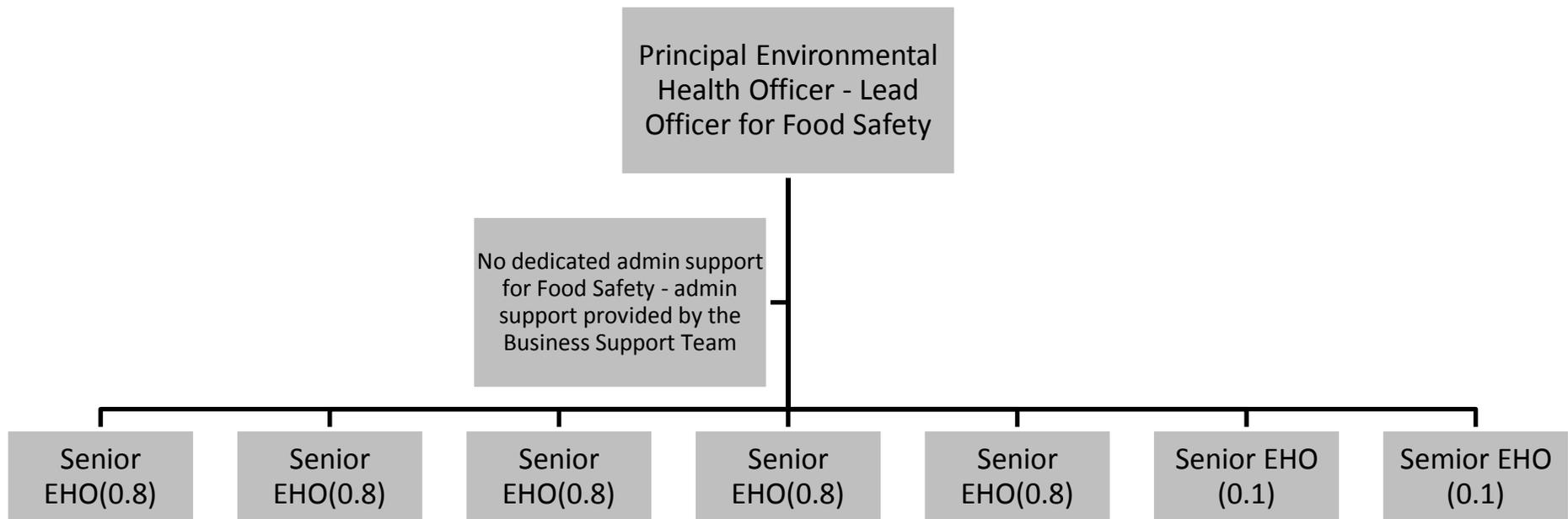
Table 7 – Targets for 2017/18

SERVICE DELIVERY INDICATORS		2014/15	2015/16	2016/17	2017/18
Number of Category A and B risk food hygiene premises (due every 6 months) inspected	Target	100%	100%	100%	100%
	Outcome	100%	100%	100%	
Number of Category C risk food hygiene premises (due every 6 months) inspected	Target	100%	100%	100%	100%
	Outcome	96%	96%	100%	
Number of Category D and E risk food hygiene premises (due every 2 and 3 years respectively)	Target	100%	100%	25%	
	Outcome	N/A	45% No Es	44% D No Es	100% for both D and E
No of unrated premises due for an intervention					Reduce by 50%

Table 8 Areas of Improvement for 2017/18

Service Improvement	Planned Outcome/Output	Link to FSA framework agreement	Target Date
To ensure that the Action Plan following the FSA audit is implemented.	To put the Food Safety Service Plan and Audit report to Senior Leadership and Members via the Torbay Council Audit Committee. This will raise the profile of food safety in Torbay Council and will clearly make Senior Leadership team and Members aware of the fact that our statutory food safety requirements are not being met.	All areas of Framework	Sept 2017
Improve the way Torbay Council food safety sampling is developed and documented.	Develop a food sampling policy for Torbay which outlines what we do in terms of food sampling.	All areas of Framework Agreement	March 2018
To develop new chargeable non statutory services for food businesses such as advice visits etc.	To take part in the Better Business for All Commercialisation project with a view of having in place a set of non-statutory chargeable services available to food businesses thereby increasing the income raised by the Food and Safety Team and increasing compliance of food safety in those businesses	All areas of Framework agreement	March 2018
To ensure that the way Torbay charges for fish export certification is consistent with other Local Authorities in Devon and Somerset	To take part in the BBFA Harmonisation of Export Fees and Charges project to ensure that businesses are operating in a level playing field.	All areas of Framework Agreement	March 2018
To ensure that our lower risk premises receive an intervention in accordance with the Food Law Code of Practice	To develop a range of interventions that could be used in the lower risk food businesses thereby helping to comply with the Food Law Code of Practice and raising compliance levels of food safety in these types of premises.	All areas of the Framework agreement	Sept 2017

Appendix A - Organisational Structure Chart for Food and Safety Service





Meeting: Audit Committee

Date: 28 September 2017

Wards Affected: All

Report Title: Performance and Risk

Is the decision a key decision? No

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

Supporting Officer Contact Details: Jo Beer, Policy, Performance and Review Manager, joanne.beer@torbay.gov.uk, ext 7894.

1. Proposal and Introduction

- 1.1 The purpose of this report is to present the Performance and Risk Report for quarter one of 2017/18.
- 1.2 The issues and challenges highlighted below have been identified by the PPR team and presented to the Council's Senior Leadership team, Audit Committee are asked to identify areas which they would like to investigate further.

2. Highlight Report

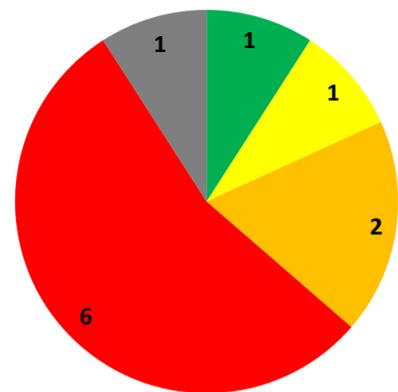
- 2.1 It is important to note that across the performance measures there is variety in the frequency of reporting, time lag and the reporting periods e.g. some data is annual, some is quarterly and some monthly, some report over a two year period, some report for the month while others may report rolling averages or cumulative totals. This is identified against each indicator.
- 2.2 Positive areas of performance to note:
 - Smoking prevalence has reduced ever so slightly from 17% in 2015 to 16.7% in 2016.
 - Earnings by residence (weekly full time) has increased from £421.60 in 2015 to £443.30 in 2016.
 - School readiness figures have improved from 64% in 2014/15 to 70.6% in 2015/16.
- 2.3 Areas for challenge:
 - Alcohol related admissions to hospital for men continues to be higher than the England average and has increased from 965 in 2014/15 to 1,147 in 2015/16.
 - Number of social care referrals has increased up to June (209).
 - Timeliness of assessments and strategy meetings are below anticipated performance levels.

Appendices

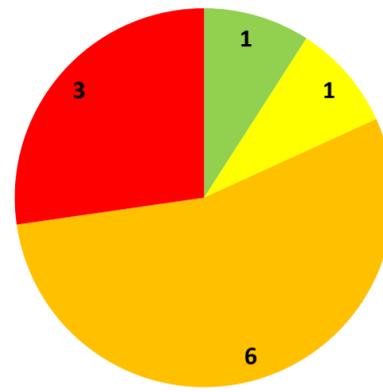
Appendix 1: Performance and Risk report

Performance and Risk Report Q1 2017/18

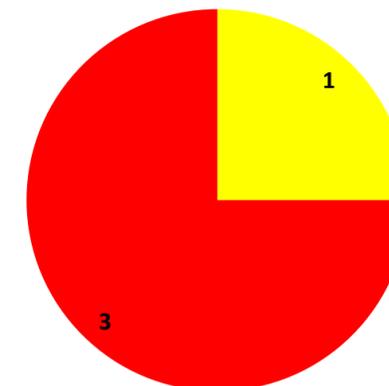
Key to Performance Status:



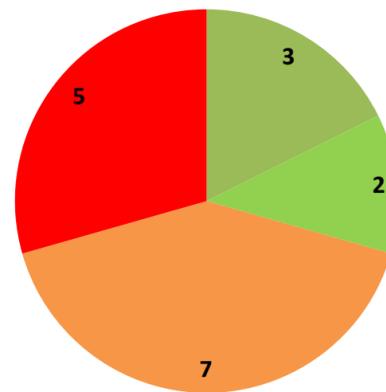
Attractive and Safe PIs (11)



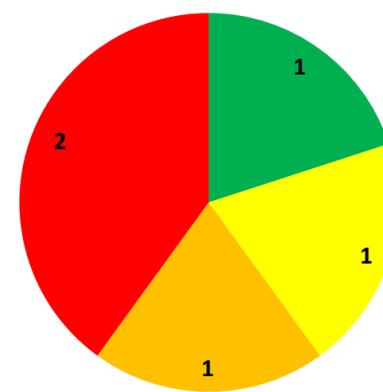
Promoting Healthy Lifestyle PIs (11)



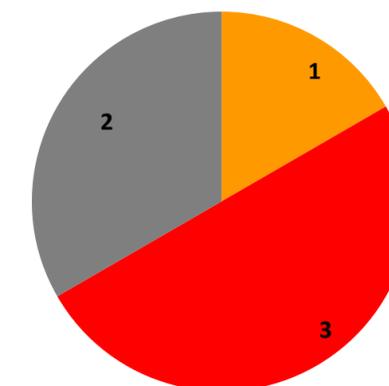
Prosperous Torbay PIs (4)



Protecting all children and giving them the best start in life PIs (17)



Protecting Vulnerable Adults PIs (5)



Running an Efficient Council PIs (6)



The risks in this report are high level strategic risks aligned to the Corporate Plan. This report enables the council's Senior Leadership Team (SLT) to be able to review and challenge the council's risks on a regular basis and identify improvement actions or mitigations required. Business units will continue to develop and manage their own risk measures aligned to their specific service areas. These business unit risks will be reported by exception to SLT, therefore the current risks listed within this report may be exchanged for others in the future.

An Attractive and Safe Place

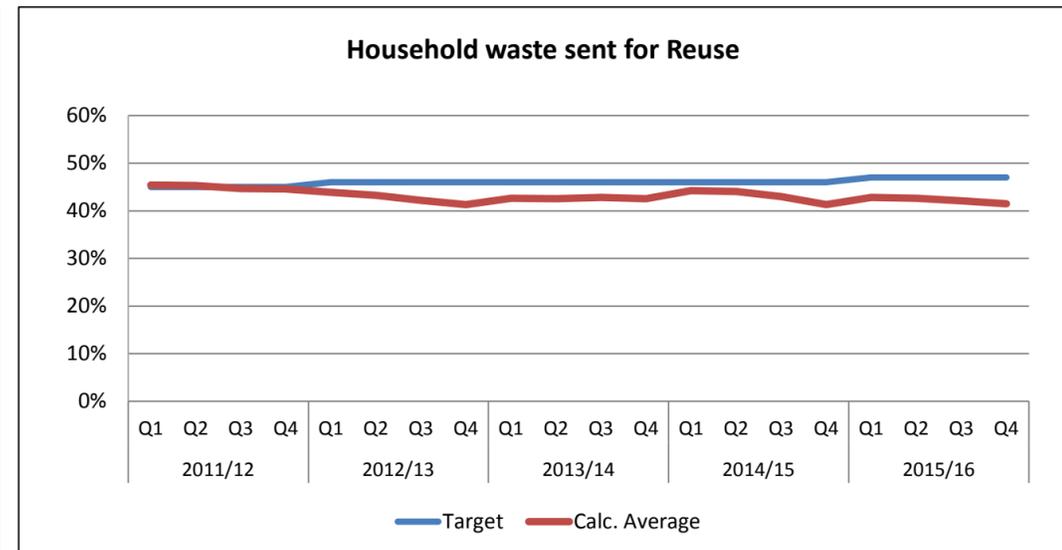
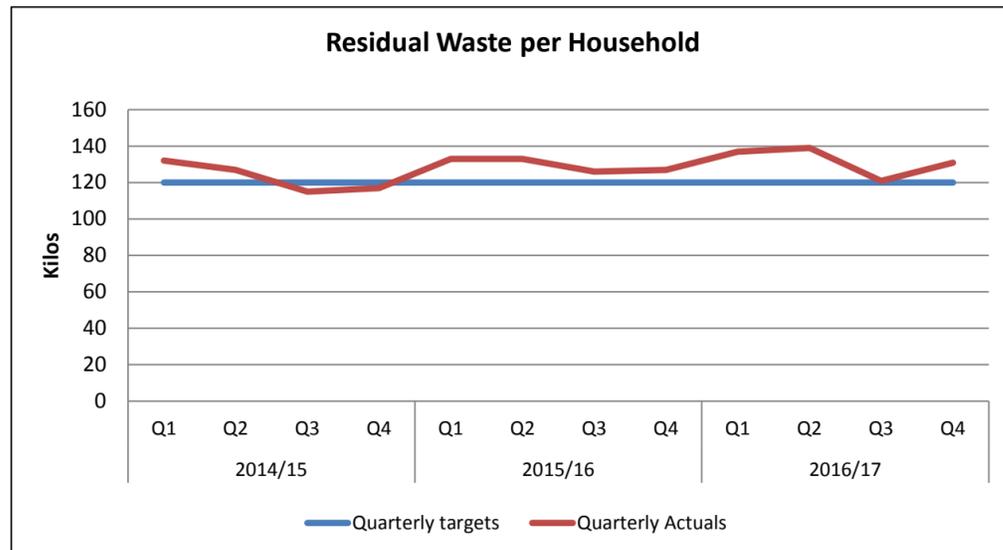
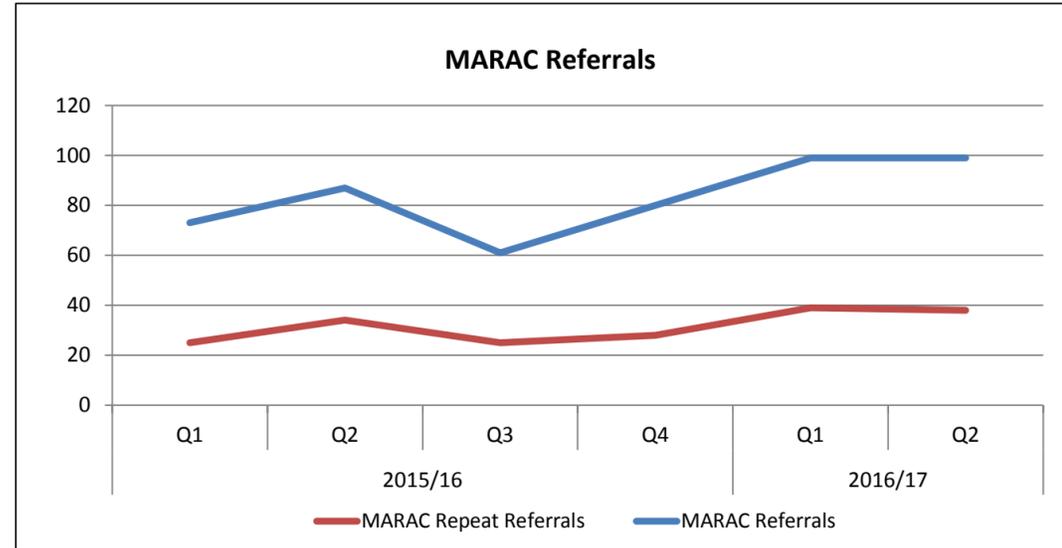
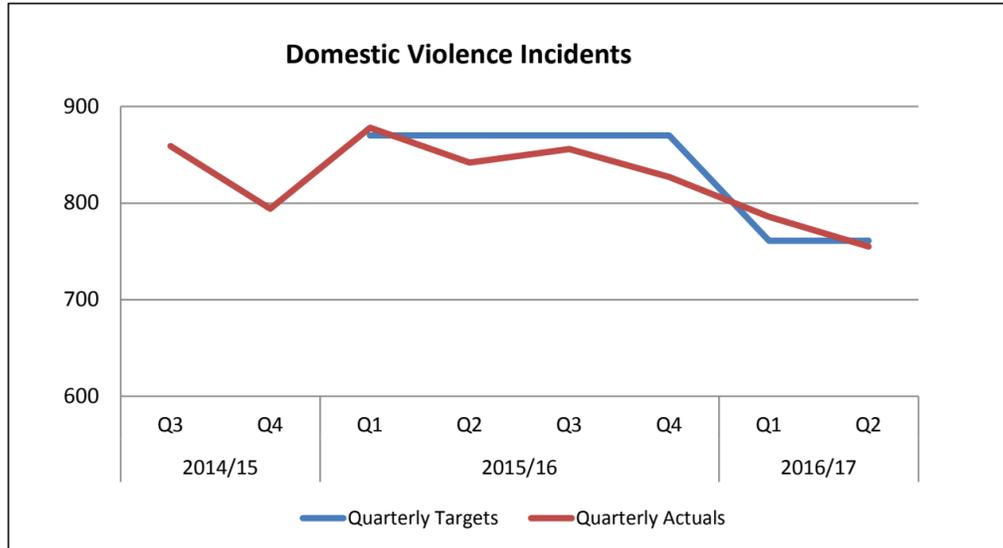
Attractive and Safe: Performance Indicators

