

## **ANNUAL GOVERNANCE STATEMENT FOR THE FINANCIAL YEAR 2020/2021**

### **Explanatory Note**

This Annual Governance Statement covers the Financial Year 2020/2021.

The Council operates a Leader and Cabinet model of governance, with the Cabinet having collective decision making powers.

On 23 March 2020, as a result of the Covid-19 outbreak and in light of the Government's guidance on social distancing, all public meetings were cancelled, and the Leader of the Council changed the delegation arrangements to enable him as Leader to make executive decisions rather than collectively by the Cabinet. However with the use of technology permitting virtual meetings, decisions reverted to being made collectively by cabinet as of 7 May 2020.

Whilst this Annual Governance Statement covers significant governance issues from 1 April 2020 up to the date of approval of the Statement of Accounts, the governance system described throughout is, in the main, that which was in place for the majority of the 2020/2021 municipal year (namely Leader and Cabinet, with collective decision making).

In 2020 the then Chief Executive and Head of Paid Service announced his departure from the post and an Interim Chief Executive was appointed from 1 August 2020. The Employment Committee was tasked with the recruitment of a permanent Chief Executive and subsequently made a unanimous recommendation to Council that the Interim Chief Executive be appointed permanently. This was agreed by Council in March 2021.

### **Scope of responsibility**

Torbay Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. Torbay Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

Torbay Council has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*. The code is included in the Council's Constitution which is available on the Council's website at

<http://www.torbay.gov.uk/DemocraticServices/ieListMeetings.aspx?CId=458&info=1>

This statement explains how Torbay Council has complied with the code and also meets the requirements of the Accounts and Audit (England) Regulations 2015 in relation to the publication of a statement on internal control.

## **The purpose of the governance framework**

The governance framework comprises the systems, processes, culture and values, by which the authority is directed and controlled, and its activities through which it accounts to, engages with and leads the community. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Torbay Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

## **The Governance Framework**

### The Constitution

The Constitution sets out the main elements of the governance framework of Torbay Council, in particular how decisions are made and the procedures which are followed to ensure that these are efficient and transparent and that decision makers are accountable to local people.

Torbay Council operates a Leader and Cabinet model of governance. The Leader of the Council and the Cabinet are responsible for major decisions including key policy matters within the framework set by Full Council. These are referred to as "Executive Functions". When major decisions are to be discussed or made, these are published in the Forward Plan in so far as they can be anticipated. The Cabinet collectively takes decisions at meetings of the Cabinet and these meetings will generally be open for the public to attend except where exempt or confidential matters are being discussed.

The Constitution includes Standing Orders, Financial Regulations and the Scheme of Delegated Powers and is available on the Council's website. It is underpinned by Codes of Conduct for Members and Employees and a range of local protocols. The Constitution includes the Council's Code of Corporate Governance.

As the local elections in May 2019 left no party with overall control of the Council, the Liberal Democrat Group and Independent Group have signed a partnership agreement and have joined together to form the administration of the Council.

The Cabinet has to make decisions which are in line with the policies and budget set by Council. If they wish to make a decision which is outside the budget or policy framework, this must be referred to the Council as a whole to decide. The Council has an overview and scrutiny process which provides a 'critical friend' challenge to cabinet policy makers and decision making.

The Overview and Scrutiny Board is responsible for the overview and scrutiny function of the Council. In accordance with their work programme, it assists in the development of policy and holds decision makers to account. As per the constitution, any five members of the Council can "call-in" executive decisions to the Overview and Scrutiny Board for further debate.

The Audit Committee is responsible for all internal and external audit matters, treasury management as well as monitoring the effective development and operation of Performance and risk management and corporate governance in the Council. It meets a minimum of five times per municipal year.

The Standards Committee's remit includes the conduct of members and investigating complaints in respect of individual members. The Standards Committee promotes and embeds ethical standards for members.

Some regulatory functions remain the responsibility of the Council rather than the Cabinet and most of these are delegated to a small number of committees appointed annually by the Council.

All members are inducted into the importance and processes of good governance and have informal and, if required, formal ways of raising governance issues with the Chief Executive, Monitoring Officer, Chief Finance Officer and the Senior Leadership Team.

As a result of the Covid-19 outbreak, Group Leaders reviewed the approach to the council's public meetings. In light of the Government's guidance on social distancing, from Monday 23 March 2020 all public meetings were cancelled.

As an immediate response, the Leader of the Council changed the delegation arrangements for Cabinet decisions, to single decision making rather than collectively by Cabinet members which enabled decisions to be taken remotely. The Leader of the Council consulted with the Cabinet and Group Leaders remotely, prior to making decisions. Associated officer reports for decisions were published in advance of decisions being made.

