

## **ANNUAL GOVERNANCE STATEMENT FOR THE FINANCIAL YEAR 2021/2022**

### **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 the 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 must 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 (and its sub-committee the Children and Young People’s 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.

From the beginning of May 2020, all the council's meetings were held virtually because of the Covid-19 pandemic and social distancing measures. From 12 July 2021 all decision-making meetings reverted to being held in person with social distancing and other protective measures in place.

### The Corporate Plan and Decision-making

The Council's Community and Corporate Plan is the main strategic document under which the rest of our Policy Framework sits. 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 Council Business Plan 2021-22 sets out the delivery of the Community and Corporate Plan and details the priorities for the organisation into 2023. A quarterly performance report which includes both projects and performance indicators is used to track the delivery of the priorities. In addition to the performance report, a separate strategic risk report is updated and reviewed by senior management and Audit Committee quarterly.

The Council has a Medium Term Resource Plan which is reviewed on an on-going basis to consider new information and changed circumstances. Both 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. From May 2022, meetings of the Council, Cabinet and Planning Committee have been livestreamed so as to further enable open and transparent decision making.

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 to meeting the Council's priorities.

### Community and Service User Engagement

The partnership administration is clear in their vision for strong community engagement and empowerment and work is continuing to ensure that the Council can build on the existing arrangements across Torbay.

The Community Engagement and Empowerment 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.

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 Risk Share (Financial) Agreement 2020 to 2023 under the powers outlined in S.75 NHS Act 2006, was agreed in March 2020, and extended in March 2022 to end in 2025. This agreement continues to integrate the arrangements for Adult Social Care in Torbay with Devon Integrated Care System and Torbay and South Devon NHS Foundation Trust.

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.

Torbay Council is one of the organisations involved in the Integrated Care System (ICS) for Devon, a partnership of health and social care organisations working together with local communities across Devon, Plymouth and Torbay to improve people's health, wellbeing and care so there are equal chances for everyone in Devon to lead long, happy and healthy lives. Partners include local NHS trusts and clinical commissioning groups, other local authorities, GPs and primary care colleagues, voluntary and independent sector partners.

As part of the ICS, the council is a part of the South Local Care Partnership (LCP) which brings together health and social care services with partner organisations to help people live better lives. The partners, including Devon County, South Hams District and Teignbridge Councils as well as local NHS trusts, Healthwatch Devon and Torbay Community Development Trust, work together across organisational boundaries to address health inequalities whilst recognising the unique challenges and differing demographics of each community.

The Torbay Safeguarding Children Strategic Partnership works together to identify and respond to the needs of children. It is jointly led by the three local safeguarding partners: Torbay Council, Devon and Cornwall Constabulary, and NHS Devon CCG. The safeguarding partners and all relevant agencies that work with children and families are committed to ensuring that safeguarding arrangements are of the highest quality, that they consistently promote the welfare of children and effectively safeguards them whatever their circumstances. The Safeguarding Children Partnership operates in line with the requirements of the statutory guidance Working Together to Safeguard Children 2018 and is independently scrutinised.

The Children's Partnership Early Help Model and Early Help Implementation Board has made strong strategic links made with the 0-19 Partnership to avoid duplication and is aligned with the Council's Sufficiency Board to ensure accountability. The model itself is predicated on partnership locality teams / networks with key links to the voices, needs and desires of the local communities. The networks / teams will be focussed on maximising resources in the three localities of Torquay, Brixham and Paignton, and across Torbay itself, as well as identifying local needs or gaps and suggesting how community strengths may address them. Our principles for Early Help are based on the principles of the legislation as described in *Working Together to Safeguard Children*, 2018.

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.

The Torbay Voluntary Sector Network has been working closely with Torbay Council and 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, Devon CCG and Torbay & South Devon NHS Foundation Trust.

The Torbay Strategic Partnership (known as Torbay Together), which consists of public, private and voluntary sector organisations, continued to meet regularly throughout the year and worked together to address issues that impact across Torbay. In January 2022 the partnership launched the Torbay Story, a vision for Torbay now and into the future. It also established a Torbay Place Leadership Board to replace the Torbay Together monthly meetings. The first meeting of this new board took place in February 2022. The partnership has also established a Torbay Champions Programme which launched in March 2022. The next challenge for the partnership is establishing Town Boards for the three towns.