Code	Title	Polarity	Status	Prev Year End	Target	Quarter 2 2016/17	Quarter 3 2016/17	Quarter 4 2016/17	Quarter 1 2017/18	Last period value
ASPI00 a	Numbers on the housing waiting list by Band A.	It's better to be low	Well Above Target	Band A 2	Band A 2	6	4			
ASPI00 b	Numbers on the housing waiting list by Band B.	It's better to be low	Well Above Target	Band B 330	Band B 300	350	357			
ASPI01	Average number sleeping rough	It's better to be low	Above Target	24	20	22	21	22		

Code	Title	Polarity	Status	Prev Year End	Target	Quarter 2 2016/17	Quarter 3 2016/17	Quarter 4 2016/17	Quarter 1 2017/18	Cumulative to date
ASPI02	Numbers in Temporary accommodation	It's better to be low	Well Below Target	497	420	137	137			
ASPI03	How long people stay in temporary accommodation	It's better to be low		33	30					
ASPI04	Total number of placements of 16-17 year olds in emergency temporary accommodation	It's better to be low	Well Above Target	45	41	15	17			
ASPI05	Domestic violence incidents	It's better to be low	On Target	3,043	3,043	755	711	713		
ASPI06	MARAC Referrals	It's better to be low	Well Above Target	301	301	99	76	70		
ASPI07	MARAC Repeat Referrals	It's better to be low	Well Above Target	112	112	38	37	39		

Code	Title	Polarity	Status	Prev Year End	England Value	Quarter 2 2016/17	Quarter 3 2016/17	Quarter 4 2016/17	Quarter 1 2017/18	Last period value
NI191	Residual household waste per household	It's better to be low	Below Target	129kg	120kg	139	121	131	Not due	131
NI192	Percentage of household waste sent for reuse, recycling and composting (LAA)	It's better to be high	Well Below Target	42.61%	47.00%	42.61%	42.10%	41.49%	Not due	41.49%

An Attractive and Safe Place: Performance of Monthly and Quarterly PIs



Attractive and Safe: Risks

Code	Title	Score	Last Review Date	Probability Score	Impact Score	Risk Owner	Mitigation	Progress	Is Risk Reduced, Accepted or eliminated?												
ASPR01	Increased demand on housing services	High (20)	19/10/16	5 - Almost certain	4 - Major	Fran Hughes	Alternative provision is being explored i.e. Agreement with Mears Group re leased accommodation. Re-procurement of temp accom started July 2016.		Accepted												
ASPR02	Failure to meet statutory thresholds	Medium to high (12)	19/10/16	3 - Possible	4 - Major	Fran Hughes	Maintain sufficient resilience within teams providing statutory services to meet thresholds		Accepted												
ASPR03	Increasing cost of highways improvements and maintenance	Medium to high (12)	29/11/16	4 - Likely	3 - Moderate	Fran Hughes	Asset Management Plan in place to ensure that available budget is managed effectively. The Asset Management Plan has a particular priority to preventative maintenance. Preventative maintenance has been increased, however this is under threat in future years due to levels of likely budget cuts.	There has not been any recent significant change. Preventative maintenance programme for 2016/17 has been completed.	Accepted												
ASPR04	Cliff and Sea defence failures through storm/ lack of maintenance	Medium to high (12)	01/12/16	3 - Possible	4 - Major	Fran Hughes	Continue maintenance and apply for capital funding from council and grant aid funding from Environment Agency. Part of Oddicombe Cliff has recently been stabilised. A rock fall at Goodrington occurred and as a result further stabilisation works will be required in the autumn. Investigations are being carried out by the Council's Geotechnical Consultant on the cliffs at Freshwater Quarry where stabilisation works will be required once funding is available. These works are likely to be required in the autumn due to birds nesting on cliffs. A number of coastal defence schemes are on the Environment Agency medium term plan which covers the next 6 years. One of these is Hollicombe Cliffs, a project appraisal report has recently been approved by the EA to for £1.2million of grant in aid funding. Detailed design works are underway and the scheme should commence on site in late October 2016. Following a rock fall at Meadfoot sea road a new rock catcher fence is required to mitigate the risk of rocks falling onto the highway.	<ul style="list-style-type: none"> As no funding has been made available to stabilise the rock fall at Goodrington, the area is being monitored. Detailed design and contract preparation for the Freshwater Quarry stabilisation scheme has been completed. Tenders were invited in late October 2016 and these bids have been returned on 1st December 2016. The tender submissions are currently being evaluated. The successful contractor will be appointed before Christmas and works will commence on site in January 2017. All works are programmed to be completed by the end of April 2017. Tenders for the Hollicombe Cliffs rock armour scheme were received in late October 2016 and the successful contractor has been appointed. Works cannot commence on site until we have received an MMO licence for the works and this is due in early December. As a result it is likely that the contractor will commence works on site in early January 2017 with all works being completed before Easter 2017. All works on the rock catcher fence at Meadfoot were completed in November 2016. 	With mitigation works the risk is reduced however areas where we have not undertaken any works are still at risk as we cannot predict where rock falls are likely to occur.												
ASPR05	Increasing cost of waste disposal.	Medium to high (12)	19/10/16	3 - Possible	4 - Major	Fran Hughes	Contract review being undertaken		Accepted												
ASPR06	Reduction of Police funding and possible cost shunt to the council	High (20)	19/10/16	4 - Likely	5 - Critical	Fran Hughes	Ensure that a robust Community Safety Partnership remains in place to identify and address escalating issues.		Accepted												
ASPR07	Increase in crime	Medium to high (12)	19/10/16	4 - Likely	3 - Moderate	Fran Hughes	Reduction in resources across all agencies could have an impact on crime levels.	<table border="1"> <thead> <tr> <th>Yr14/15</th> <th>Yr15/16</th> <th>Q1 16/17</th> <th>Q2 16/17</th> <th>Q3 16/17</th> <th>Q4 16/17</th> </tr> </thead> <tbody> <tr> <td>8,988</td> <td>8,586</td> <td>2,425</td> <td>2,612</td> <td>2,463</td> <td>2,235</td> </tr> </tbody> </table>	Yr14/15	Yr15/16	Q1 16/17	Q2 16/17	Q3 16/17	Q4 16/17	8,988	8,586	2,425	2,612	2,463	2,235	Accepted
Yr14/15	Yr15/16	Q1 16/17	Q2 16/17	Q3 16/17	Q4 16/17																
8,988	8,586	2,425	2,612	2,463	2,235																
ASPR08	Unsustainable funding for Domestic Abuse Services	High (20)	19/10/16	4 - Likely	5 - Critical	Fran Hughes	Existing contract has been extended until Sept 2017 with additional funding from CSP. Future funding being considered by SWIFT.		Accepted												

Promoting healthy lifestyles

Promoting healthy lifestyles: Performance Indicators

Code	Title	Polarity	Status	Prev Year End	England Value		Last period value
PHOF2.06i HI	Excess weight in 4-5 and 10-11 year olds – 4-5 year olds (Per 100,000)	It's better to be low	Below Target	24.1%	22.1%	2015/16	24.2%
PHOF2.15i HI	Successful completion of drug treatment – opiate users	It's better to be high	Well Below Target	7.4%	6.7%	2015	5.9%
PHOF2.18 MHI	Admission episodes for alcohol-related conditions –narrow definition (Male) per 100,000	It's better to be low	Well Above Target	965	830	2015/16	1,147
PHOF2.18 FHI	Admission episodes for alcohol-related conditions –narrow definition (Female) per 100,000	It's better to be low	Well Above Target	600	483	2015/16	652
PHOF2.22 vHI	Cumulative % of the eligible population aged 40-74 received an NHS Health Check	It's better to be high	Below Target	n/a	27.4%	2013/14 - 2015/16	25.7%
PHOF2.14 HI	Smoking Prevalence	It's better to be low	Below Target	17.0%	15.5%	2016	16.7%
PHOF2.13i HI	Percentage of physically and inactive adults - active adults	It's better to be high	Below Target	52.4%	57.0%	2015	53.6%
PHOF2.13i iHI	Percentage of physically and inactive adults - inactive adults	It's better to be low	On Target	34.2%	28.7%	2015	29.9%
PHOF2.12 HI	Excess weight in adults - Percentage of adults classified as overweight or obese	It's better to be low	Above Target	68.1%	64.8%	2013-2015	68.4%
Code	Title	Polarity	Status	Prev Year End	England Value		Last period value
PHOF0.2iv MOI	The gap between life expectancy at birth in Torbay and life expectancy at birth for England: Male	It's better to be high	Below Target	-0.4	0.0	2013-2015	-0.6
PHOF0.2iv FOI	The gap between life expectancy at birth in Torbay & life expectancy at birth for England: Female	It's better to be high	Below Target	0	0.0	2013-2015	0.2

Promoting healthy lifestyles: Risks

Code	Title	Score	Last Review Date	Probability Score	Impact Score	Risk Owner	Mitigation	Progress	Is Risk Reduced, Accepted or eliminated?
PHLR01	Pandemic - i.e. Flu/Ebola	Medium to high (12)	05/07/17	3- Possible	4 - Major	Caroline Dimond	Emergency plans	On-going risk. Exercise planned for October	Accepted
PHLR02	Reduction in the public health grant	Medium to high (12)	05/07/17	4 -Likely	3 - Moderate	Caroline Dimond	Forecast budget planning taking into account potential impact of reduction. Awaiting actual cut, Planning mitigating actions.	Risks identified	Accepted
PHLR03	Reduction in funding for sport and leisure services	Medium (8)	05/07/17	4 -Likely	2 - Minor	Fran Hughes	The authority needs to identify and attract alternative sources of funding for sports and leisure services.		Accepted

Prosperous Torbay

Prosperous Torbay: Performance Indicators

Code	Title	Polarity	Status	Prev Year End	Great Britain / Quarter Target	Feb-16	May-16	Aug-16	Nov-16	Last period value
PTPI01	Working age Client Group - Main benefit claimants	It's better to be low	Well Above Target	13.9%	8.4%	13.5%	13.0%	12.9%	12.8%	12.8% (9,820)

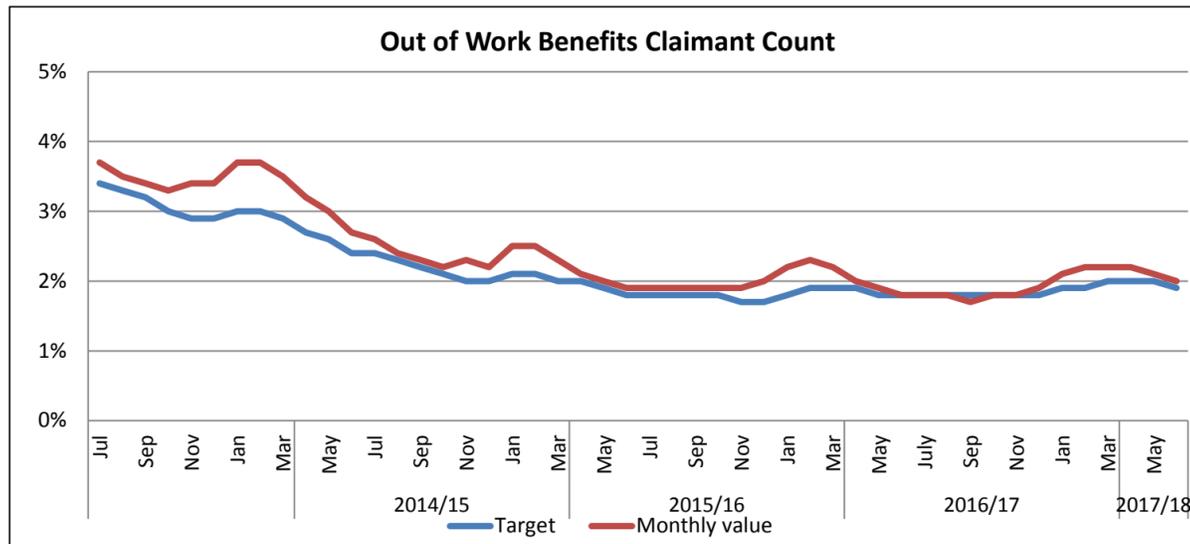
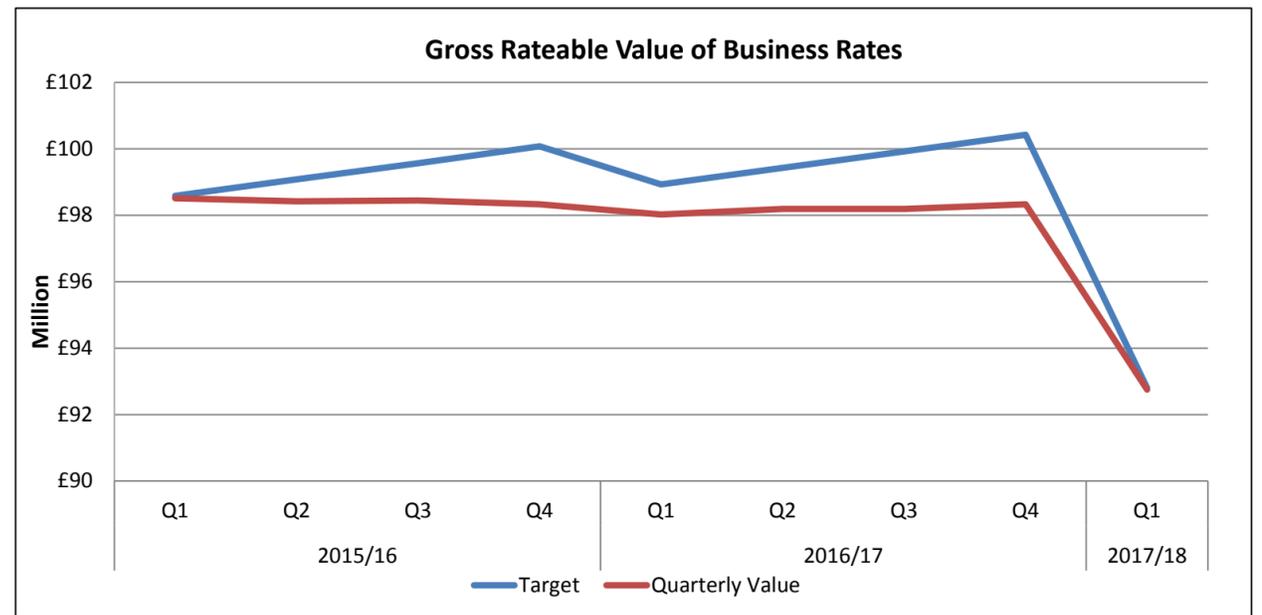
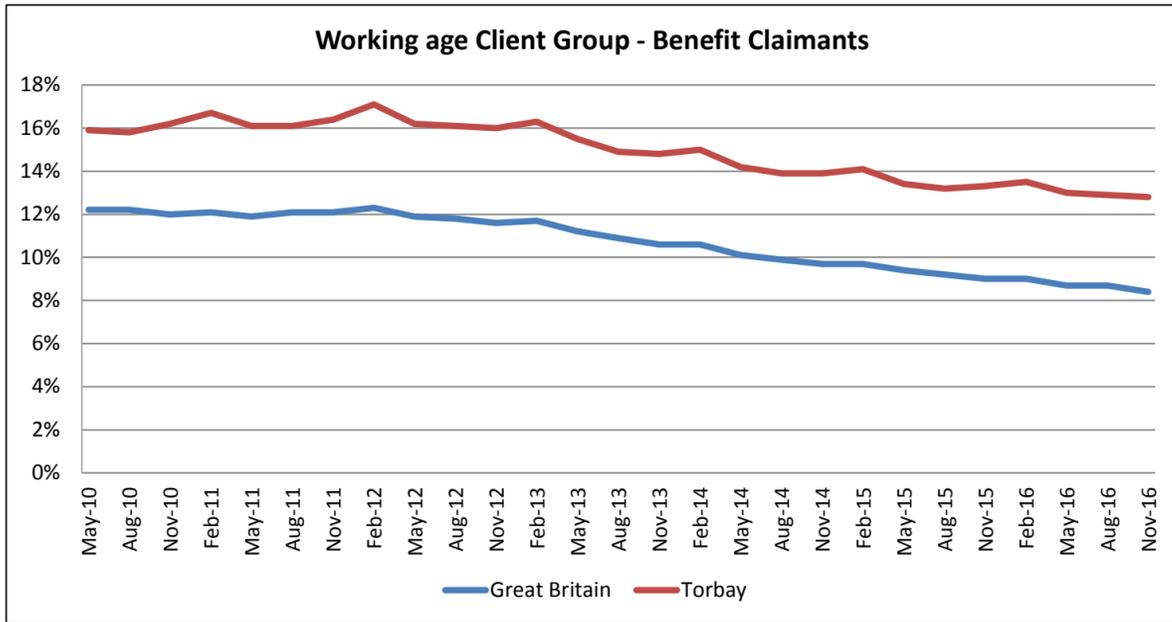
Code	Title	Polarity	Status	Prev Year End	Quarter Target	Quarter 2 2016/17	Quarter 3 2016/17	Quarter 4 2016/17	Quarter 1 2017/18	Last period value
PTPI02	Gross rateable value of Business Rates (NNDR)	It's better to be high	On Target	£92,338,280	£92,799,971	£98,187,919	£98,190,439	£98,335,134	£92,749,475	£92,749,475