At that time, any urgent Council decisions that were required, were made by the Chief Executive in consultation with the Leader and Group Leaders.

For other decision-making Committees, in circumstances where decisions could not be delayed, officer delegations applied after consultation with relevant members. However with the use of technology permitting virtual meetings, from the beginning of May 2020 where required, meetings have been arranged virtually and collective responsibility for decisions by Cabinet and Full Council was re-instated.

### The Corporate Plan and Decision-making

Included within the Policy Framework is the Council's Community and Corporate Plan, the main strategic document under which all other Policy Framework documents sit. Following the local elections in May 2019, a Community and Corporate Plan "One Torbay: Working for all Torbay" was prepared by the Cabinet, and adopted by the Council, which sets out the ambitions and visions of the Council over four years and the principles within which the Council will operate.

The Delivery Plan associated with the Council's Community and Corporate Plan continues to be monitored alongside the Performance measures and risks as part of the Corporate Performance and Risk Report.

The Council also has a Medium Term Resource Plan which is reviewed on an on-going basis to take into account new information and changed circumstances. Both of these documents provide a framework for planning and monitoring resource requirements.

The Council's Senior Leadership Team oversee the delivery of the Community and Corporate Plan, ensuring that it is delivered, whilst seeking to maximise efficiencies, income and savings (in accordance with the requirements of the Medium Term Resource Plan) and create service resilience.

The Cabinet receive reports containing recommendations for decisions made at meetings of the Cabinet. All reports to members include sections on the financial and legal implications and the risks of the proposed decision. Prior to publication, these reports are cleared by the Chief Executive, Chief Finance Officer and the Monitoring Officer or one of their senior staff.

All meetings of the council and its committees are open to the public but a small number of matters are considered in private when the press and public are formally excluded from meetings. It is the Council's objective to keep these private matters to a minimum with only those elements of reports that are considered exempt from publication being included within appendices. This aims to ensure open and transparent decision making is undertaken at all times.

Between 23 March 2020 and 7 May 2020, reports which the Leader of the Council considered ahead of making decisions were published on the Council's website and circulated to all members of the Council. Feedback was encouraged via electronic means before the Leader made his decision. Decisions were then published online (as would normally happen when meetings of the Cabinet were held).

The Member Development Programme provides a structured approach to member development and support them in their roles. In addition to the Personal Development Plans, Members have the opportunity to have a one to one Councillor Development discussion with their Group Leader. The purpose of these reviews is to discuss each member's progress and how they can contribute in meeting the Council's priorities.

### Community and Service User Engagement

A Community Engagement and Empowerment Strategy was developed during 2020 and was approved at a meeting of the Council in February 2021. The strategy outlines how the Council intends to meet its mission to be a Council that works in partnership with its residents, communities and partnerships.

The Strategy is split into 6 key domains that outline how we propose to improve our community engagement and how we want to work alongside and empower the community in Torbay. The domains are:

- Working differently
- Keep you informed
- Ask what you think
- Decide together
- Act together
- Support independent community initiatives

The first domain outlines what our offers are to the community to facilitate this approach and what we ask of the community to support. It provides a narrative to explain the Council's new approach and proposals about how a partnership framework would look in Torbay.

The subsequent domains make clear statements about what our commitments are and what our planned actions are to meet these. Many of these commitments and planned actions were identified at the Community Conference in September 2019.

There are a number of Community Partnerships across Torbay which provide an opportunity for people who live or work in those parts of Torbay to discuss issues of common concern, influence the way in which services are provided and improve their local area.

The partnership administration has made clear its wish to strengthen community engagement and empowerment and work is continuing to ensure that the Council can build on the existing arrangements across Torbay.

In developing proposals for service change, consultation with service users and the public is undertaken. In particular, the impact on vulnerable groups and those with characteristics protected under the Equality Act 2012 is assessed and documented in Equality Impact Assessments which are considered by decision-makers prior to decisions being made.

## Partnership Working

The Council retains legal responsibilities for the provision of Adult Social Care in accordance with the Care Act 2014, the Mental Capacity Act 2005 and the Mental Health Act 1983, but these are delegated to Torbay and South Devon NHS Foundation Trust, an integrated organisation responsible for providing acute health care services from Torbay Hospital, community health services and adult social care for the people of Torbay and South Devon.

The Torbay Adult Social Care Financial Agreement 2020 to 2023 under the powers outlined in S.75 NHS Act 2006 was agreed in March 2020 to continue integrated appropriate and well managed arrangements for Adult Social Care in Torbay.

The Adult Care Strategic Agreement (ACSA) between Torbay Council, Torbay and South Devon NHS Foundation Trust and Devon Clinical Commissioning Group was agreed at a meeting of the Council in September 2020. The ASCA replaced the Annual Strategic agreement and sets out the way in which Torbay Council and Devon Clinical Commissioning Group (CCG) commission adult social care services from the Torbay and South Devon NHS Foundation Trust until 2023.