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.

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.

The Council, with Devon County Council and Plymouth City Council submitted a request to Government for a County Deal. On 2 February 2022 the Secretary of State announced that Devon, Plymouth and Torbay were in the initial wave of places to be offered the opportunity to enter into a County Deal to receive devolved powers. The Councils are working together and with Government to explore what the Deal could contain. If a Deal is ultimately taken forward, then appropriate governance arrangements will be put in place.

### Performance and Risk Management

A performance and risk strategy and framework for the organisation was agreed by the Cabinet at its meeting in December 2020. The action plan for this document is updated and monitored through the Our Organisation Board.

During 2021/22, the council has revised its performance reports, improved the timeliness of its performance reporting timetable and enhanced the engagement with both cabinet and audit committee elected members. An updated approach to service planning has been devised which drives the golden thread of performance management from the corporate plan through to service delivery outcomes. In addition to this, the service planning process has developed an opportunity to hold a performance and finance challenge process, known as Star Chambers. The outcomes of the challenge feed directly into the council's annual budget setting and medium term financial plan. The Senior Leadership Team are responsible for the monitoring the delivery of the service plans and any improvement plans that the council has in place. Included within the service plans are each service's risks.

The council's approach to risk management is currently being reviewed and updated. A strategic risk report is updated by the Senior Leadership Team on a quarterly basis and discussed collaboratively at their SLT meetings. These reports are discussed and monitored at Informal Cabinet and Audit Committee. Service risks are managed through the council's Service Performance and Risk database (Spar.NET).

### 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 Divisional Directors to identify any financial issues which may require management action. Regular discussions are 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 **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.

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. In addition, there are several Wellbeing modules.

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) was established to provide for even greater communication and opportunities for empowerment throughout the organisation.

The All Colleagues Briefing 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, on a much more personal level.

Internal communication approaches are in place to ensure all staff are aware of issues and new policies and practices. Weekly staff update emails are sent to advise of relevant information, achievements, HR policy, legislation changes and the learning and development courses on offer.

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 2021/22 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.

There is a positive working relationship with Trades Unions through quarterly formal meetings, and 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 for any whistleblowing

calls, 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 (or their representative) 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 matters.

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 several 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.

Learning modules on the Council's I-Learn training system are mandatory for all staff to complete to make sure everyone has a good basic understanding of their role in relation to Data Protection and information Governance. These modules were updated in 2022.

Following a full audit from the Information Commissioner's Office (ICO) in 2020, a follow up audit assessment was conducted by the ICO in November 2021. The follow up assessment acknowledged the significant progress the Council was making towards the completion of the recommendations and that the ongoing work should serve to improve Torbay Council's compliance with the UK GDPR.

## 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 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 Council Business Plan 2021-22 acts as a delivery plan and sets out in much more detail what we have achieved, together, over the past year and the priorities that we want to deliver over the next year, into 2023. Progress against the plan is monitored in quarterly Performance and Risk reports which include updates on each action and work continues to embed the values and principles within the Community and Corporate Plan across the organisation.

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 third year of their term of office, the Member Development Programme continued to build members' focus on reinforcing good governance, getting the right skills for the job and strengthening leadership and risk awareness.

Further training in relation to the functions of the Audit Committee particularly around financial literacy and the Planning Committee, was included within the Member Development Programme for 2021/2022.

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

During 2021/2022 the Monitoring Officer has held monthly 'open sessions' with Members whereby any concerns could be raised and member behaviour generally discussed. In addition, the Monitoring Officer continues to meet 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 Council operated with two Independent Persons, during 2021/2022. One Independent Person tendered their resignation and a recruitment process was undertaken by the Monitoring Officer. Approval of the successful candidate was sought from Council in May 2022.

The 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 complaints against two Members were referred for investigation during 2021/2022 and were determined by a Standards Hearing Sub-Committee during the first part of 2022/2023.