Code	Title	Polarity	Status	Prev Year End	Great Britain / Month Target	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Last period value
PTPI03	Out of Work Benefits Claimant Count	It's better to be low	Well Below Target	2.2%	1.9%	1.8%	1.8%	1.7%	1.8%	1.8%	1.9%	2.1%	2.2%	2.2%	2.2%	2.1%	2.0%	2.0%

Code	Title	Polarity	Status	Prev Year End	Great Britain Value												Last period value
PTPI05	Earnings by Residence (weekly full time)	It's better to be high	Well Below Target	£421.60	£541.00	2016											£443.30
PTPI06	Earnings by Workplace (weekly full time)	It's better to be high	Well Below Target	£425.20	£540.20	2016											£421.80

09/06/17

Prosperous Torbay: Performance of Monthly and Quarterly PIs



Prosperous Torbay: Risks

Code	Title	Score	Last Review Date	Probability Score	Impact Score	Risk Owner	Mitigation	Progress	Is Risk Reduced, Accepted or eliminated?
PTR02	Local Plan not delivered	Medium (8)	20/07/16	2 - Unlikely	4 - Major	Kevin Mowat	Limited resources in place within Spatial Planning to undertake delivery and monitoring work; prioritised work plan over next 5 years; work with other services including TEDC to deliver; exploring shared services with other Councils. Political support for masterplan delivery / regeneration continues; appointment of major projects programme director will help reduce risk		
PTR03	Failure to meet national planning performance targets due to speed of decision	Medium (8)	04/07/17	2-Unlikely	4 - Major	Kevin Mowat	Planning provides quarterly returns to Government and reports to Development Management Committee every 6 months; Although Planning adjusts its resources to deal with workload pressures meeting Government deadlines can be challenging; The Government recognises this and allows Local Planning Authorities to seek the agreement of applicants to an extension of time for applications. Where an application is likely to exceed its deadline Planning will usually secure an extension of time to mitigate the risk.	Most applications are now decided within the given deadline or an agreed extension of time.	Reduced
PTR04	Failure to meet national planning performance targets due to quality of decision	Medium to high (12)	04/07/17	3 - Possible	4 - Major	Kevin Mowat	Planning provides reports to Development Management Committee every 6 months; Quality of decision making is a new measure set by Government based on the number of decisions overturned at appeal. The 2018 assessment period is April 2015 to March 2017. The risk is mitigated by ensuring reasons for refusal are robust.	Planning provides reports to Development Management Committee every 6 months; Quality of decision making is a new measure set by Government based on the number of decisions overturned at appeal. The 2018 assessment period is April 2015 to March 2017. The risk is mitigated by ensuring reasons for refusal are robust.	Accepted
PTR05	Five year housing land supply	Medium to high (12)	20/07/16	3 - Possible	4 - Major	Kevin Mowat	Spatial Planning maintains a list of sites to be delivered over a rolling 5 year period; this list is refreshed and published every year as part of the Annual Housing Monitoring Review; in order to meet this target the Council needs to enable delivery of around 500 new homes per annum. Performance against this target will be reported, biannually, to the Development Management Committee. In addition, the Council will undertake a major review of the Local Plan every 5 years or more frequently / partial reviews if required. Spatial Planning is being proactive (e.g. masterplans, engagement with landowners etc) to ensure delivery of new homes above the minimum required to hit 5 year land requirements. BREXIT has had a major impact on national house builders and on Government timeframes for bringing forward new legislation to allow Permission in Principle. Continued work on Neighbourhood Plans to help bring forward more housing sites. Council has published and promoted Brownfield land register and established a self-build register.		

Code	Title	Score	Last Review Date	Probability Score	Impact Score	Risk Owner	Mitigation	Progress	Is Risk Reduced, Accepted or eliminated?
PTR05	Further reductions made under welfare reforms	Medium to high (15)	11/07/17	5 - Almost certain	3 - Moderate	Bob Clark	<p>The council will continue to support financial resilience, helping residents access appropriate life skills training and money advice with the aim of breaking cycles of personal debt and ultimately support routes into work and/or independence.</p> <p>As Torbay's economy grows and unemployment falls, strategies that encourage new employment, skills development and enterprise will mitigate welfare reform.</p> <ul style="list-style-type: none"> • Support those most affected by welfare reform into jobs • Inform and prepare residents for welfare reform changes • Inform and prepare staff for welfare reform changes • Engage, involve and prepare elected members • Internal council activity - Identify wider financial risks where demand for services may increase, e.g. Homeless, Customer Services and Children's Services etc. 	<p>Council Tax Support – scheme updated from April 2017 with further changes to be implemented from April 2018 - level of support for working age households will drop from 72.5% to 70% and a restriction to a maximum Property Band D will be introduced.</p> <p>Universal Credit Full Service - Housing Support Element removed for young people aged 21 or under from April 2017.</p> <p>Tax Credit, Universal Credit & Housing Benefit Two Child limit - will not be paid for a third (or more) child, born on or after 6 April 2017.</p> <p>Universal Credit Full Service - All new claims from working age households, with the exception of those living in supported, exempt accommodation, will go live in Torbay from May 2018.</p>	Accepted

Protecting All Children and Giving Them the Best Start in Life

Protecting All Children and Giving Them the Best Start in Life: Performance Indicators (Data is derived from a live database that is continually updated. Previously reported numbers are subject to change)

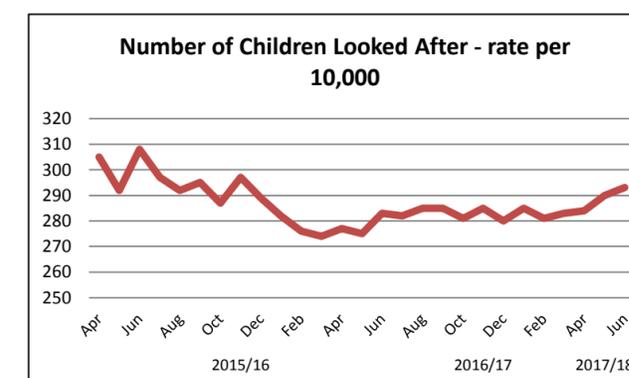
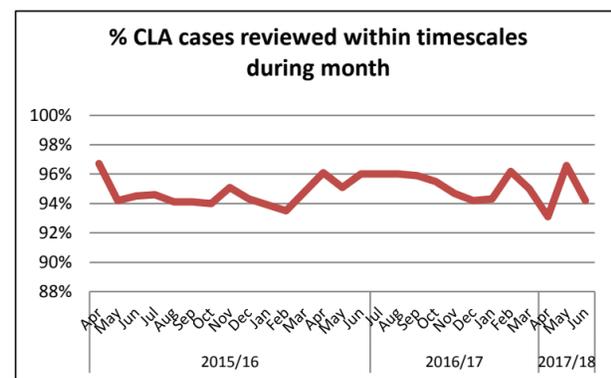
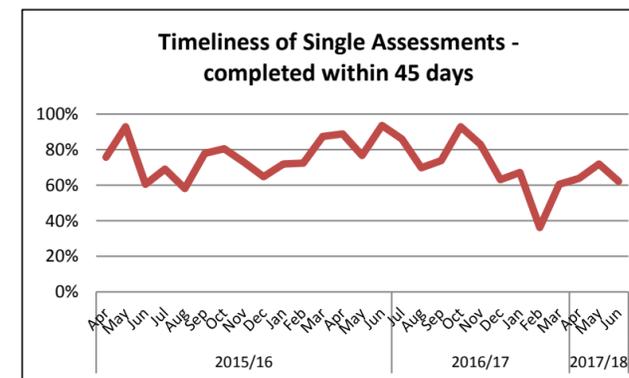
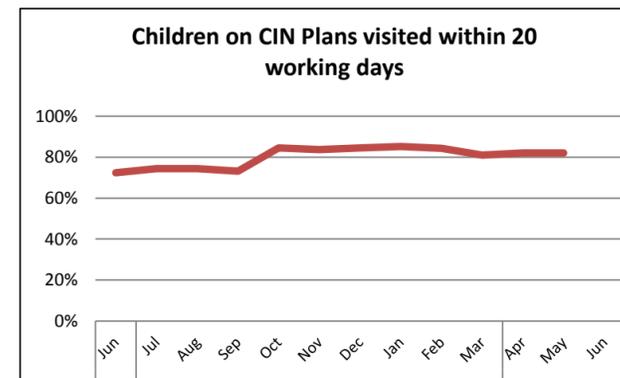
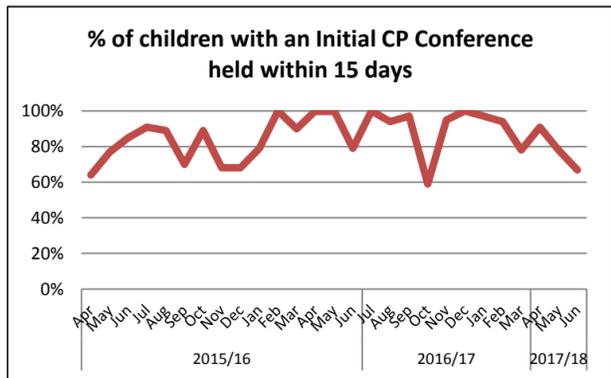
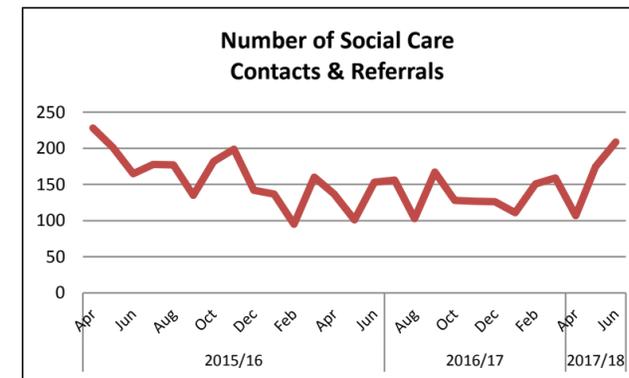
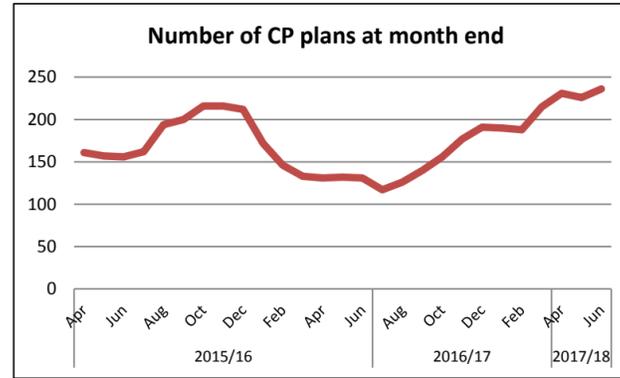
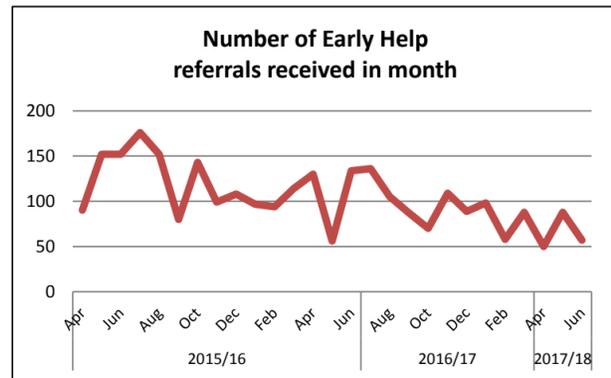
Code	Title	Polarity	Status	Average monthly for 16/17 year	Anticipated performance level	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Last period value
1	Number of Early help referrals received in month	In line with our service expectations	Below expected levels	101	100 per month (1200)	136	105	87	70	109	89	98	58	88	50	88	57	57
4	Number of Social Care Referrals	Its better to be low	Well above expected levels	139	135 per month or 1,620 per year	156	103	167	128	127	126	111	151	159	107	175	209	209

Code	Title	Polarity	Status	Average monthly for 16/17 year	Anticipated performance level	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Last period value
11	% of children with an Initial Child Protection Conference held within 15 days from strategy meetings	Its better to be high	Below expected levels	91%	100.0%	100%	94%	97%	59%	95%	100%	97%	94%	78%	91%	78%	67%	67%
12	Number of CP plans at month end by Category	In line with benchmarks	Well above expected levels	158	140	117	126	140	156	177	191	190	188	215	231	226	236	236
	Timeliness of Single Assessments - completed in month	Its better to be high	Below expected levels	69%	82%	86.0%	69.8%	73.8%	92.9%	82.9%	63.2%	67.1%	36.2%	60.6%	63.9%	71.9%	62.1%	62.1%
16	% CLA cases reviewed within timescales during the month	Its better to be high	Below expected levels	95%	100.0%	96.0%	96.0%	95.9%	95.5%	94.7%	94.2%	94.3%	96.2%	95%	93.1%	96.6%	94.2%	94.2%

Code	Title	Polarity	Status	As at 2016/17 year end	Anticipated performance level	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Last period value
12	Children on CIN plans visited within 30 working days	Its better to be high	Below expected levels	85%	90%	72%	74%	74%	73%	85%	84%	85%	85%	84%	81%	82%	82%	82%
18	Number of Children Looked After	In line with benchmarks	Well above expected levels	281	250	282	285	285	281	285	280	285	281	283	284	290	293	293