The Torbay Voluntary Sector Network has been working closely with Torbay Council, this includes Citizens Advice Bureau, Healthwatch, faith groups, Age UK and Torbay Community Development Trust (TCDT). This group works with Torbay Council in its overall approach to working with the community and voluntary sector by forging new partnerships; whilst finding creative and innovative ways for delivering services that will sustain a thriving voluntary and community sector in Torbay. The development of the community and voluntary sector in Torbay is key to the strategic plans of Torbay Council, South Devon and Torbay Clinical Commissioning Group (CCG) and Torbay & South Devon NHS Foundation Trust.

The Torbay Strategic Partnership (known as Torbay Together) has continued to meet regularly throughout the year and the partnership, which consists of public, private and voluntary sector organisations, has continued to work together to address issues that impact across Torbay. In 20/21 the partnership decided to re-visit the vision it is working towards and the new vision is currently under development so that the partnership's objectives and work programme can be re-focused.

The Health and Wellbeing Board and the Community Safety Partnership known as Safer Communities Torbay, provide forums where multi-agency issues which impact on the Torbay population can be debated. Safeguarding Boards are also in place for both children and adults.

The Council owns (either in its own right or with partners) a number of companies, namely the Torbay Economic Development Company (which has a trading name of TDA), Torbay Education Limited, Careers South West and SWISCo. The Council has representatives on the Boards of these companies

together with a number of reserved matters which are set out in the Articles of Association and Memorandum of Understanding.

Our 10-year joint venture TOR2 Ltd contract with Kier Ltd ended in June 2020. From July 2020, a new wholly owned, private limited company SWISCo (South West Integrated Services Company) has delivered the waste and recycling services previously provided by TOR2 Ltd. The company is also the provider for grounds maintenance, street scene services and highways maintenance amongst other key services.

A Shareholder Panel and a Customer Liaison Panel were established in 2020 to ensure governance oversight for the Council and Community feedback of SWISCo.

Performance and monitoring arrangements are in place in respect of service specific partnerships such as the Torbay and South Devon NHS Foundation Trust and the Torbay Coast and Countryside Trust.

The Council is a member of the Heart of the South West Joint Committee (a partnership across all of the local authorities in Devon and Somerset plus the national park authorities, the Local Enterprise Partnership and the Clinical Commissioning Groups) which will be delivering the Productivity Strategy for the region and maximising the opportunities for Government funding in Devon and Somerset.

In addition, the Council is working with partners on the Health and Social Care Integrated Care System.

### Performance and Risk Management

A new Performance and risk strategy and framework for the organisation was agreed at a Cabinet meeting in December 2020. The Senior Leadership Team is responsible for the implementation and monitoring of the Performance and Risk Framework.

Performance and Risk Dashboards have been developed and are regularly reviewed to ensure they reflect the priorities of the Community and Corporate Plan and show progress against the specific actions within the delivery plans.

A Strategic Risk Register is maintained which identifies strategic risks facing the Authority together with clearly identified measures for mitigation. Directors and Assistant Directors are responsible for managing risk within their Business Units.

The Senior Leadership Team monitor the Council's Performance and risks in formal updates on a quarterly basis. These updates are shared with the Leader and Cabinet at Informal Cabinet meetings and with Audit Committee. Any areas of concern are highlighted and appropriate corrective action is considered, scrutinised and monitored.

## Senior Management

The **Head of the Paid Service** is the Chief Executive who is responsible and accountable to the Council for all aspects of operational management.

The Director of Finance is the **Chief Financial Officer**. He has direct access to all members, the Chief Executive and senior officers of the Council. He works with Directors and Assistant Directors to identify any financial issues which may require management action. Regular discussions were held with the Leader of the Council and the Deputy Leader of the Council who is the Cabinet Member with responsibility for finance. The Chief Financial Officer has responsibility for ensuring the Council operates secure and reliable financial and accounting systems.

Members are briefed on key financial issues with revenue and capital budget monitoring reports being considered by the Overview and Scrutiny Board and the Cabinet on a regular basis. The Council agrees the Treasury Management Strategy on an annual basis on the recommendation of the Audit Committee.

The Head of Legal Services is the Interim **Monitoring Officer**. She is responsible to the Council for ensuring that agreed procedures and protocols are followed and that all applicable Statutes and Regulations are complied with.

Officers in politically restricted posts and those responsible for negotiating contracts are required to register their personal interests.

## Training and Information

Corporate training needs are identified through the Senior Leadership Team. The Council has strongly supported staff development, particularly through programmes such as the Institute of Leadership and Management to develop Team Leaders and Managers.