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 their employment with the Council. Reminders are sent out to staff via newsletters and internal communications. The Council's induction programme also signposts new employees to the above policies.

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.

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.

At the start of the Covid-19 pandemic, the Cabinet Office issued guidance in relation to procurement which the Council adopted. At the same time the Scheme of Delegation was amended to ensure that decisions relating to the Council's response to the pandemic could be made as efficiently as possible. Whilst this could have opened the Council to an increased level of risk, the prevailing corporate governance mechanisms ensured that these were mitigated as far as possible.

The level of delegation to officers in relation to planning decisions was also increased at the start of the pandemic and later, as the Planning Committee began meeting virtually, no committee site visits could be undertaken in person. A virtual approach was adopted as soon as possible with the Planning Officer showing details of the site and meeting with the members of the Planning Committee virtually via Zoom. Meetings returned to being held in person from May 2021 with hybrid arrangements whereby decision-makers attended in person and others attending remotely via Zoom. Meetings in person resumed from August 2021 as restrictions were relaxed but site visits continued to be held virtually whilst Covid-19 numbers remained high in Torbay and social distancing measures remained in place for Council buildings and operations.

The Overview and Scrutiny Board has undertaken a range of work from reviewing draft Policy Framework documents to matters relating to health and wellbeing. Over the course of the municipal year 2021/22 the Board have not considered any call-ins. A sub committee of the Overview and Scrutiny Board was established this year to provide dedicated focus upon Children's Services to assist the Council in its improvement journey. A task and finish group was established and made recommendations to the Cabinet on Torbay's Housing Crisis.

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.

The performance and risk reports are reviewed and scrutinised by the Audit Committee on a quarterly basis. A pre-meet is held to discuss any points that members would like to debate or challenge as part of the main meeting agenda. The committee's role is to understand the constraints where performance has slipped and work with directors to support improvement.

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.

#### 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. 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 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 have continued to take place. This work has included consultation on the proposals for budget savings and income generation and to seek local people's views on service change and projects across Torbay.

There continues to be good engagement from partners within the Torbay Together Partnership. An independent Chairman continues to lead the partnership, now renamed as Torbay Place Leadership Board. The partnership launched a Torbay Champions Programme in March 2022 which gives an opportunity to anyone who wants to learn more about what the Bay has to offer, to attend the champions meetings and then help to promote Torbay. The partnership is also in the process of setting up town boards in the three towns to ensure that each has direct involvement in the wider Torbay Story.

The third Torbay Community Conference had the theme of Climate Change. The Torbay Climate Conversation, which thanks to funding from South West Energy Hub was a COP26 South West Region Event, took place in November 2021 at South Devon College. It was attended by residents, local community groups and organisations, Councillors and Officers who have an interest in how we can continue our conversation around climate change. Those that attended also discussed how we can continue to boost our priority of making Torbay Zero Emissions by 2030.

Torbay Council continues to be committed to developing a more engaged relationship with individuals and communities across the Bay. The report from the first Community Conference included recommendations for cultural and organisational changes which contributed to the current Council Redesign programme.

A Community Engagement and Empowerment Strategy was 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 2021/22 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

Corporate performance and risk reports are reviewed quarterly by the Senior Leadership Team, Informal Cabinet and Audit Committee. This enables any areas of concern to be highlighted, followed up and where necessary improvement plans put in place.

Last year the regular review of performance identified the timeliness of responses to Freedom of Information enquiries and Subject Access Requests as a matter of concern and work continues to improve this as although volume performance has improved, percentage stats have yet to see a significant change. Additionally, the committee raised its concerns regarding planning performance. A selection of new indicators were included in the performance report that highlighted the issues. The Chief Executive requested the planning advisory service's support and established an improvement project to implement their recommendations, as well as, support the service in other areas also needing improvement.

In November 2021, Ofsted and the Care Quality Commission conducted a joint inspection of the local area of Torbay to judge the effectiveness of the area in implementing the special educational needs and/or disabilities (SEND) reforms as set out in the Children and Families Act 2014. As a result of the findings of this inspection, Her Majesty's Chief Inspector determined that a Written Statement of Action was required because of significant areas of weakness in the area's practice.