Code	Title	Polarity	Status	As at 2015/16 year end	Quarter Target	Quarter 2 2016/17	Quarter 3 2016/17	Quarter 4 2016/17	Quarter 1 2017/18	Last period value
17	Social Work Staffing levels – vacancies	Its better to be low	Above expected levels	13.7%	18%	27.7%	29.5%	28.0%	23.5%	23.5%
Code	Title	Polarity	Status	Prev Year End	England Value					Last period value
19	Adoption Timeliness - Average time from entering care to moving in with adoptive family	Its better to be low	Below expected levels	360	426	2016/17				381
PCPI09	Attainment 8 - Schools get a score based on how well pupils have performed in up to 8 qualifications, which	It's better to be high	In line	N/A	48.5%	2016				50.5%
PCPI10	% of pupils meeting the expected standard - a score of 100 or more in reading or maths and teacher assessed as working at the expected standard or better in writing.	It's better to be high	In line	N/A	53.0%	2016				51.0%
PHOF1.02iW	School Readiness: All children achieving a good level of development at the end of reception.	It's better to be high	On Target	64.40%	69.3%	2015/16				70.6%
PHOF2.02iHI	Breastfeeding Prevalence at 6-8 weeks after birth	It's better to be high	Well below expected levels	n/a	43.8%	2014/15				35.7%
PHOF2.03HI	Smoking status at the time of delivery	It's better to be low	Well above expected levels	16.1%	10.6%	2015/16				15.0%
PHOF2.09iHI	Smoking prevalence at age 15 - regular smokers (WAY survey)	It's better to be low	Well above expected levels	n/a	5.5%	2014/15				10.4%
PHOF3.03xHP	Population vaccination coverage - MMR for two doses (5 years old)	It's better to be high	On Target	89.9%	88.2%	2015/16				92.1%

Protecting All Children and Giving them the Best Start in Life: Performance of Monthly and Quarterly PIs



Protecting All Children and Giving Them the Best Start in Life: Risks

Code	Title	Score	Last Review Date	Probability Score	Impact Score	Risk Owner	Mitigation	Progress	IS RISK Reduced, Accepted or eliminated?
PCR01	Increased demand for services (Troubled Families/Early Help Strategy)	Medium to high (12)	25/07/17	3 - Possible	4 - Major	Andy Dempsey	The TSCB Early Help Strategy has been revised and was relaunched at a multi-agency event on 18th July 2017. The MASH has also been reconfigured to provide a single 'front door' for contacts including early help.	Discussions have been ongoing with Hampshire colleagues around the revised model which will bring the troubled families programme more directly within the scope of early helps arrangements. This work will progress during October.	Accepted
PCR02	Delivery of 5 year plan - Stemming The Flow (Including PIP)	High (16)	25/07/17	4 - Likely	4 - Major	Andy Dempsey	A revised Medium Term Financial Strategy has been put in place that links efficiencies with the improvement programme. The direction of travel for both areas of major expenditure – staffing and placements – is downwards but the pace needs to be increased to meet the milestones set out in the MTFs. As a consequence the Q1 position will report a pressure and further action has been taken to address the continuing pressure around placement costs.	At the end of Q2 the budget pressure remains around £1.4m this is despite in year staffing and agency savings having been made and is due to the lack of progress with placement changes incorporated within year 1 of the previous financial plan. Work is on-going to address the in year pressures through the formation of a placements and contracting team which will focus on progressing the planned moves and addressing high cost placements. The review of the CLA population has been completed and is identifying around 49 planned exits for 2017/18. The exercise has highlighted that further work is needed to improve permanence planning. At this stage the projections are for the CLA population to be more or less stable for 2017/18 until a more proactive approach towards permanence is embedded during the final half of 2016/17. Peopletoo have been commissioned by the LGA to work with Children's Services around financial planning and service improvement. The work has identified a range of savings for the years 2017-2020 which are currently being evaluated and will be included within the department's financial plan going forward.	Reduced
PCR03	Delivery of TPST and Integrated Care Organisation	High (16)	25/07/17	4 - Likely	4 - Major	Andy Dempsey	The DfE Commissioner has made his recommendation to the Minister for a partnership with Plymouth City Council. A report went to Council on 20th July to begin to progress the work necessary to have a detailed partnership agreement in place by April 2018. This is taking place alongside work by Local Partnerships to explore the wider options for the Council's future form and delivery of services.	The Mutual Ventures project commenced in September and is progressing in line with expectations. The aim remains to have the base case arguments for the ICO completed by the end of December but in a manner that will also provide much of the pre-work for other alternative delivery models should the ICO not prove to be the optimal solution.	Accepted
PCR04	Safeguarding Improvement Programme	Medium to high (12)	25/07/17	3 - Possible	4 - Major	Andy Dempsey	Children's Services have been subject to Ofsted Monitoring visits and oversight of improvement activity by the DfE Commissioner, working through the Multi-Agency Children Improvement Board (CIB). These have concluded that progress in the six months following the inspection was too slow but that this has now been improved following the appointment of a new DCS and AD. A third Ofsted Monitoring Visit is scheduled for July 2017 and a peer review in September/October via Hampshire County Council as the DfE appointed improvement partner.	Both Ofsted and the DfE appointed Commissioner have now reported on progress. Both concluded that Torbay is making expected progress but that much work remains to be done. A revised improvement plan has been developed with input from Hampshire to provide a greater degree of focus on the completion of improvement tasks underpinned by a revised performance management framework to detect impact.	Reduced

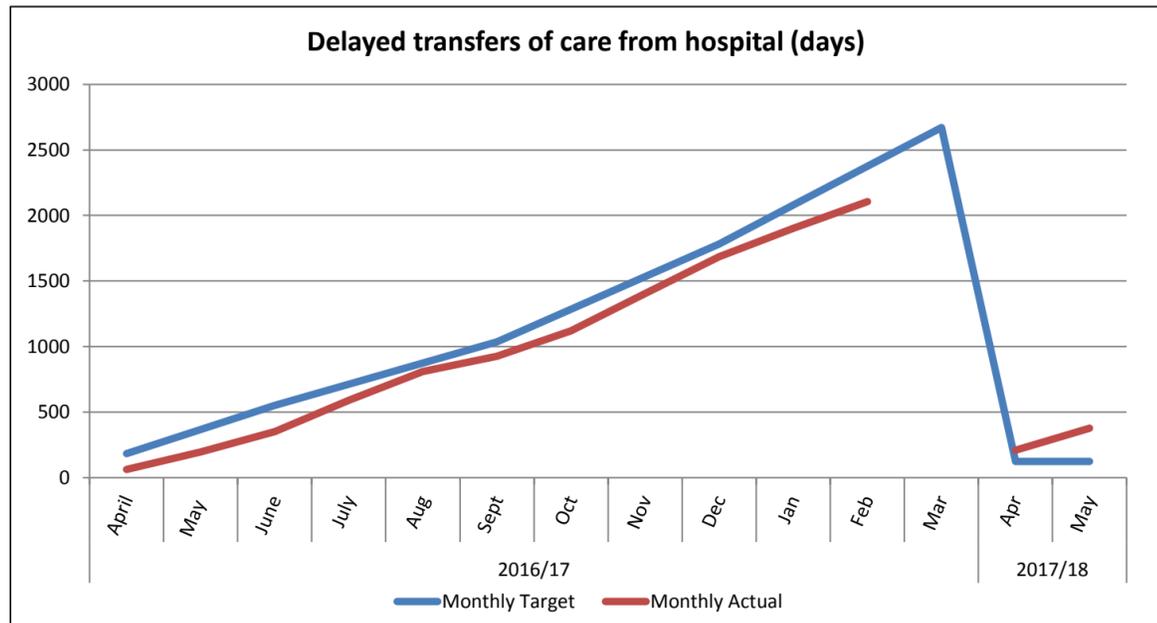
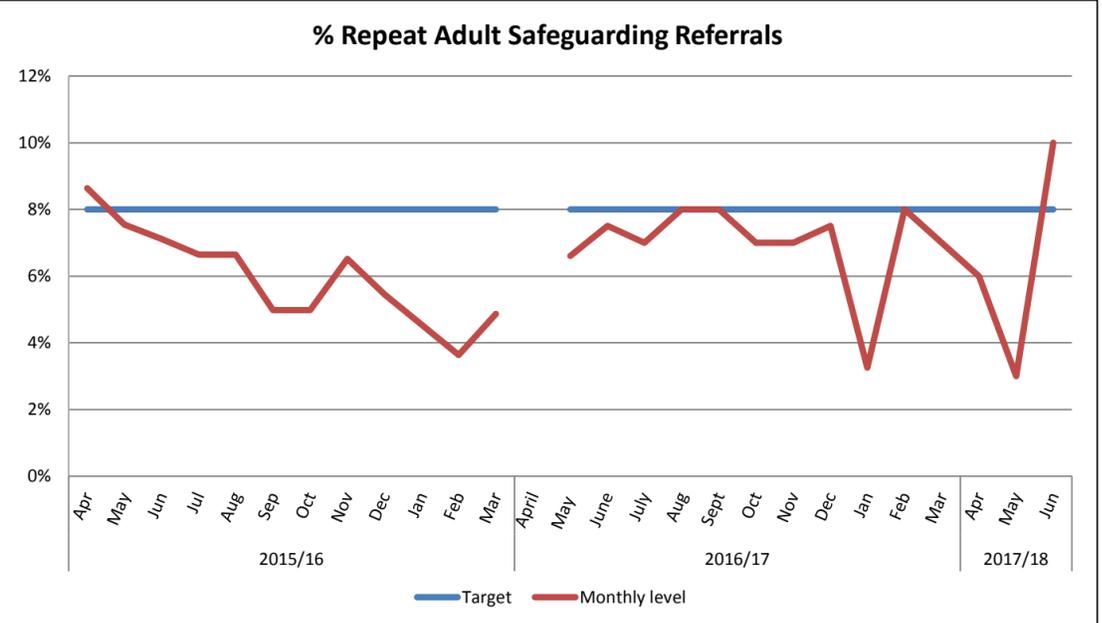
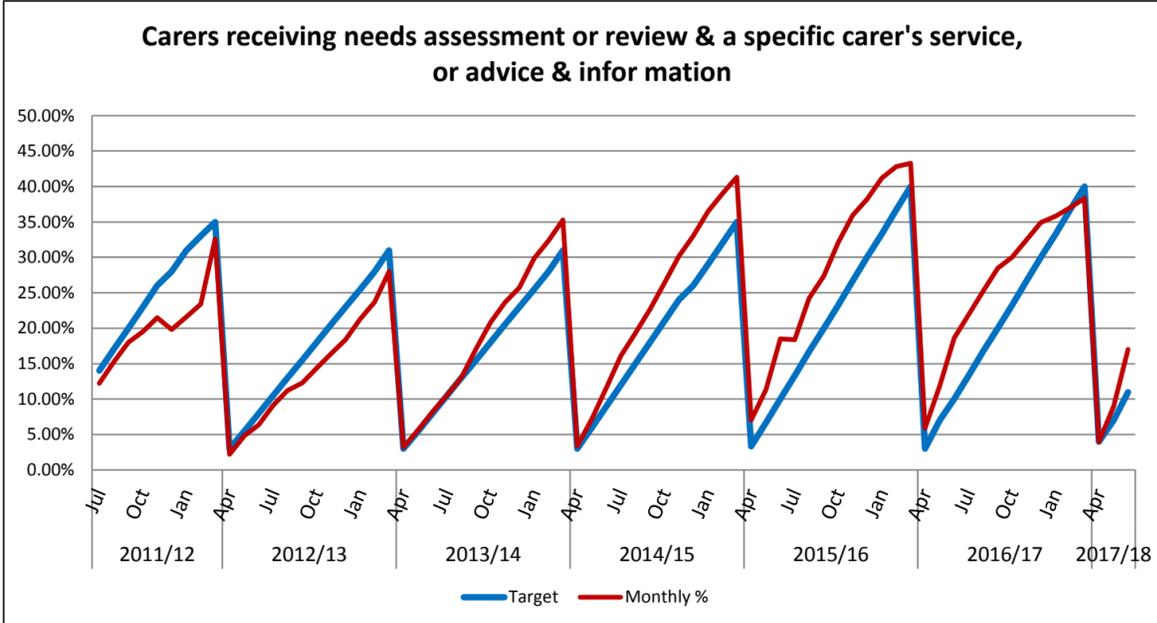
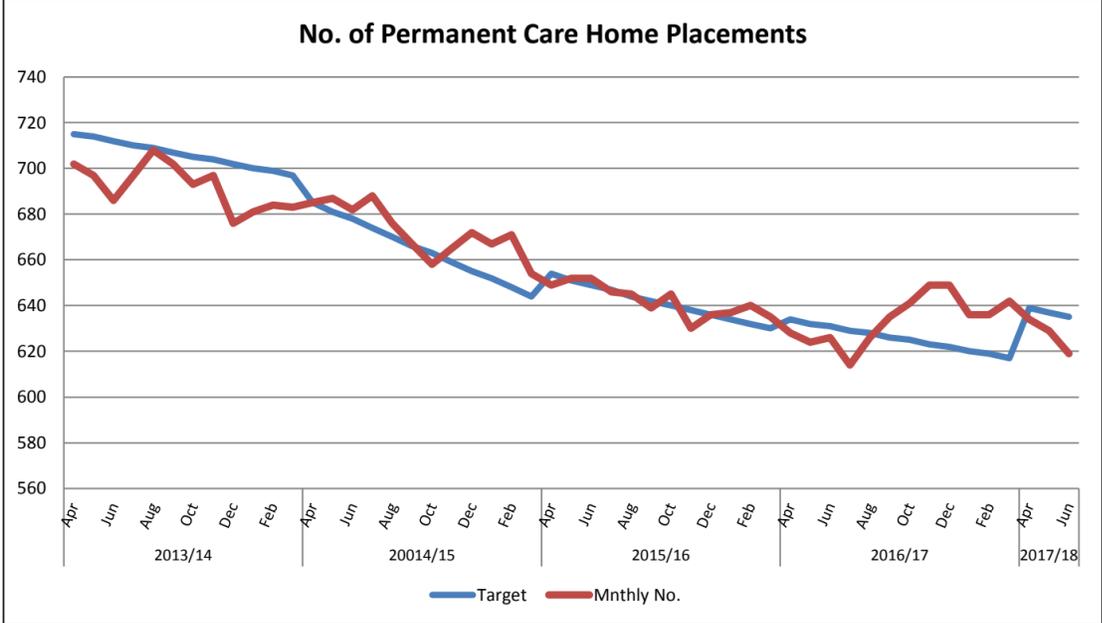
PCR05	Removal of the Education Service Grant	High (16)	25/07/17	4 - Likely	4 - Major	Andy Dempsey	Action has been taken to address the reductions in Education Service Grant to enable the local authority to continue its essential support functions for schools. Funding is allocated to the local authority at a rate of £15 per pupil..	The residual ESG funding for the local authority has been confirmed as £15 per head which has been determined as being broadly efficient to meet the local authority's residual duties. However, work is ongoing to determine how the residual funding that did not come to Children's Services has been used historically in order to mitigate the impact of the funding reductions from 2017 onwards.	Accepted
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Protecting Vulnerable Adults

Protecting Vulnerable Adults: Performance Indicators

Code	Title	Polarity	Status	Prev Year End	Monthly Target	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Last period value
LI404	No. of permanent care home placements	It's better to be low	On Target	642	635	614	626	635	641	649	649	636	636	642	634	629	619	619
NI135	Carers receiving needs assessment or review & a specific carer's service, or advice & infor (LAA)	It's better to be high	Well Above Target	38.34%	10.8%	21.91%	25.16%	28.47%	30.04%	32.50%	34.90%	35.81%	37.03%	38.34%	4.0%	9.0%	17.0%	17.0%
TCT14b	Safeguarding Adults - % repeat SG referrals in last 12 months	It's better to be low	Well Above Target	7.0%	8.0%	7.0%	8.0%	8.0%	7.0%	7.0%	7.5%	3.3%	8.0%	7.0%	6.0%	3.0%	10.0%	10.0%
BCF-004a	Delayed transfers of care from hospital (days)	It's better to be low	Well Below Target	2106	124	590	811	925	1120	1,404	1,685	1,901	2,106		210	377	N/A	377
Code	Title	Polarity	Status	Prev Year End	Target													Last period value
PVAPI01	Re-ablement Services (Effectiveness)	It's better to be high	Below Target	n/a	84.0%	2014/15												77.20%