The Corporate Induction module on i-Learn signposts and informs new employees about the range of policies and procedures they need to be aware of, including the Code of Conduct, Information Governance, Acceptable Behaviour, Driver's Policy and Handbook and Whistleblowing Policies. Managers are responsible for local induction arrangements with corporate induction courses being run on a regular basis. The Induction process is currently being redesigned as part of the Whole Council Re-design programme.

i-Learn also houses learning modules which are mandatory for all staff including Equality in the Workplace, Fire safety, First Aid at Work and Display Screen Safety. Wellbeing modules have also been added in 2020.

The Council's intranet contains a range of policies, procedures and guidance for all staff including Information Governance Policies, Code of Conduct, Freedom of Information guidance, Data Protection Policy and the Corporate

Plan and Constitution. Human Resources (HR) Policies are available to all staff via the MyView web platform.

The Council has a Counter Fraud and Corruption Policy which is reviewed regularly, has been communicated to all staff and is available on the Council's website.

The Managers Forum meets on a quarterly basis and Senior Managers Forum meets once each month (excepting the months when a Managers Forum is held). These meetings enable all managers to be briefed on current issues, reflect on achievements and engage in the development of action plans, ensuring that best practice across the Authority is shared and that plans for the future are collectively owned. This information is then passed on to staff through team meetings.

A focussed forum for Managers called the Extended Leadership Team (ELT) has been established, so as to provide for even greater communication and opportunities for empowerment throughout the organisation.

Internal communication approaches are in place to ensure all staff are aware of issues and new policies and practices. Newsletters are sent to all staff and managers to advise them of relevant information, HR policy, legislation changes and Learning and Development courses that are available. A range of forums are also in place for discussions between the Senior Leadership Team, managers and all staff to take place.

Updates regarding organisational working practices and service changes during the COVID-19 pandemic were communicated to staff via all staff emails and team meetings. The Chief Executive continued to give regular updates via video and newsletter. During 2020/21 staff were supported through weekly wellbeing emails and signposted to dedicated web pages covering a range of issues affecting staff in and outside of work.

The All Colleagues Briefing is a 2020 addition to our internal engagement approach and happens four times a year. It provides an opportunity for all staff to come together to learn about key issues at the organisation. The 30-minute briefings are open to everyone and attendance is encouraged. These briefings are led by the Chief Executive, supported by a relevant member of the Senior Leadership Team and cover key issues for staff.

Ask Us Anything on-line meetings are held in the months where we do not have an All Colleagues Briefing. There are two sessions each month, covering the same topic and 30 members of staff can register their attendance and ask questions of the Senior Leadership Team.

There is a positive working relationship with Trades Unions through quarterly formal meetings, informal meetings with the Head of Paid Service and Head of Human Resources conducting consultation where appropriate.

### Customer Feedback, Whistleblowing and Prevention of Fraud

The Council has a customer feedback recording, tracking and reporting system to which all staff have access via the Intranet. The system captures compliments, complaints, queries, enquiries and Local Government Ombudsman complaints. Letters from Members of Parliament as well as enquiries made through local councillors are also recorded through this system.

The system enables all complaints to be recorded and tracked with root causes identified providing the Council with a useful analysis of why issues are being received. It also enables the tracking of the implementation of recommendations and actions.

The Information Governance Team operates a one stage complaints process which facilitates timeliness of responses, consistency of responses and improved timescales for escalation to the Local Government and Social Care Ombudsman. Reports regarding complaints are provided to the Senior Leadership Team on a regular basis, these reports include the type of complaint, service area, outcomes and any learning points. This results in further actions being identified and implemented.

The Council's Whistleblowing Policy is available on the Council's website and intranet site. The Council has an established phone line that any whistleblowing call can be made to and which goes directly to Internal Audit which has responsibility for dealing with these issues in the first instance.

The Monitoring Officer, Chief Finance Officer and the Head of Devon Audit Partnership meet on a regular basis to consider and recommend action in connection with current governance issues and other matters of concern regarding ethics and probity. The Chief Executive (as Head of Paid Service) is kept informed of any matters that any of them consider shall be brought to her attention.

The Council has a Fraud and Counter Corruption Officer who is accountable to the Head of Finance. The Council's website enables members of the public to report any suspicions of anyone committing fraud or corruption.

### Information Management

The Council holds and processes a significant amount of information. It is critical that the information held is of good-quality, accurate and kept up-to-date to inform decision making. Equally important is the requirement to process personal and sensitive information in accordance with the data protection legislation. To support this, there is an Information Governance Steering Group, which consists of the Head of Information Governance (who is also the Council's Data Protection Officer), the Senior Information Risk

Owner (SIRO) and the Council's Caldicott Guardian. This Group reviews the Council's approach to information management, information security and sharing. This group also oversees the Information Governance action plan and related Performance as well as approving related policies. There is an Information Governance Framework in place under which there are a number of operational policies and procedures including a suite of information security policies. These policies are subject to regular review and updates are communicated to all staff.