The Written Statement of Action has now been prepared and approved by Ofsted and work in progressing to implement it. The SEND Strategic Board, co-chaired by the Director of Children's Services (Torbay Council) and the Chief Nursing Officer (NHS Devon CCG), meets on a monthly basis to monitor progress, hold officers to account and take decisions which will lead to improved services.

An Ofsted inspection of Children's Services in Torbay took place between 21 March and 1 April 2022. They subsequently reported that they had judged the Council as 'Good' in all areas of inspection. The report acknowledges the "remarkable transformation" attributed to a clear and ambitious improvement plan, based on evidence of the causes of long-standing, inadequate practice, together with a strong political and corporate commitment to the improvement agenda.

In May 2022, notification was received that the revised Statutory Direction issued by the Government in May 2021 is to be lifted. The lifting of the revised

Statutory Direction is based on the landmark improvements shown in the latest Ofsted's inspection report of Torbay Children's Services.

We will continue to build on these successful foundations to make further improvements across all our services, such as driving up the quality of services for children and young people with special educational needs and/or disabilities (SEND).

Work continues to ensure the IT processes that support key financial systems are well operated and managed despite resource issues stemming from significant ICT project work and the ongoing impact of Covid-19. Significant risks in relation to malicious cyber attacks are faced by all Local Authorities. Risks are mitigated as far as possible and recommendations made by Internal Audit are being actioned.

Based on work performed during 2021/22, Internal Audit's experience from previous years, and the outcome of the Annual Follow Up exercise as separately reported, the Draft Annual Audit Report for 2021/2022 set out that the Head of Internal Audit's Opinion is one of "Reasonable Assurance" on the adequacy and effectiveness of much of the Authority's internal control framework. The exception was Children's Services, where their opinion remained as 'Limited Assurance'. The Opinion considers the limited audit work in some directorates due to the ongoing impact of the pandemic on Council service areas, and the need to adjust the plan to review new risks and challenges arising from responding to Covid.

The Authority's internal audit plan for 2021/22 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 changed with the agreement of the S151 Officer due to insufficient capacity in the Council's departments as a result of the continued impact of Covid 19.

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 Covid-19 and the ongoing impact of this on the Council. Audit's opinion is based on internal audit work undertaken during 2021-22, 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 this 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 ongoing financial impact of COVID-19 will have a significant impact on the 2022/23 budget. The impact on the Council's income, expenditure and funding is outlined in the Medium Term Resource Plan and the 2022/23 budget proposals. The financial impact on 2022/23 and future years can only be an estimate which officers will continue to update and aim to mitigate impacts as far as possible.

Audit's November 2019 report found that Tor Bay Harbour Authority was compliant with the requirements of 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 and again in their 2021 follow up report. 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. A dedicated Harbour H&S Officer has been appointed within the Harbours team.

In the January 2022 report by Audit on Cyber Governance, they recommended that there was a need to fully integrate IT and Cyber risks into the organisation's performance and risk framework and for the Council to obtain assurance regarding cyber defences within any wholly owned companies and their subsidiaries. Work is under way to incorporate Cyber security risks as part of the existing Performance and Risk Management framework reporting. Where the IT provision of wholly owned companies and their subsidiaries is outside of the control of Torbay IT, issues have been identified and are being addressed.

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> |
|--|--|-----------------|
| Continue to deliver the Children's Services Continuous Improvement Plan.   | Director of Children's Services            | 31 March 2023   |
| Implement the SEND Written Statement of Action.  | Director of Children's Services            | 31 March 2023   |
| Deliver against the Council's Business Plan.   | Senior Leadership Team                     | 31 March 2023   |
| Incorporate IT Cyber security risks as part of the existing Performance and Risk Management framework reporting. | Divisional Director for Corporate Services | 31 March 2023   |
| Tor Bay Harbour Authority to continue to ensure a significant focus on land-based Health and Safety.             | Director of Place                          | 31 March 2023   |