Protecting Vulnerable Adults: Performance of Monthly and Quarterly PIs



Protecting Vulnerable Adults: Risks

Code	Title	Score	Last Review Date	Probability Score	Impact Score	Risk Owner	Mitigation	Progress	Is Risk Reduced, Accepted or eliminated?
ASCR01	Increased demand for services	Medium to high (12)	01/08/17	4 - Likely	3 - Moderate	Caroline Taylor	A new care model and prevention strategy STP will have geographic Devon approach to prevention- ensure modelling gives Torbay benefits.	In progress - Demand work with John Bolton and the LGA agreed with joint executive between the Council and the ICO.	Reduced
ASCR02	Financial strain relating to the implementation of the Care Act	Medium (6)	01/08/17	2- Unlikely	3 - Moderate	Caroline Taylor	Lobby government and feedback future cost strain. Await new government approach to rest of care act and 2019 implementation-may be further delayed due to costs.	Care Act monies now normalised as part of grant- there will be a Government Green Paper this autumn on future costs of social care including Dilnot recommendations.	Accepted
ASCR03	Insufficient and unsustainable care home market in Torbay	High (16)	01/08/17	4 - Likely	4 - High	Caroline Taylor	Work to diversify the market and outcomes based model and regional work on supply. Market for nursing and complex clients under pressures and upward price pressures in all areas.	The care home market is volatile, the Council is working with CCG and ICO to reduce the risk and also with Devon Partnership Trust for mental health placements.	Accepted
ASCR04	Integrated Care Organisation: Delivery of new model of care at pace and scale	Medium to high (12)	01/08/17	4 - Likely	3 - Moderate	Caroline Taylor	Strong commissioner provider monitoring, overview of overall outcomes via HWBB/JCG. Exe lead Cllr on ICO Board-continuing to influence STP and find agreement despite local challenges. There is a need to ensure STP finance plan is aligned to council MTFP and risk share is robust. STP capitated budget for NHS and sub-Devon arrangements may impact on risk.	Progress in implementation. There is regular scrutiny consideration and adults monitoring group to review progress.	Accepted
ASCR05	Failure to deliver ICO within budget	High (16)	01/08/17	4 - Likely	4 - Major	Caroline Taylor	Capped risk share in place still to be agreed with NHS regulator.	Capped risk in place but there is a risk around Better Care Fund and savings targets delivery in future years.	Accepted

Running an Efficient Council

Running an Efficient Council: Performance Indicators

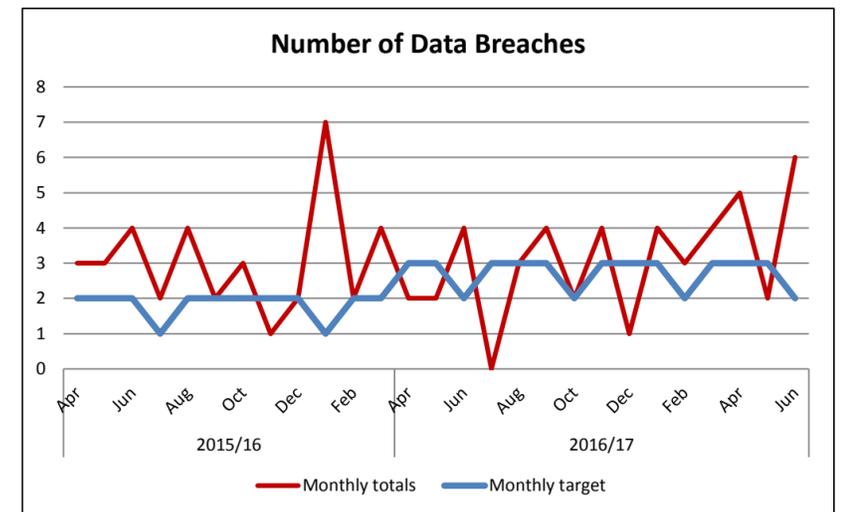
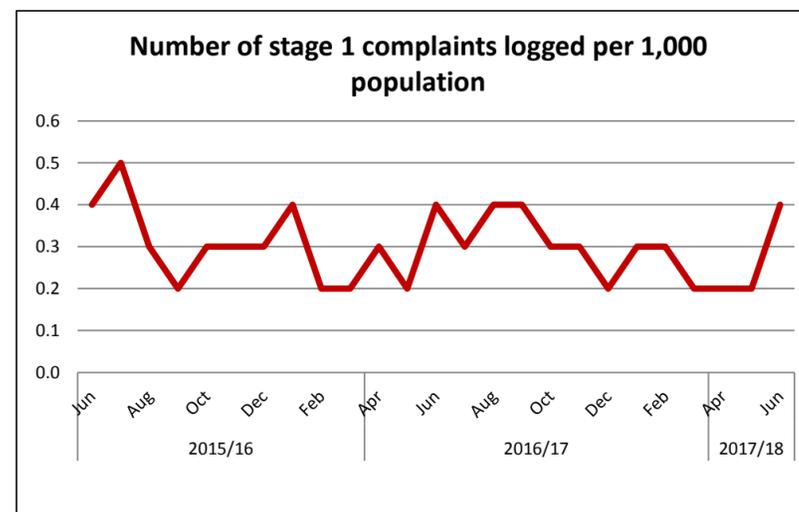
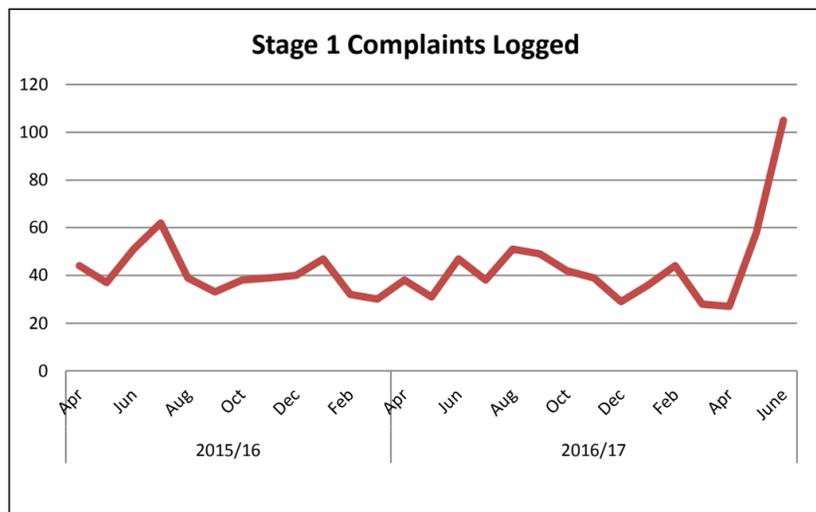
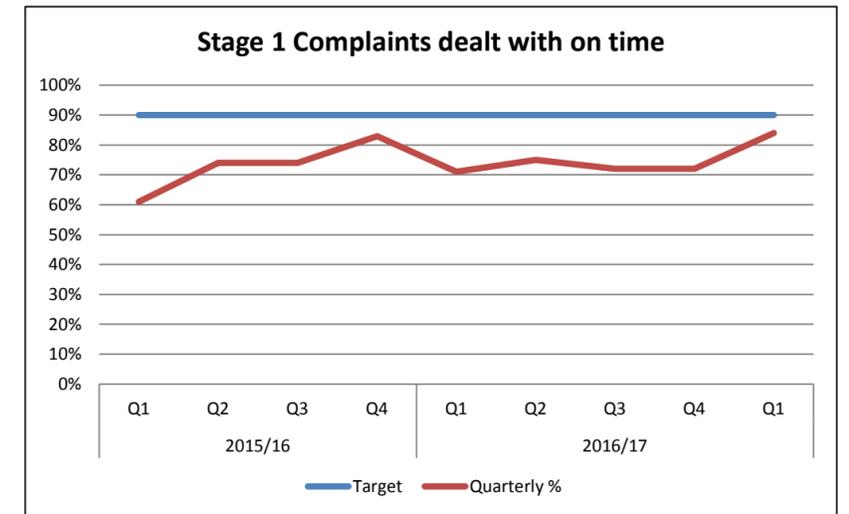
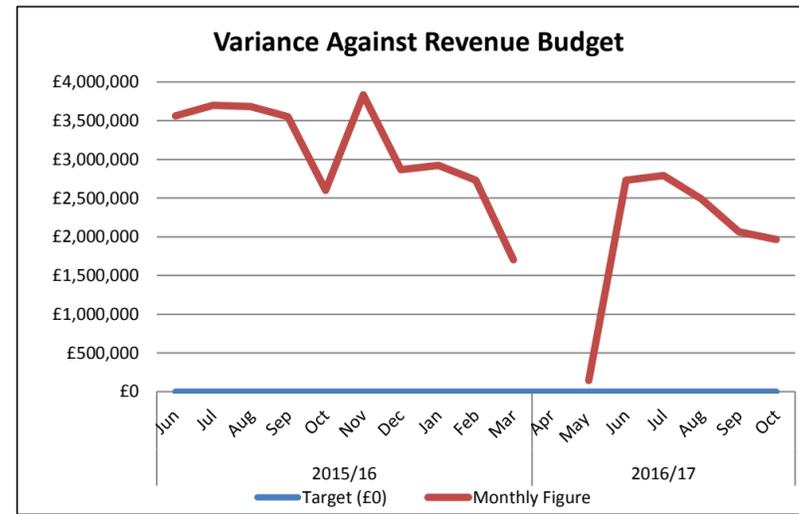
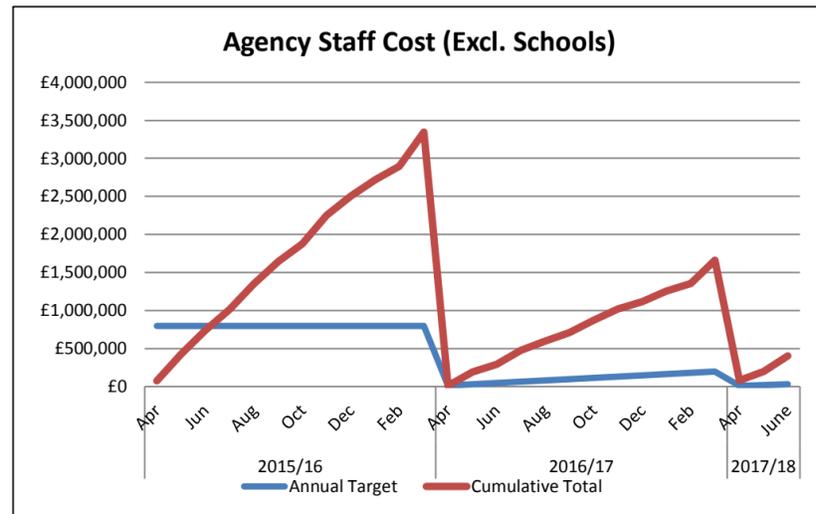
Code	Title	Polarity	Status	Prev Year End	Monthly Target	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Cumulative to date
RECPI01	Agency Staff Cost (excluding schools)	It's better to be low	Well Above Target	£1,661,261	£29,900	£473,613	£600,741	£711,616	£871,964	£1,018,806	£1,118,070	£1,254,934	£1,355,678	£1,661,261	£80,541	£114,935	£210,016	£405,492 Adults £0k, Children's £187.6k, Public Health £0k, Corporate & Business Services £16.9k & Community and Customer services £5.5k

Code	Title	Polarity	Status	Prev Year End	Annual Target	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Last period value
RECPI02	Variance Against Revenue Budget	It's better to be low	Below Target	£1,701,000	£0	£2,791,000	£2,493,000	£2,062,000	£1,967,000	£1,967,000	£2,200,000	£2,284,000	£2,211,000	£	£	£		£

Code	Title	Polarity	Status	Prev Year End	Annual or monthly Target?	Quarter 2 2016/17	Quarter 3 2016/17	Quarter 4 2016/17	Quarter 1 2017/18	Last period value
RECPI05	Stage 1 complaints dealt with on time	It's better to be high	Well Below Target	83%	90%	75%	72%	72%	84%	84%

Code	Title	Polarity	Status	Prev Year End	Monthly Target	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Cumulative to Date
RECPI06	Number of stage 1 complaints logged	N/A	(monito-ring only)	492	n/a	51	49	42	39	29	29	36	44	28	27	31	47	105
RECPI08	Number of stage 1 complaints logged per 1,000 population	N/A	(monito-ring only)	3.7	n/a	0.4	0.4	0.3	0.3	0.2	0.2	0.3	0.3	0.2	0.2	0.2	0.4	0.8
RECPI07	Number of Data breaches	It's better to be low	Well Above Target	37	8	8	11	16	18	22	23	27	30	34	5	7	13	13

Running an Efficient Council: Performance of Monthly and Quarterly PIs



Code	Title	Score	Last Review Date	Probability Score	Impact Score	Risk Owner	Mitigation	Progress	Is Risk Reduced, Accepted or eliminated?
RECR01	Failure of Transformation board to deliver on Transformation Projects to support future years budgets	Medium to high (12)	20/07/16	3 - Possible	4 - Major	Caroline Taylor	Monitor income levels - Ensure that income levels across the council are being monitored by the relevant executive heads/directors and that any areas of concern are raised at SLT asap SLT review flash report, and Budget Implementation Tracker on a monthly basis to review progress against income targets. Pump prime projects and ensure greater investment to get timely benefits out in next 4 years.		
RECR02	Lack of effective workforce planning - retention of key/relevant skills across the organisation	Medium to high (12)	15/02/16	3 - Possible	4 - Major	Anne-Marie Bond	Ensure that workforce plans are created for each department - Ensure that workforce plans are created for each department , and that these are kept up to date, and actions monitored on a regular basis. Workforce plans are currently being developed by HR in consultation with service areas.		
RECR03	Lack of robust and safe decision making	Medium (9)	15/02/16	3 - Possible	3 - Moderate	Anne-Marie Bond	Ensure the application of consultation principals and that EIAs are carried out appropriately - Policy Development Groups (PDGs) have been set up to consider service change, new policy and policy review. PDGs are inclusive of all members to ensure that all members are given the opportunity to see and be involved with discussions around service change / policy development. EIAs are completed against service change / policy development and included in reports for members. This includes proposals in relation to budget setting. Consultation is developed in relation to service change / policy development and supported by the Corporate Support Team to ensure processes are robust.		
RECR04	Insufficient infrastructure and support across the Council including IT infrastructure	Medium to high (12)	15/02/16	3 - Possible	4 - Major	Anne-Marie Bond	Ensure that workforce plans are kept up to date - Significant reductions in budgets across all support services mean that any further reductions could potentially result in a failure of support systems across the Council i.e. IT infrastructure		
RECR05	Budget overspend within arms length organisations, and contracted services	Medium to high (15)	15/02/16	3 - Possible	5 - Critical	Anne-Marie Bond	Ensure effective performance monitoring and contract management is in place		
RECR06	The Council not achieving a balanced budget in year	Medium to high (15)	15/08/16	3 - Possible	5 - Critical	Martin Phillips	Budget monitoring takes place throughout the year. As a result of the monitoring SLT to instigate recovery action.	DCS has considered options for partial recovery of the Children's services position. DAS will continue to challenge ICO to both reduce spend and accelerate CIP savings.	Accepted

Code	Title	Score	Last Review Date	Probability Score	Impact Score	Risk Owner	Mitigation	Progress	Is Risk Reduced, Accepted or eliminated?
RECR08	Cost shunting to the local authority as partners reduce resources.	Medium (9)	15/02/16	3 - Possible	3 - Moderate	Anne-Marie Bond	Maintaining a robust Community Safety Partnership.		
RECR09	Failure to deliver the Council's Asset Management Plan	Medium to high (12)	15/02/16	3 - Possible	4 - Major	Anne-Marie Bond	The Asset Management Plan sets out strategies to rationalise the number of assets, replace them where appropriate and improve the condition of those remaining through engagement with the private sector.		
RECR10	Risk of inadequate maintenance and repairs of our Council assets due to reducing budgets	High (16)	15/02/16	4 -Likely	4 - Major	Anne-Marie Bond	Assessment as to current state and options going forward is currently being undertaken.		
RECR11	Lack of appropriate and effective business continuity plans in the event of a large scale emergency	Medium to high (15)	19/10/16	3 - Possible	5 - Critical	Fran Hughes	SLT to ensure that Business continuity Plans are in place across the organisation and that future budget decisions take account of the resilience required to respond to emergencies.		Accepted