The Council's Information Governance Team are responsible for monitoring and reviewing compliance to data protection legislation across the Council. Part of this work is reviewing the Information Asset Register which specifies the information assets held across all Council departments and allows the Council to understand the risks associated with different information assets.

In 2020, the Council was audited by the Information Commissioner's Office (ICO) and covered the areas of Governance and Accountability, Information Security and Freedom of Information. Across all three areas the Council was given a 'reasonable' level of assurance by the ICO supported by an Action Plan which is currently being delivered.

### Internal Audit

The internal audit service is provided by Devon Audit Partnership (DAP). This is a shared service arrangement originally formed by Torbay, Devon County and Plymouth City Councils but has been subsequently expanded to include several district councils. It is constituted under section 20 of the Local Government Act 2000. Devon Audit Partnership undertakes the role of auditing the Council's systems to give assurance to the organisation.

The Council's Internal Audit Plan, which is risk based, is agreed annually by the Director of Finance, Senior Leadership Team and the Council's Audit Committee. This provides the basis for the review of internal control and governance within the Council and includes the following: -

- Annual reviews of the Council's key financial systems by Internal Audit against known and evolving risks.
- Reviews of internal controls in operation within each service area against known and evolving risks based on a detailed risk assessment. These reviews consider the strategic and operational risks identified in the Corporate Risk Register, as well as materiality, sensitivity and previous audit and inspection findings.
- Work in relation to the investigation of any potential irregularities identified either from audit work or through the Council's whistle-blowing policy.
- Advice and support to ensure future safeguards when implementing new systems.

- Value for money work in relation to assessing the efficiency, economy and effectiveness of the Council's operations and recommending improvements as necessary.

Internal Audit is governed by Public Sector Internal Audit Standards. In April 2020 the Chartered Institute for Public Finance and Accountancy (CIPFA) Special Interest Group (SIG) for Internal Audit, considered and proposed a common practice of using four standard internal audit assurance opinions, which DAP has adopted. These are:

- Substantial Assurance
- Reasonable Assurance
- Limited Assurance
- No Assurance

This replaces the previous High Standard, Good Standard, Improvements Required and Fundamental Weaknesses ratings used on each audit assignment in previous years.

The Council also receives assurance from the NHS Internal Audit Consortium (ASW Assurance) over the controls in operation at Torbay and South Devon NHS Foundation Trust which covers the provision of adult social care services.

Achievement against the Audit Plan is reported to the Audit Committee on a twice yearly basis. This report also includes an opinion and assurance about the system of internal control throughout the Council.

Regular meetings are held between the Chief Finance Officer and a representative of the Devon Audit Partnership to discuss specific issues that have arisen.

### **Review of Effectiveness**

Torbay Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of managers within the Authority who have responsibility for the development and maintenance of the governance environment, the Head of the Devon Audit Partnership's annual report, and also by comments made by the External Auditors and other review agencies and inspectorates. This review is demonstrated through the Annual Governance Statement.

As in previous years, Devon Audit Partnership undertook certain assurance work on behalf of the Council and to give assurance to the external auditors as part their audit opinion.

The effectiveness of the governance framework has been evaluated over the course of the year against the seven core principles within Torbay Council's

Code of Corporate Governance. Details of the evaluation is included in the sections which follow. Whilst some governance issues have been identified (and are detailed below), the Council believes that its arrangements continue to be regarded as fit for purpose in accordance with the governance framework.

Focusing on the purpose of the authority and on outcomes for the local community and creating and implementing a vision for the local area

The Council's Community and Corporate Plan "One Torbay: Working for all Torbay" was adopted in February 2020. The associated Delivery Plan which sets out the specific actions which will be undertaken to deliver against the Community and Corporate Plan was agreed by Cabinet in June 2020. Progress against the plan is monitored in quarterly Performance and Risk reports which include updates on each action and identification of the priorities for the coming months.

For the 2021/2022 municipal year, work has taken place to develop a Council Business Plan which will act as the delivery plan for the Community and Corporate Plan.

Members and officers working together to achieve a common purpose with clearly defined functions and roles

The Council's Constitution has been continually reviewed throughout the year by the Monitoring Officer, Chief Financial Officer and Head of Governance Support in consultation with the Leader of the Council and Group Leaders whereby improvements and changes to the constitution were made and agreed.

A full Member Induction Programme was put in place immediately post the Local Elections in May 2019. Over the course of the second year of their term of office, the Member Development Programme continued to build members' focus on the strategic issues.

Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour

The Standards Committee met as required during 2020/2021. The Interim Monitoring Officer meets as needed with the **Independent Person** (appointed to assist the Standards Committee in the Member Complaint Process) to hear their views and opinions on any relevant matters relating to Members' conduct. The Interim Monitoring Officer had received complaints which were dealt with in accordance with the Assessment and Determination of Allegations of Breaches of the Member's Code of Conduct and were not progressed to the Standards Committee.

The Standards Committee also reviewed the Members Code of Conduct following the release of the Local Government Association Model Code of Conduct. A revised Members Code of Conduct was approved by Council at their meeting in February 2021.

The Council's Code of Conduct, Whistleblowing and Acceptable Behaviour policies are available for all staff on MyView. They are also referred to within employees' terms and conditions of employment and are binding upon employees during the course of their employment with the Council. Reminders are sent out to staff via newsletters and internal communications. The Council's induction programme also signposts to the above policies for new starters.

New Customer Service Standards were developed in 2020 and came into effect from April 2021. These standards have been put in place to ensure that our employees have clear guidelines in terms of what is expected of them when working with our customers. Ultimately, we are a Council which is providing high quality services in a friendly, efficient and helpful way. We should continually strive to improve services by ensuring good communication and a positive attitude towards our customers.

Business ethics, values and culture are an important part of improving an organisation's governance process and we continue to place great importance on this.

#### Taking informed and transparent decisions which are subject to effective scrutiny and managing risk

Meetings of the Cabinet are well-established, enabling reports to be presented and considered ahead of decisions being made collectively in the public domain.

The Overview and Scrutiny Board has met throughout the year to hold the Leader and Cabinet to account, and the Audit Committee has also met regularly. This aims to provide assurance within the decision making process.

The Overview and Scrutiny Board has undertaken a range of work from reviewing draft Policy Framework documents to matters arising from budget monitoring reports. Over the course of the municipal year 2020/21 the Board have considered two call-ins.

The Audit Committee has received the Internal Audit Plan together with updates on the progress against the Plan. The Committee has received the Council's Statement of Accounts and Treasury Management Strategy.

A new Performance and Risk Strategy and Framework was agreed by Cabinet in December 2020 and has since been implemented to reflect the priorities of the Community and Corporate Plan "One Torbay: Working for all Torbay". Performance and Risk Dashboards have been developed to measure and report on the specific actions within the "One Torbay: Working for all Torbay" Delivery Plan and ensure current strategic are identified, mitigated and monitored.

The Council's Information Asset Register is subject to regular review as part of the Council's GDPR project plan, this allows the Council to understand the

information being processed across all departments, the lawful basis for processing and the security measures associated with the information asset.

Decisions made by the Cabinet in relation to the Council's Investment and Regeneration Portfolio are in accordance with the Investment and Regeneration Fund Strategy. This Strategy sets out how the Council aims to improve its financial resilience through the purchase of a balance portfolio of investments which appropriately spreads the Council's risk, as well as supporting the Economic Strategy by delivering economic growth, tackling inequality and creating change in the area that benefits everyone. The Strategy also sets the framework to ensure that appropriate due diligence is undertaken during the decision making process in relation to the Council's investments.

The Council has also established an Economic Growth Fund to help further deliver economic growth within Torbay. Applications for money from this Fund are determined in accordance with the Economic Growth Fund Criteria approved by the Cabinet, which is similar to the investment criteria but allows more flexibility in terms of income generated, as its main role it to enable growth and create jobs in Torbay. Such investments are also subject to appropriate due diligence.

#### Developing the capacity and capability of members and officers to be effective

The Senior Leadership Team has kept the operation of its meetings under review over the course of the year in order to increase their capacity to focus on those issues of strategic importance.

The Members' Development Programme continues to be delivered including training on Licensing, Energy Efficiency and Climate Change, Corporate Parenting, and the Co-operative Councils Innovation Network. Communication with councillors was supplemented by Councillor Conversations which take place to provide an informal opportunity to discuss forthcoming issues. Councillors learning and development is also supported with external training opportunities available from The Local Government Association, The Devon Shared Service and Peers from other authorities.

Key messages and information are communicated from the Senior Leadership Team directly to all managers at monthly Senior Managers Forums and quarterly Managers Forums. This is then fed back in team meetings with an emphasis on the cascade of information to front line staff.

A number of staff volunteers from different areas across the Council have been recruited to become Wellbeing Supporters. They are a confidential point of contact for employees experiencing emotional distress or a mental health issue. This interaction could range from having an initial conversation to supporting and signposting the person to get appropriate help. Volunteers attended 'Connect 5' training to provide them with the right tools and knowledge to carry out their roles.