Arms Length Organisations

Strategic Torbay Development Agency Performance Indicators

Code	Title	Polarity	Status	Prev Year End	Monthly Target	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Last period value
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CU-06	Number of inward investment enquiries received	It's better to be high	On Target	41	7		16			36			41		3	7		
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Code	Title	Polarity	Status	Prev Year End	Quarterly Target	Quarter 2 2016/17	Quarter 3 2016/17	Quarter 4 2016/17	Quarter 1 2017/18	Last period value
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EDCPI-001	0% variance from budget	It's better to be low	Below Target	0.00	0.00	-4.00%	2.00%	0.10%		
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EDCPI-056	Income from Torbay Council let estate	It's better to be high	On Target	£4,235,777	£4,235,777		2016/17 £4,235,777		£4,241,759	£4,241,759
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Code	Title	Polarity	Status	Prev Year End	Annual Target	Last period value
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BUSR018	Total jobs created	It's better to be high	Well Above Target	172	150	2015/16 170
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Strategic Torbay Development Agency Risks

Code	Title	Score	Last Review Date	Probability Score	Impact Score	Risk Owner	Mitigation	Progress	Is Risk Reduced, Accepted or eliminated?
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BURTDAR-001	Business growth, opportunities and diversification	Medium to high (16)	02/08/16	4 - Likely	4-Major	Alan Denby	Develop support structures for businesses. 1. Develop Business centre programme to maximise the survivability and growth of early stage businesses. 2. Work with business support providers. Work to develop new business support products where required based on identified local need 3. Potential for more innovative solutions 4. Develop Inward investment programme including lead generation campaign, Deliver the required sites and premises required by local businesses including Claylands, EPIC and others 5. Develop skills and retraining opportunities Develop sector networks and links –health and creative sector opportunities to be explored. Identification of business growth & attraction of public money.		
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The Annual Audit Letter for Torbay Council

Year ended 31 March 2017

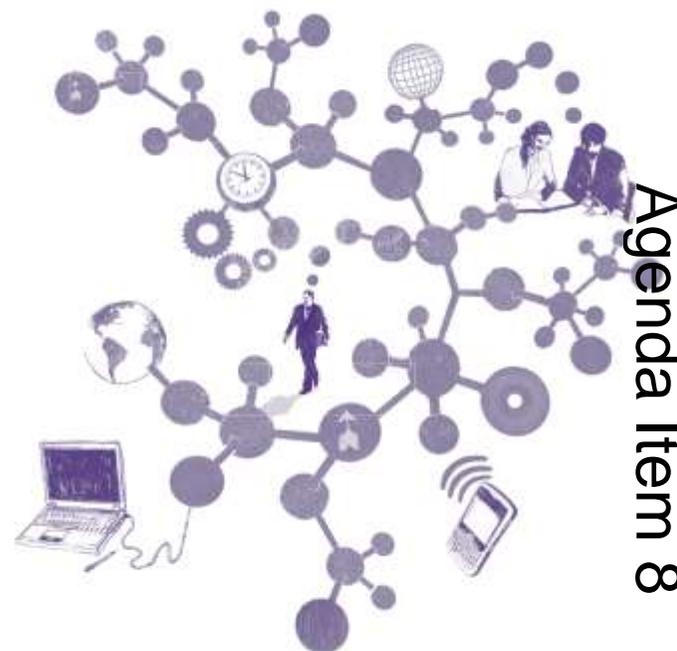
September 2017

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Agenda Item 8

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Executive summary

Purpose of this letter

Our Annual Audit Letter (Letter) summarises the key findings arising from the work we have carried out at Torbay Council (the Council) for the year ended 31 March 2017.

This Letter provides a commentary on the results of our work to the Council and its external stakeholders, and highlights issues we wish to draw to the attention of the public. In preparing this letter, we have followed the National Audit Office (NAO)'s Code of Audit Practice (the Code) and Auditor Guidance Note (AGN) 07 – 'Auditor Reporting'.

We reported the detailed findings from our audit work to the Council's Audit Committee (as those charged with governance) in our Audit Findings Report on 26 June 2017.

Our responsibilities

We have carried out our audit in accordance with the NAO's Code of Audit Practice, which reflects the requirements of the Local Audit and Accountability Act 2014 (the Act). Our key responsibilities are to:

- give an opinion on the Council's financial statements (section two)
- assess the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources (the value for money conclusion) (section three).

In our audit of the Council's financial statements, we comply with International Standards on Auditing (UK and Ireland) (ISAs) and other guidance issued by the NAO.

Our work

Financial statements opinion

We gave an unqualified opinion on the Council's financial statements on 27 July 2017.

Value for money conclusion

We were satisfied that the Council put in place proper arrangements to ensure economy, efficiency and effectiveness in its use of resources during the year ended 31 March 2017 except for the matter we identified in respect of the Ofsted report on Children's Services.

The Council appears to be making more positive progress towards addressing the issues raised in the OFSTED report, with an revised MTFs for the service and an agreed action plan that has been approved by members. However, we concluded that there remain weaknesses in proper arrangements for understanding and using appropriate and reliable financial and performance information to support informed decision making and performance management, and for planning, organising and developing the workforce effectively to deliver strategic priorities.

We therefore qualified our value for money conclusion in our audit opinion on 27 July 2017.

Use of additional powers and duties

We are required under the Act to give electors the opportunity to raise questions about the Council's accounts and we consider and decide upon objections received in relation to the accounts. We have received an objection from an elector requesting that we consider issuing a Public Interest Report due to the Council not passing on the Council Tax Benefit Support Grant to Brixham Town Council since 2014/15. We are in the process of gathering all of the relevant information from the Council and the elector in order to form a provisional view on the objection.

Certificate

We are currently unable to certify that we have completed the audit of the accounts of Torbay Council as we have not yet completed work in respect of the objection received as referred to above.

Certification of grants

We also carry out work to certify the Council's Housing Benefit subsidy claim on behalf of the Department for Work and Pensions. Our work on this claim is not yet complete and will be finalised by 30 November 2017. We will report the results of this work to the Audit Committee in our Annual Certification Letter.

Other work completed

We provided your teams with training on financial accounts. We also held separate workshops on Income Generation and Faster Close, and a seminar on Joint Ventures.

Working with the Council

During the year we have delivered a number of successful outcomes with you:

- An efficient audit –delivery of the accounts audit two months before the deadline
- VFM - we provided you with assurance and feedback on your arrangements for delivering efficiency, effectiveness and economy.
- Sharing our insight – we provided regular audit committee updates covering best practice. We also shared our sector insight via our National Reports.

We would like to record our appreciation for the assistance and co-operation provided to us during our audit by the Council's staff.

Grant Thornton UK LLP
September 2017

Audit of the accounts

Our audit approach

Materiality

In our audit of the Council's accounts, we applied the concept of materiality to determine the nature, timing and extent of our work, and to evaluate the results of our work. We define materiality as the size of the misstatement in the financial statements that would lead a reasonably knowledgeable person to change or influence their economic decisions.

We determined materiality for our audit of the Council's accounts to be £5.6 million, which is 1.95% of the Council's gross revenue expenditure. We used this benchmark, as in our view, users of the Council's accounts are most interested in how it has spent the income it has raised from taxation and grants during the year.

We also set a lower level of specific materiality for senior officer remuneration and exit packages.

We set a lower threshold of £280,000, above which we reported errors to the Audit Committee in our Audit Findings Report.

The scope of our audit

Our audit involves obtaining enough evidence about the amounts and disclosures in the financial statements to give reasonable assurance they are free from material misstatement, whether caused by fraud or error. This includes assessing whether:

- the Council's accounting policies are appropriate, have been consistently applied and adequately disclosed;
- significant accounting estimates made by the Chief Finance Officer are reasonable; and
- the overall presentation of the financial statements gives a true and fair view.

We also read the narrative report and annual governance statement to check they are consistent with our understanding of the Council and with the accounts included in the Statement of Accounts on which we gave our opinion.

We carry out our audit in line with ISAs (UK and Ireland) and the NAO Code of Audit Practice. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach was based on a thorough understanding of the Council's business and is risk based.

We identified key risks and set out overleaf the work we performed in response to these risks and the results of this work.

Audit of the accounts

These are the risks which had the greatest impact on our overall strategy and where we focused more of our work.

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
<p>Valuation of pension fund net liability</p> <p>The Council's pension fund net liability, as reflected in its balance sheet, represents a significant estimate in the financial statements.</p>	<p>As part of our audit work we:</p> <ul style="list-style-type: none"> Identified the controls put in place by management to ensure that the pension fund net liability is not materially misstated and assessing whether those controls were implemented as expected and whether they were sufficient to mitigate the risk of material misstatement. Reviewed the competence, expertise and objectivity of the actuary who carried out the Council's pension fund valuation. Gained an understanding of the basis on which the IAS 19 valuation was carried out, undertaking procedures to confirm the reasonableness of the actuarial assumptions made. Reviewed the consistency of the pension fund net liability disclosures in notes to the financial statements with the actuarial report from your actuary. 	<p>Our audit work did not identify any issues to report.</p>
<p>Valuation of property plant and equipment</p> <p>The Council revalues its assets on a rolling basis over a five year period. The Code requires that the Council ensures that the carrying value at the balance sheet date is not materially different from the current value. This represents a significant estimate by management in the financial statements.</p>	<p>As part of our audit work we have:</p> <ul style="list-style-type: none"> Reviewed management's processes and assumptions for the calculation of the estimate. Reviewed the competence, expertise and objectivity of any management experts used. Reviewed the instructions issued to valuation experts and the scope of their work Held discussions with the Council's valuer about the basis on which the valuation was carried out, challenging the key assumptions. Reviewed and challenged the information used by the valuer to ensure it was robust and consistent with our understanding. Tested revaluations made during the year to ensure they were input correctly into the Council's asset register Evaluated the assumptions made by management for those assets not revalued during the year to assess how management satisfied themselves that these were not materially different to current value. 	<p>Our audit work did not identify any issues to report</p>

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Audit of the accounts

Audit opinion

We gave an unqualified opinion on the Council's accounts on 27 July 2017, well in advance of the 30 September 2017 national deadline.

The Council made the accounts available for audit in line with the agreed timetable, and provided a good set of supporting working papers. The finance team responded promptly and efficiently to our queries during the audit.

- the draft accounts were again produced to a good standard
- the audit was facilitated by good supporting working papers and excellent assistance from the finance team.

As with previous years we also had a number of helpful early discussions with the Finance team around key technical issues. This enabled the early resolution of issues that would have been difficult to resolve promptly once the audit was in progress.

Issues arising from the audit of the accounts

We reported the key issues from our audit of the accounts of the Council to the Council's Audit Committee on 26 July 2017.

Annual Governance Statement and Narrative Report

We are required to review the Council's Annual Governance Statement and Narrative Report. It published them on its website with the draft accounts in line with the national deadlines.

Both documents were prepared in line with the relevant guidance and were consistent with the supporting evidence provided by the Council and with our knowledge of the Council.

Other statutory duties

We also have additional powers and duties under the Act, including powers to issue a public interest report, make written recommendations, apply to the Court for a declaration that an item of account is contrary to law, and to give electors the opportunity to raise questions about the Council's accounts and to raise objections received in relation to the accounts.

We have received an objection from an elector requesting that we consider issuing a Public Interest Report due to the Council not passing on the Council Tax Benefit Support Grant to Brixham Town Council since 2014/15. We are in the process of gathering all of the relevant information from the Council and the elector in order to form a provisional view on the objection.

Value for Money conclusion

Background

We carried out our review in accordance with the NAO Code of Audit Practice (the Code), following the guidance issued by the NAO in November 2016 which specified the criterion for auditors to evaluate:

In all significant respects, the audited body takes properly informed decisions and deploys resources to achieve planned and sustainable outcomes for taxpayers and local people.

Key findings

Our first step in carrying out our work was to perform a risk assessment and identify the key risks where we concentrated our work.

The key risks we identified and the work we performed are set out in table 2 overleaf.

As part of our Audit Findings report agreed with the Council in July 2017, we agreed recommendations to address our findings:

1. The Council must develop realistic savings plans to bridge the budget gap in 2018/19 to 2020/21.
2. The Council must continue its work to implement the changes to its decision making and prioritisation process in line with the Local Government Associations (LGA) Corporate Peer Challenges recommendations, and embed these changes by ensuring that Members clearly understand the decision making process.
3. The Council must urgently agree a financial position with the other parties in the ICO that will give it financial certainty while supporting the integrated care model.
4. The Council must ensure that it monitors and reviews its transformation projects carefully to ensure that they deliver the service improvements and savings anticipated.

Overall VfM conclusion

We are satisfied that, in all significant respects, except for the matter we identified below, the Council had proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2017.

The Council appears to be making more positive progress towards addressing the issues raised in the OFSTED report, with an revised MTFS for the service and an agreed action plan that has been approved by members. However, we concluded that there remain weaknesses in proper arrangements for understanding and using appropriate and reliable financial and performance information to support informed decision making and performance management, and for planning, organising and developing the workforce effectively to deliver strategic priorities.

Value for Money

Table 2: Value for money risks

Risk identified	Work carried out	Findings and conclusions
<p>Ofsted inspection of children's services</p> <p>Ofsted issued a report on the Council's children's services in 2015/16 which rated these as 'inadequate' and the Council is currently subject to follow up review. Until such time as Ofsted has confirmed that adequate arrangements are in place this remains a significant risk to the Council's arrangements.</p>	<p>We reviewed the action being taken by the Council in response to the issues in the Ofsted report.</p>	<p>We have reviewed the progress made by the Council since 2015/16, where we reported that there was not a formal action plan in place to address the issues identified in the OFSTED report. In July 2016 the Council appointed a new Interim Director of Children's Services, who was tasked with reviewing the existing 5 year Financial Strategy for Children's Services to determine whether the targets were realistic and achievable in the light of continuing overspends in the area. His review concluded that the savings envisaged in the original report were not achievable for a range of factors set out in the report to Council in February 2017. The report also presented a revised Children's Services Medium Term Financial Strategy (MTFS) for 2017-2021. The plan aims to align activity to reduce costs with improvement activity, bringing social care staffing and support costs more in line with statistical comparators. The MTFS includes an action plan with a range of actions, the pace and scale of which have been aligned with a measured journey towards the performance of statistical comparators.</p> <p>The MTFS takes into account that the service remains in intervention and is likely to transfer to an alternative delivery model in the next 12-18 months and savings of £1.55m have been identified for 2017/18.</p> <p>The Council appears to be making more positive progress towards addressing the issues raised in the OFSTED report, with an revised MTFS for the service and an agreed action plan that has been approved by members.</p> <p>However, we concluded that there remain weaknesses in proper arrangements for understanding and using appropriate and reliable financial and performance information to support informed decision making and performance management, and for planning, organising and developing the workforce effectively to deliver strategic priorities.</p>