Induction events are periodically held for all new starters. These events form part of the formal induction programme and aim to; welcome new employees to the council, give new employees important information, enable a networking opportunity and enable new employees to meet the Chief Executive and/or member of the Senior Leadership Team and ask questions.

#### Engaging with local people and other stakeholders to ensure robust public accountability

Consultation and service user engagement has continued to take place in relation to service change. This work has included consultation on the proposals for budget savings and income generation.

There continues to be good engagement from partners within the Torbay Together Partnership and an independent Chairman continues to lead the partnership. In re-evaluating the vision for Torbay in 20/21 the partnership has engaged with the local community via a number of town based workshops and an online questionnaire. They have continued to meet virtually throughout the pandemic and are more determined than ever to work together for the benefit of Torbay.

The second Torbay Community conference was held virtually in September 2020. It was designed to build on the work established at the initial 2019 Community Conference. Torbay Council continues to be committed to developing a more engaged relationship with individuals and communities across the Bay. The report from the initial Conference included recommendations for cultural and organisational changes which have contributed to the current Council Redesign programme.

Six key messages emerged from conference discussions:

1. There are real positives and achievements to be celebrated across Torbay and we should maintain a focus on these and build from them.
2. Similar themes from last year's conference were identified especially about trust, working with communities and improved communication from the Council. Progress has been made in terms of collaborative approaches and partnership working but it is still early days and we need to continue to build and work on this.
3. There is no 'one size fits all' to how people want and are able to engage with us - we need to continue using a broad range of activities and approaches to engagement and working with the community.
4. We still need to think more creatively about reaching people we don't normally get to engage with us.
5. Partnership and collaboration is working – with many examples from the local pandemic response and successful community projects. Community groups are well placed to provide the support that the community needs - especially when supported and trusted by the Council.

6. We should continue to utilise online forums and technology to engage with people especially whilst social distancing is required. However, we must ensure more face to face opportunities are included as restrictions reduce.
7. The feedback from the Conference and this report needs to be reviewed, integrated and inform the ongoing transformation work within the Council.

A Community Engagement and Empowerment Strategy has been developed following feedback from the first Community Conference and to deliver the Council's determination to engage with communities more effectively. The Strategy sets out the plan to address some of the key themes emerging from the Conference and clear statements about the Council's offers, commitments and actions, working with the community to build more positive and trusted relationships. It also outlined how the Council intended to meet its mission to be a Council that works in partnership with its residents, communities and partnerships based around six key elements. This strategy was approved at a council meeting in February 2021.

The Annual Report of the Overview and Scrutiny Board has been published and considered by the Council at its annual meeting.

The Statement of Accounts provides a Narrative Report which explains the Council's achievements against the Corporate Plan over the past year alongside the Council's financial Performance.

During 2020/21 a series of Facebook Live and Ask us events were held on social media. Members of the public could hear from a panel of leading Members and senior officers and ask them questions. Each event was focussed on a subject such as the budget or COVID-19.

**Securing continuous improvement in service delivery and ensuring that its agreed policies, priorities and decisions are implemented on time, in a manner consistent with the needs of its user and in the most effective way**

The new Performance and Risk Strategy and Framework was agreed by Cabinet in December 2020 and is in the process of being implemented to reflect the priorities of the Community and Corporate Plan. Performance and Risk Dashboards have been developed to measure and report on the specific actions within the "One Torbay: Working for all Torbay" Delivery Plan.

Corporate Performance and risk reports are reviewed quarterly by the Senior Leadership Team, Leader of the Council and Cabinet, Group Leaders and the Audit Committee. This enables any areas of concern to be highlighted and recovery plans to be prepared, scrutinised and monitored. The Audit Committee refer matters by exception to the Overview and Scrutiny Board if it is felt that further investigation is required.

Development work has commenced on a tracking system to address actions in areas identified by Internal Audit as requiring improvement. Officers are working alongside Internal Audit to finalise the process and ensure these actions can be monitored by SLT.

Ofsted re-inspected our children's social care services in June and July 2018 and concluded that overall they remained inadequate. Ofsted carried out a focused visit in March 2021 with the subsequent report recognising the continued progress that has been made in improving services for children in Torbay during the unprecedented challenges we have all faced in the last 12 months. The Council acknowledges that its improvement journey is ongoing and is committed to continue to build on the foundations that have been laid.

Based on work performed during 2020/21, Internal Audit's experience from previous years, and the outcome of the Annual Follow Up exercise, the Draft Annual Audit Report for 2020/2021 set out that the Head of Internal Audit's opinion was one of "Reasonable Assurance" on the adequacy and effectiveness of much of the Authority's internal control framework. The exception to this is Children's Services Directorate (excluding Education where the opinion is Reasonable Assurance), although Internal Audit acknowledge a positive direction of travel as supported by external assessment from statutory bodies, which notes significant improvement in Children's Services.

The Authority's internal audit plan for 2020/21 included specific assurance, risk, governance and value-added reviews which, together with prior years audit work, provide a framework and background within which Internal Audit can assess the Authority's control environment. The audit plan has been significantly revised on the instruction of the S151 Officer in order that Internal Audit could operationally support Torbay Council's Covid-19 response and undertake other requested work.

The Council's financial management arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010).

## **Significant governance issues**

In their Draft Annual Report, Internal Audit identified that the Council's overall internal control framework is considered to have operated effectively during the year. Where internal audit work has highlighted instances of non or part compliance, none are understood to have had a material impact on the Authority's affairs. However, the opinion provided must be considered in light of the current and (at time of writing) ongoing coronavirus pandemic, and the impact of this on the Council. Opinion is based on internal audit work undertaken during 2020/21, as part of a revised plan. Covid-19 measures have resulted in a significant level of challenge to the Council and put pressure on the expected control environment; the need for prompt and urgent action by officers has required changes to some procedures and control arrangements. In respect of the draft annual report it has not been possible to fully quantify the additional risk that may have arisen from such emergency and associated measures or fully determine the overall impact on the framework of governance, risk management and control.

The arrangements for holding meetings virtually continued throughout 2020/21 in line with regulations introduced by the Ministry of Housing, Communities and Local Government (MHCLG) at the start of the pandemic, however from 7 May 2021 it is not lawful for virtual meetings to continue. Arrangements are now in place to resume physical meetings.

The ongoing financial impact of COVID-19 will have a significant impact on the 2021/22 budget. The impact on the Council's income, expenditure and funding is outlined in the Medium Term Resource Plan and the 2021/22 budget proposals. Clearly the financial impact on 2021/22 and future years can only be an estimate and officers will continue to update estimates and will continue to aim to mitigate as far as possible any financial impacts.

In their August 2020 report Internal Audit gave an opinion of reasonable Assurance on Key Financial Systems – ICT Business Continuity and Disaster Recovery 2019-20 and 2020-21. Areas for concern related to the single data centre, the approach to business continuity, planning between departments which could be mitigated by the IT Services Business Continuity Plan. Audit also highlighted that change control would benefit from further strengthening and that there is a need for a change governance structure. Audit found that generally, systems were well managed, and some policy and procedural documents are in place. Processes supporting key financial systems were well operated and managed, especially given historic resource issues and more recently the impact of Covid-19. The fast and effective response by IT Services enabled continued service provision. It is noted that there has been recent investment in IT Services, although the benefits have been diluted by the necessary Covid-19 ICT response.

Audit's November 2019 report found that Tor Bay Harbour Authority was compliant with the Port Marine Safety Code (PMSC) however there were concerns in relation to land-based Health and Safety (H&S). These concerns were referenced again in Audit's follow up report in November 2020 in which recommendations were made that land-based H&S be formally reviewed by

an appropriate body and an action plan drawn up. These actions have been undertaken and the Council continues to ensure a significant focus on health and safety in the harbours as our area of biggest risk.

As outlined in an earlier section, the Council continues to deliver against its Children's Services Improvement Plan. Whilst Ofsted have recognised, during their focused visit in March 2021, that there has been continued progress in improving services for children in Torbay, it is acknowledged that the improvement journey is ongoing.

In addition to the above, there were a number of reviews undertaken by internal audit during the course of the year which found that improvements were required. In most cases management actions plans have been put in place and these will be monitored on a regular basis through the Performance and Risk Framework.

### **Conclusion**

Overall, during the course of the year we have ensured that we are delivering against our agreed action plans in order to maintain our robust corporate governance arrangements. Our decision making processes are understood by members and officers and the mechanisms which support those processes operate effectively.

We have recognised where there are areas for further improvement as outlined within this Statement. We propose, over the coming year, to take the steps detailed in the action plan below to address these areas to further enhance our governance arrangements. We are satisfied that these steps will address the issues identified and we will monitor their implementation and operation as part of our next annual review.

Anne-Marie Bond  
Chief Executive

Councillor Steve Darling  
Leader of the Council

<b>Action</b>	<b>Responsible Officer</b>	<b>Deadline</b>
Review of lessons to be learned from Torbay Council's COVID-19 response	Senior Leadership Team	Ongoing and by 31 March 2022
Continue to deliver the Children's Services Ofsted Improvement Plan	Director of Children's Services	Ongoing
Deliver against the Council's Business Plan	Senior Leadership Team	31 March 2022
Implement and monitor the Performance and Risk Framework	Senior Leadership Team	31 March 2022