Value for Money

Table 2: Value for money risks

Risk identified	Work carried out	Findings and conclusions
<p>Medium Term Financial Planning The Council's Efficiency Plan shows that the Council needs to identify further savings £21.5m over the 2017/18-2019/20 period. This includes £9.8m of savings in the 2017/18 budget. The Chief Financial Officer gave a qualified opinion on whether the 2017/18 budget was based on robust budget estimates due to the significant risks the Council faces in respect of adult social care expenditure due to the ICO risk share agreement and the withdrawal of the ICO from the agreement on 31/12/17.</p>	<p>We reviewed the Council's latest MTRP, Efficiency Plan and the 2017/18 budget, considering the assumptions that underpin the figures within them. We also reviewed the 2016/17 savings achieved against those originally planned.</p>	<p>The Efficiency Plan published in September 2016 showed the savings gap in 2017/18 to 2019/20, including £9.8m for 2017/18. When the 2017/18 budget was set in February 2017 it included £7.6m of reductions to achieve a balanced budget, which reflected 2017/18 updated forecast information. The qualified opinion from the Chief Finance Officer on the robustness of budget estimates related to the two pressures areas of Adult Social Care and the Risk Share Agreement (RSA) with the ICO (both the exposure of the Council to its share of the ICO overspend (9%) and the ICO's notice to withdraw from the RSA, leaving the Council without a contract or a cost for the service for the final quarter of 2017/18).</p> <p>In between the Efficiency Plan being published and the Budget being set there were two reviews carried out on the Council's finances in November 2016. The LGA carried out a Finance Review and CIPFA reported the results of its Financial Resilience Review. The LGA raised particular concerns about the Council's exposure in the ICO RSA, a message repeated in the CIPFA report.</p> <p>The Council's latest update to the Medium Term Resource Plan was in April 2017. This shows the budget gap in 2018/19 to 2020/21 to be £17.4m. The reported gap in 18/19 and 19/20 in the Efficiency Plan was £11.6m, this has now increased to £15.7m. There are a number of reasons for this, part of it being an estimate of additional costs for Adult Social Care post the risk share agreement of £1.2m. The MTRP is a public document and is updated regularly to reflect changes as they are known. It is a comprehensive document with robust assumptions that clearly sets out the financial challenges facing Torbay over the next three years. The Council are working on the development of the 2018/19 and 2019/20 budget over the summer 2017 to Dec 2017 period, with proposals for the 2018/19 budget due in October 2017.</p> <p>On that basis we concluded that while the level of savings needed represents a significant challenge for the Council, the risk was sufficiently mitigated and the Council has proper arrangements in place for planning finances effectively to support the sustainable delivery of strategic priorities and using appropriate cost and performance information to support informed decision making.</p>

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Value for Money

Table 2: Value for money risks

Risk identified	Work carried out	Findings and conclusions
<p>Informed decision making The Local Government Association Corporate Peer Challenge (CPC) report in 2015/16 made recommendations around more effective working practices are implemented in respect of transparency and political decision making. The follow up report concludes that there remains work to be done in this area.</p>	<p>We reviewed the Council's progress with the action plan in response to the original CPC report and the actions agreed in response to the follow up report.</p>	<p>The original LGA Corporate Peer Challenge (CPC) report in December 2015 recommended that the Council undertook a review of its decision making process considering eight specific points. The follow-up report dated September 2016 comments that, despite good work being undertaken since the original visit, some members remain unclear as to the role of the Policy Framework and the difference between Council and Executive decision making. It goes on to comment that the speed and nature of decision making is not helping the Council tackle the issues it faces. The Council has produced a position statement against the original recommendations which has then been superseded by the new Strategic Action Plan which collates the original actions plus new actions arising from the Follow up report and the separate LGA Financial Review and the CIPFA Financial Resilience Review. The updated action plan shows that the new process for the Speedier decision making and Prioritisation Process has been approved by Senior Leadership Team and the revised process and guidance has been rolled out.</p> <p>The Council has made progress in this area and we do not consider that this is a significant issue that impacts on our VFM conclusion. The Council must continue its work to embed the revised streamlined decision making and prioritisation process.</p>

Value for Money

Table 2: Value for money risks

Risk identified	Work carried out	Findings and conclusions
<p>Integrated Care Organisation The Council is exposed to a 9% share of any ICO deficit under the risk sharing agreement in place. The financial position of the ICO currently shows an increasing deficit with planned savings not being delivered. The ICO gave notice on 31/12/16 that it is withdrawing from the current risk sharing agreement, meaning that the Council does not have a contract in place for the last three months of the 2017/18 financial year. The CIPFA financial resilience review raised concerns about the risk share agreement.</p>	<p>We reviewed the arrangements in place for the ICO and in particular the options being considered by the Council in the light of the ICO's decision to withdraw from the risk share agreement and the potential impact of these on the Council.</p>	<p>The Risk Share Agreement (RSA) for the Integrated Care Organisation makes the Council liable for 9% of any deficit that the ICO may incur. The financial position of the ICO has been deteriorating significantly with planned CIP savings not being achieved. CIPFA's Financial Resilience review of the Council raised particular concerns over the RSA stating that it means that the Council are subject to the overall financial pressures from the NHS in the whole of the Torbay and South Devon area with no ability to control or influence them. Torbay and South Devon FT gave notice on 31/12/16 that it was withdrawing from the current RSA, meaning that the Council has no contract in place for the final quarter of 2017/18. The Council also did not have a clear picture of what the potential costs would be for January to March 2018.</p> <p>The Annual Strategic Agreement (ASA) for the 9 months to 31 December 2017 was approved by Council in February 2017. An Adult Services and Public Health Monitoring working party was set up to monitor and consider all of the issues, including understanding the key priorities for Adult Services and Public Health, be fully briefed on the changes in this area and to understand the financial position. The Council put staff into the ICO to understand what the cost of adult social are so that they can estimate the potential impact of potential post December 2017 scenarios.</p> <p>The Council is working with its partners in the ICO to negotiate solution from January 2018 and have developed proposals for a way forward which are not yet in the public domain. These have been considered by each of the partners in July 2017.</p> <p>The Council's work on this area is in progress and we do not consider that this is an issue that impacts on our VFM conclusion, but the Council must urgently agree a financial position with the other parties in the ICO that will give it financial certainty while supporting the integrated care model.</p>

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Appendix A: Reports issued and fees

We confirm below our final fees charged for the audit and confirm there were no fees for the provision of non audit services.

Fees

	Proposed fee £	Actual fees £	2015/16 fees £
Statutory audit of Council	102,053	102,053	107,019
Housing Benefit Grant Certification	9,630	9,630*	8,125
Total fees (excluding VAT)	111,683	111,683	115,144

The proposed fees for the year were in line with the scale fee set by Public Sector Audit Appointments Ltd (PSAA)

*The work is on-going and the final fee will be notified in the Certification Letter later this year.

Reports issued

Report	Date issued
Audit Plan	March 2017
Audit Findings Report	July 2017
Annual Audit Letter	September 2017

Fees for other services

Service	Fees £
Audit related services: <ul style="list-style-type: none">Teachers' Pension	3,800
Non-audit services	Nil

Non-audit services

- For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the Council. The table above summarises all other services which were identified.
- We have considered whether other services might be perceived as a threat to our independence as the Council's auditor and have ensured that appropriate safeguards are put in place, as reported in our Audit Findings Report.

Reports issued and fees continued

We have considered whether other services might be perceived as a threat to our independence as the Council's auditor and have ensured that appropriate safeguards have been applied to mitigate these risks.

	Service provided to	Fees	Threat identified	Safeguards
Audit related services				
Teachers Pension	Torbay Council	£3,800	Yes	Level of fee is not a significant threat in comparison to the overall fee of £102,053. There is no contingent element to the fee.
	TOTAL	£3,800		

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The above non-audit services are consistent with the Council's policy on the allotment of non-audit work to your auditor and have been approved by the Audit Committee.



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Audit Committee Update Torbay Council Progress Report and Update

September 2017

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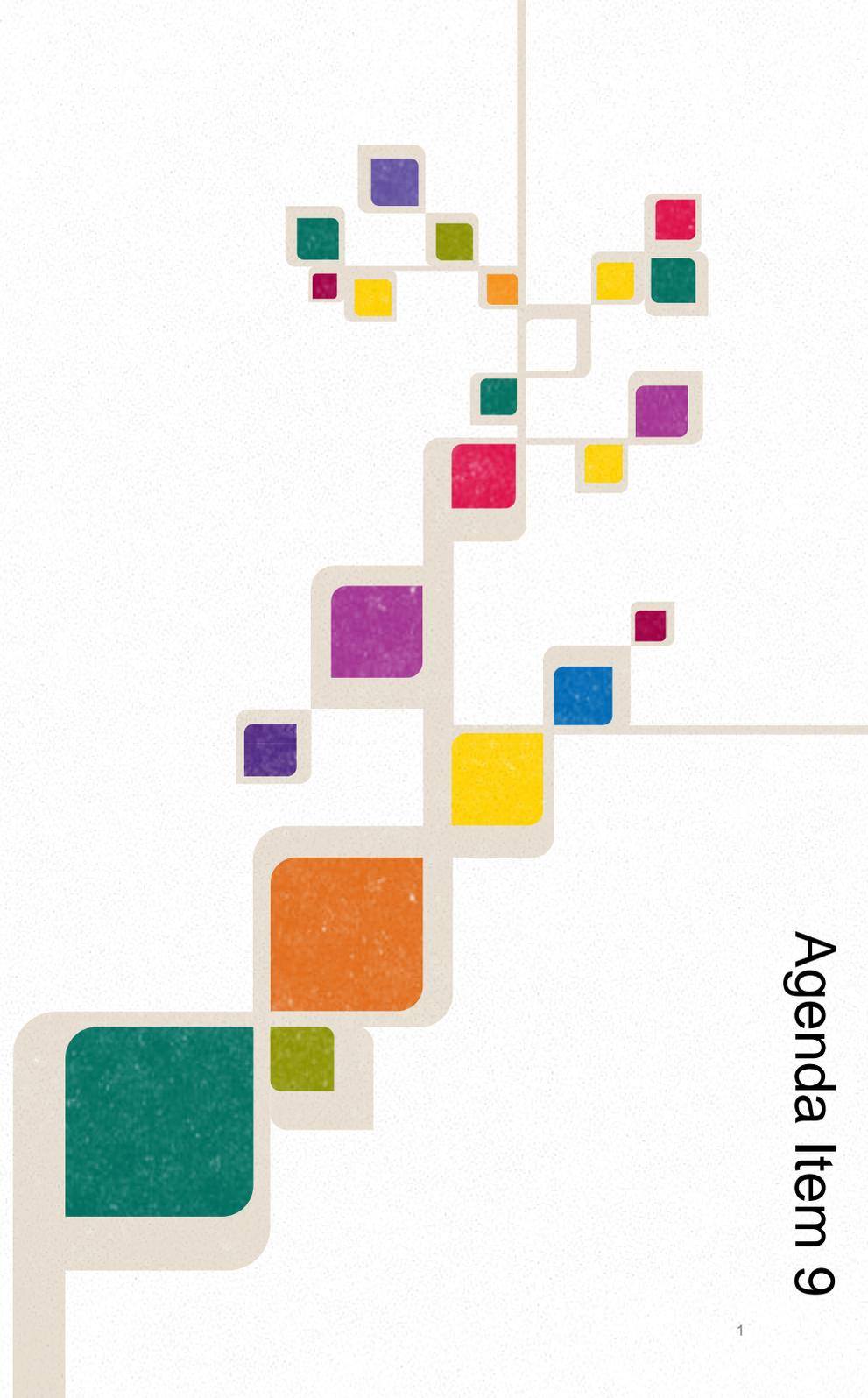
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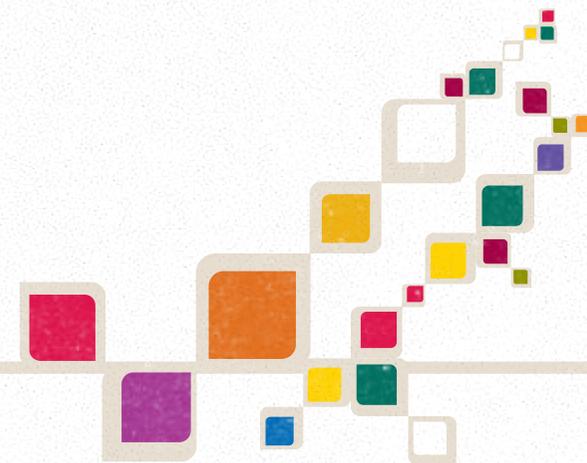
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Agenda Item 9

The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect your business or any weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.



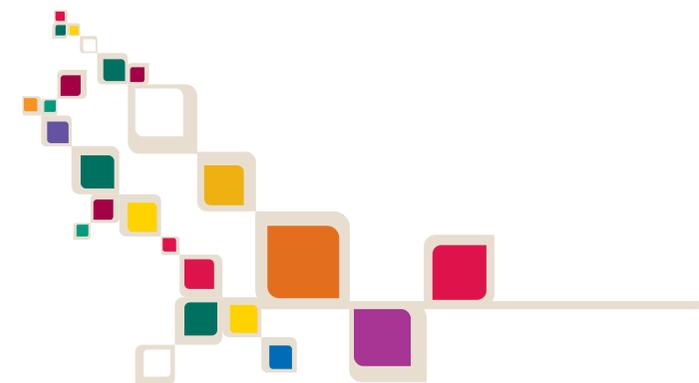
Introduction

This paper provides the Audit Committee with a report on progress in delivering our responsibilities as your external auditors.

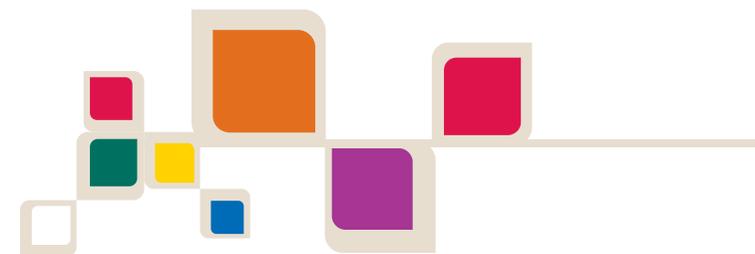
Members of the Audit Committee can find further useful material on our website www.grant-thornton.co.uk, where we have a section dedicated to our work in the public sector. Here you can download copies of our publications and articles, including the reports mentioned in this update along with other items:

- Income generation is an increasingly essential part of providing sustainable local services ; <http://www.grantthornton.co.uk/en/insights/the-income-generation-report-local-leaders-are-ready-to-be-more-commercial/>
- Social enterprises are becoming increasingly common vehicles for delivering services that are not an ‘essential’ service for an authority but still important to the local community; <http://www.grantthornton.co.uk/en/insights/a-guide-to-setting-up-a-social-enterprise/>
- Fraud risk, 'adequate procedures', and local authorities; <http://www.grantthornton.co.uk/en/insights/fraud-risk-adequate-procedures-and-local-authorities/>
- Brexit and local government; <http://www.grantthornton.co.uk/en/insights/a-global-britain-needs-more-local-government-not-less/> and <http://www.grantthornton.co.uk/en/insights/brexit-local-government--transitioning-successfully/>

If you would like further information on any items in this briefing, or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either your Engagement Lead or Engagement Manager.

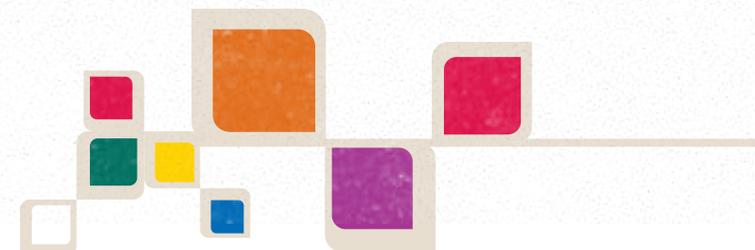


Progress at 15 September 2017



2016/17 work	Planned Date	Complete?	Comments
<p>Fee Letter</p> <p>We are required to issue a 'Planned fee letter for 2016/17' by the end of April 2016</p>	April 2016	Yes	The 2016/17 fee letter was issued in April 2016.
<p>Accounts Audit Plan</p> <p>We are required to issue a detailed accounts audit plan to the Council setting out our proposed approach in order to give an opinion on the Council's 2016/17 financial statements.</p>	March 2017	Yes	The Audit Plan was presented to your March meeting.
<p>Interim accounts audit</p> <p>Our interim fieldwork visit plan included:</p> <ul style="list-style-type: none"> • updated review of the Council's control environment • updated understanding of financial systems • review of Internal Audit reports on core financial systems • early work on emerging accounting issues • early substantive testing • Value for Money conclusion risk assessment. 	January 2017	Yes	The results of the interim audit were reported in the Audit Plan, which was reported to your March meeting.
<p>Final accounts audit</p> <p>Including:</p> <ul style="list-style-type: none"> • audit of the 2016/17 financial statements • proposed opinion on the Council's accounts • proposed Value for Money conclusion • review of the Council's disclosures in the consolidated accounts against the Code of Practice on Local Authority Accounting in the United Kingdom 2016/17 	June – July 2017	Yes	The Audit Findings Report was presented to your July meeting. We issued an unqualified opinion on the financial statements on 27 July 2017.

Progress at 15 September 2017



2016/17 work	Planned Date	Complete?	Comments
<p>Value for Money (VfM) conclusion</p> <p>The scope of our work is unchanged to 2015/16 and is set out in the final guidance issued by the National Audit Office in November 2015. The Code requires auditors to satisfy themselves that; "the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources".</p> <p>The guidance confirmed the overall criterion as; "in all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people".</p> <p>The three sub criteria for assessment to be able to give a conclusion overall are:</p> <ul style="list-style-type: none"> • Informed decision making • Sustainable resource deployment • Working with partners and other third parties 	<p>Jan – June 2017</p>	<p>Yes</p>	<p>The results of our work on VfM were reported in the Audit Findings Report to the July meeting of the Audit Committee. We issued an except for qualification on the VfM conclusion on 27 July 2017.</p>
<p>Annual Audit Letter</p> <p>We will summarise all the work completed as part of our 2016/17 audit within one letter which will be issued after the opinion.</p>	<p>September 2017</p>	<p>Yes</p>	<p>The Annual Audit Letter is included on the agenda of this meeting.</p>
<p>Other areas of work</p> <ul style="list-style-type: none"> • Housing benefits subsidy claim • Teachers' Pension return 	<p>Aug – Nov 2017 Nov 2017</p>	<p>Not yet due</p>	<p>The Housing benefits work is currently in progress. The Teachers' Pension return work is scheduled for November 2017.</p>
<p>Grant Thornton events</p> <ul style="list-style-type: none"> • We held an Income Generation workshop in Exeter on 13 October 2016. The aim of these events is to bring together senior leaders from local government and the private and investment sectors to stimulate cross-sector debate and consider current and future funding models. The workshop was attended by your Head of Finance. • We held a Faster Close and Highways Network Asset (HNA) workshop on 19 October 2016 in Exeter. This workshop was aimed at local authority practitioners and will consider the main factors for authorities to consider in accelerating their financial reporting procedures to produce their year-end accounts, and provided training on the latest developments in accounting for the HNA in 2016/17. The workshop was attended by members of Council's Finance team, and the Head of Finance did a joint presentation with your Audit Manager on how we worked together to achieve approval of the audited accounts by 31 July in 2015/16. • Our Joint Venture Seminar was held in Taunton on 6 December 2016, which provided an insight into setting up and running JVs and was attended by 22 officers and members from Councils in the South West, including your Head of Finance. • We held our own local government accounts workshops on 2016/17. Local events were held in Plymouth on 28 February 2017 and in Bristol on 1 March 2017. Your Head of Finance and Finance Manager (Technical & Budgeting) attended the Plymouth workshop. 			

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Code of Practice on Local Authority Accounting in the United Kingdom 2017/18 and forthcoming provisions for IFRS 9 and IFRS 15

Code of Practice on Local Authority Accounting in the United Kingdom 2017/18

CIPFA/LASAAC has issued the Local Authority Accounting Code for 2017/18. The main changes to the Code include:

- amendments to section 2.2 (Business Improvement District Schemes (England, Wales and Scotland), Business Rate Supplements (England), and Community Infrastructure Levy (England and Wales)) for the Community Infrastructure Levy to clarify the treatment of revenue costs and any charges received before the commencement date
- amendment to section 3.1 (Narrative Reporting) to introduce key reporting principles for the Narrative Report
- updates to section 3.4 (Presentation of Financial Statements) to clarify the reporting requirements for accounting policies and going concern reporting
- changes to section 3.5 (Housing Revenue Account) to reflect the Housing Revenue Account (Accounting Practices) Directions 2016 disclosure requirements for English authorities
- following the amendments in the Update to the 2016/17 Code, changes to sections 4.2 (Lease and Lease Type Arrangements), 4.3 (Service Concession Arrangements: Local Authority as Grantor), 7.4 (Financial Instruments – Disclosure and Presentation Requirements)

- amendments to section 6.5 (Accounting and Reporting by Pension Funds) to require a new disclosure of investment management transaction costs and clarification on the approach to investment concentration disclosure.

Forthcoming provisions for IFRS 9 and IFRS 15

CIPFA/LASAAC has issued 'Forthcoming provisions for IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers in the Code of Practice on Local Authority Accounting in the United Kingdom 2018'. It sets out the changes to the 2018/19 Code in respect of IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers. It has been issued in advance of the 2018/19 Code to provide local authorities with time to prepare for the changes required under these new standards.

IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes a single classification approach for financial assets, a forward looking 'expected loss' model for impairment (rather than the 'incurred loss' model under IAS 39) and some fundamental changes to requirements around hedge accounting.

Technical Matters

IFRS 15 replaces IAS 18 Revenue and IAS 11 Construction Contracts. IFRS 15 changes the basis for deciding whether revenue is recognised at a point in time or over a period of time and introduces five steps for revenue recognition.

It should be noted that the publication does not have the authority of the Code and early adoption of the two standards is not permitted by the 2017/18 Code.

Sector issues

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Independent Review of Building Regulations and Fire Safety

Sector Issues

The Government has published the terms of reference for the independent Review of Building Regulations and Fire Safety, commissioned following the Grenfell Tower fire tragedy.

The DCLG press release states:

“This Review will urgently assess the effectiveness of current building and fire safety regulations and related compliance and enforcement issues, with a focus on multi occupancy high rise residential buildings. This will include addressing whether the government’s large-scale cladding system testing programme identified any potential systemic failures.

The Review’s 2 key priorities are to develop a more robust regulatory system for the future and provide further assurance to residents that the buildings they live in are safe and remain safe. While the Review will cover the regulatory system for all buildings, it will have a specific focus on multi occupancy high rise residential buildings.

Dame Judith Hackitt, a qualified engineer with strong regulatory background, is leading the Review and will draw on the experience of local government, industry, the fire sector, international experts and MPs. She will also engage with residents of multi occupancy residential buildings.

The Review will report jointly to Communities Secretary Sajid Javid and Home Secretary Amber Rudd. An interim report will be submitted in autumn 2017 and a final report submitted in spring 2018. The Review will co-operate fully with the Public Inquiry, and Dame Judith Hackitt will review her recommendations in the light of the findings of the Inquiry.”

The terms of reference state that the review will:

- map the current regulatory system (i.e. the regulations, guidance and processes) as it applies to new and existing buildings through planning, design, construction, maintenance, refurbishment and change management;
- consider the competencies, duties and balance of responsibilities of key individuals within the system in ensuring that fire safety standards are adhered to;
- assess the theoretical coherence of the current regulatory system and how it operates in practice
- compare this with other international regulatory systems for buildings and regulatory systems in other sectors with similar safety risks;
- make recommendations that ensure the regulatory system is fit for purpose with a particular focus on multi-occupancy high-rise residential buildings.

The full terms of reference are available at:

<https://www.gov.uk/government/publications/independent-review-of-building-regulations-and-fire-safety-terms-of-reference>

Procurement of external audit services



Procurement outcome

As a result of the highly successful procurement of auditor services, opted-in Local government and police bodies throughout England will collectively benefit from reduced fees for audit services in 2018/19 compared to 2016/17. Aggregate savings are expected to exceed £6 million per annum, equivalent to a reduction of approximately 18% in the scale fees payable by local bodies.

The results of the process announced on 20 June 2017 involve the award of the following contracts:

- Lot 1 of approx. £14.6 million per audit year was awarded to Grant Thornton LLP;
- Lot 2 of approx. £10.9 million per audit year was awarded to EY LLP;
- Lot 3 of approx. £6.6 million per audit year to awarded to Mazars LLP;
- Lot 4 of approx. £2.2 million per audit year to awarded to BDO LLP;
- Lot 5 of approx. £2.2 million per audit year to awarded to Deloitte LLP; and
- Lot 6 with no guaranteed value of work to awarded to a consortium of Moore Stephens LLP and Scott-Moncrieff LLP.

Contracts were awarded on the basis of most economically advantageous tender with 50% of the available score awarded to price and 50% awarded to quality.

The procurement strategy, agreed by the PSAA Board in December 2016, sets out the basis on which the procurement of audit services was carried out.

Having concluded the procurement, PSAA will commence the process of appointing auditors to opted-in bodies. For more information on the auditor appointment process [click here](#).

Sector Issues

Finalising and confirming appointments

The PSAA Board will approve all proposed appointments from 2018/19, following consultation with audited bodies, at its meeting in mid-December. The Board's decision on the appointment of auditors is final. Following Board consideration, we will write to each audited body to confirm their appointment. We plan to send all confirmations on 18 December..



Housing Benefit (Subsidy) Assurance Process 2018/19: Module 1 Special Purpose Framework Instruction:

This Circular sets out the arrangements for the audit of the housing benefits subsidy for 2018/19. It is for the LA to appoint a reporting accountant to undertake this work and notify the DWP of this. A standard letter of notification for the LA use is set out in Appendix 1. This letter of notification must be issued to the DWP by the LA no later than the 1st March 2018.

Local Authority 2016/17 Revenue Expenditure and Financing

Sector Issues

DCLG has produced a summary of Local Authorities' 2016/17 provisional revenue spending and financing. It notes that Local government expenditure accounts for almost a quarter of all government spending and the majority of this is through local authority revenue expenditure. The summary is compiled from the Revenue Outturn (RO) returns submitted by all local authorities in England. Coverage is not limited to local councils in England and includes other authority types such as Police and Crime Commissioners and Fire authorities.

The headline messages include:

- Local authority revenue expenditure totalled £93.5 billion for all local authorities in England in 2016-17. This was 1.1% lower than £94.5 billion spent over 2015-16.
- Expenditure on Adult Social Care increased to £14.9 billion in 2016-17. This was £0.5 billion (3.6%) higher than in 2015-16. 2016-17 was first year local authorities were able to raise additional funding for Adult Social Care through the council tax precept.
- The largest decrease in local authority expenditure was on Education services. This was £0.8 billion (2.4%) lower in 2016-17 than in 2015-16. The majority of this decrease is due to local authority funded schools converting to academies.
- Local authorities are financing more of their expenditure from locally retained income. 40.4% of revenue expenditure was funded through council tax and retained business rates and 57.5% from central Government grants. The remaining 2.1% was funded by reserves and collection fund surpluses. These percentages were 38.7%, 60.4% and 0.9% respectively in 2015-16.
- Local authorities used £1.5 billion (6.2%) of the £24.6 billion reserves balance held at the start of the 2016-17.
- Local authorities' use of reserves was £1.1 billion higher in 2016-17 than in 2015-16. Due to changes in their capital programme, £0.5 billion of this increase is due to the Greater London Authority.

The full report is available at:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/639755/Revenue_Expenditure_and_Financing_2016-17_Provisional_Outturn.pdf

Did you know....

This data set and many others are included in CFO Insights.

CFO Insights is the Grant Thornton and CIPFA online analysis tool. It gives those aspiring to improve the financial position of their organisation instant access to insight on the financial performance, socio-economic context and service outcomes of theirs and every other council in England, Scotland and Wales.

More information is available at:

<http://www.cfoinsights.co.uk/>

Grant Thornton publications

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Setting up a successful social enterprise

Local government continues to innovate as it reacts to ongoing austerity. An important strand of this response has been the development of alternative delivery models, including local authority trading companies, joint ventures and social enterprises.

This report focuses on social enterprises in local government; those organisations that trade with a social purpose or carry out activities for community benefit rather than private advantage. Social enterprises come in a variety of shapes and sizes as they do not have a single legal structure or ownership rule and can adopt any corporate form as long as it has a social purpose.

In this report we explore what social enterprises look like, the requirements for setting one up, how they should be managed to achieve success and how they can be ended.

We have complemented this with a range of case studies providing inspiring ideas from those that have been successful and some lessons learned to take into consideration.

Key findings from the report:

- Austerity continues to be a key driver for change: social enterprises are a clear choice where there is an opportunity to enhance the culture of community involvement by transferring these services into a standalone entity at its centre
- The social enterprise model tends to lend itself more to community services such as libraries, heritage management and leisure, but not exclusively so
- Social enterprises can open up new routes of funding including the ability to be flexible on pricing and access to pro bono or subsidised advice
- Some local authorities have converted existing models into social enterprises; for example where a greater focus on social outcomes has been identified

Striking a balance between financial and social returns

If you are a local authority looking to transition a public service to a social enterprise model certain factors will be key to your success including: leadership, continuing the culture, branding, staff reward and secure income stream.

Download our guide to explore how to handle these factors to ensure success, the requirements for setting up a social enterprise; and how social enterprise can be ended. The guide also showcases a number of compelling case studies from local authorities around England, featuring inspiring ideas from those social enterprises that have been a success; and lessons learned from those that have encountered challenges.

Grant Thornton publications



<http://www.grantthornton.co.uk/en/insights/a-guide-to-setting-up-a-social-enterprise/>

A Manifesto for a Vibrant Economy

Developing infrastructure to enable local growth

Cities and shire areas need the powers and frameworks to collaborate on strategic issues and be able to raise finance to invest in infrastructure priorities. Devolution needs to continue in England across all places, with governance models not being a “one-size-fits all”. Priorities include broadband, airport capacity in the North and east-west transport links.

Addressing the housing shortage, particularly in London and the Southeast, is a vital part of this. There simply is not enough available land on which to build, and green belt legislation, though designed to allow people living in cities space to breath, has become restrictive and is in need of modernisation. Without further provision to free up more land to build on, the young people that we need to protect the future of our economy will not be able to afford housing, and council spending on housing the homeless will continue to rise.

Business rates are also ripe for review – a property-based tax is no longer an accurate basis for taxing the activity and value of local business, in particular as this source of funding becomes increasingly important to the provision of local authority services with the phasing out of the Government’s block grant.

Demographic and funding pressures mean that the NHS no longer remains sustainable, and the integration of health and social care – recognised as critical by all key decision makers – remains more aspiration than reality.

There is an opportunity for communities to take a more holistic approach to health, for example creating healthier spaces and workplaces and tackling air quality, and to use technology to provide more accessible, cheaper diagnosis and treatment for many routine issues

Finding a better way to measure the vibrancy of places

When applied to a place we can see that traditional indicators of prosperity such as GVA, do not tell the full story. To address this we have developed a [Vibrant Economy Index](#) to measure the current and future vibrancy of places. The Index uses the geography of local authority areas and identifies six broad objectives for society: prosperity, dynamism and opportunity, inclusion and equality, health wellbeing and happiness, resilience and sustainability, and community trust and belonging.

The city of Manchester, for example, is associated with dynamic economic success. While our Index confirms this, it also identifies that the Greater Manchester area overall has exceptionally poor health outcomes, generations of low education attainment and deep-rooted joblessness. These factors threaten future prosperity, as success depends on people’s productive participation in the wider local economy, rather than in concentrated pockets.

Every place has its own challenges and opportunities. Understanding what these are, and the dynamic between them, will help unlock everybody’s ability to thrive. Over the coming months we will continue to develop the Vibrant Economy Index through discussions with businesses, citizens and government at a national and local level.

Guy Clifton – Head of Local Government Advisory

Grant Thornton publications



<http://www.grantthornton.co.uk/globalassets/1.-member-firms/united-kingdom/pdf/documents/creating-manifesto-vibrant-economy-draft-recommendations.pdf>

International Consortium on Governmental Financial Management

Introduction

Grant Thornton and the International Consortium on Governmental Financial Management (ICGFM) partner every other year to perform an international survey of Public Financial Leaders.

In 2015 the theme was innovation in public financial management. This year's survey has been designed to identify and describe emerging issues around transparency and citizen engagement – building on the themes highlighted in the 2015 report.

The insights will be published in a report later in 2017 and we would be delighted if you were able to spend some time completing the brief on-line questionnaire which can be found [here](#). Your Audit Manager will be able to provide you with a link to the survey if required.

Please note that the ICGFM and Grant Thornton will not identify, or attribute thoughts and quotations to, individual survey respondents in the final 2017 report. This preserves your anonymity, so please respond freely, honestly and openly.

We have again partnered with the ICGFM to survey Financial Leaders



Innovation in public financial management
in an increasingly complex and uncertain global environment

Global financial management leaders survey 2015





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