

**West Devon Borough Council  
Annual Governance Statement  
2018 – 2019**

**1. Scope of Responsibility**

West Devon Borough Council is responsible for ensuring that:

- its business is conducted in accordance with legal requirements and proper standards
- public money is safeguarded, properly accounted for, and used economically, efficiently and effectively.

The Council has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, West Devon Borough Council is also responsible for ensuring that there is a sound system of governance (incorporating the system of internal control) and maintaining proper arrangements for the governance of its affairs, which facilitate the effective exercise of its functions, including arrangements for the management of risk. A Statutory Officers' Panel was set up in 2015 and a key role of this Panel is strategic risk management.

West Devon Borough Council and South Hams District Council have been shared services partners since 2007. As two of the very first Councils to share a Chief Executive in 2007, the Councils have been bold in challenging the traditional local government model and have always been at the forefront of radical change and innovation.

In early 2015 a completely new leadership team was appointed to lead the organisation through the transformation programme, become more customer-focused, save money and explore ways of generating income for the Council. The Councils have been led by a small leadership team and from February 2018 onwards, interim senior leadership arrangements have been put into place. A report will be brought to Council recommending a new structure within six months of the 2019 Council elections.

The role of the Senior Leadership Team (SLT) is to implement the plans and policies to support the strategic direction of the Council as set by Members. SLT are supported by an Extended Leadership Team (ELT). The ELT includes the principal people managers and professional lead officers in areas such as Housing, Planning, Environmental Health, Asset Management, Environment Services and Waste and Support Services such as Finance, Legal, and Human Resources.

The Council's Strategic Finance Lead is the officer with statutory responsibility for the administration of the Council's financial affairs as set out in section 151 of the Local Government Act 1972.

The S.151 Officer, who acts as the Chief Financial Officer (CFO), has responsibility for the administration of the financial affairs of the Council; will contribute to the corporate management of the Council, in particular through the provision of professional financial advice; will provide advice on the scope of powers and authority to take decisions, maladministration, financial impropriety, probity and budget and policy framework issues to all Members and will support and advise Members and officers in their respective roles; and will provide financial information to the media, Members of the public and the community. (Constitution Article 10)

The CFO leads the promotion of good financial management including through the provision and publication of Financial and Contract Procedure Rules. The Council's S.151 Officer is a qualified accountant.

A review of the Council's arrangements against the CIPFA guidance on the Role of the Chief Finance Officer in Local Government has concluded that the recommended criteria have been met in all areas.

## **2. The Purpose of the Governance Framework**

The governance framework comprises the cultural values, systems and processes used by the Council to direct and control its activities, enabling it to engage, lead and account to the community. The framework allows the Council to monitor the achievement of its strategic objectives and to consider whether appropriate, cost-effective services have been delivered.

A significant part of the framework is the Council's system of internal control which is designed to manage risk to a reasonable level. It cannot eliminate all risks of failure to achieve policies, aims and objectives and 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 the Council's policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised and to manage them efficiently, effectively and economically.

The governance framework was in place at West Devon Borough Council for the year ended 31 March 2019 and is expected to continue up to the date of approval of the Accounts by the Audit Committee.

This Statement explains how West Devon Borough Council has met the principles of the Chartered Institute of Public Finance & Accountancy (CIPFA) and Society of Local Authority Chief Executive's (SOLACE) Framework Delivering Good Governance in Local Government Guidance Notes for English Authorities 2016.

Included within this framework are seven core principles of governance:

**PRINCIPLE A - Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law**

All Council decisions incorporate a legal implications section which are published on the Council's website. Officers and Members receive support from Legal Services in considering legal implications and if specialist legal advice is required then the Council will engage external advisors. The Section 151 Officer and Monitoring Officer have specific responsibility for ensuring legality, for investigating any suspected instances of failure to comply with legal and financial requirements and for reporting any such instances to Members.

In addition the Council undertakes the following to ensure a strong commitment to ethical values and behaving with integrity:

- Staff are assessed against a set of key behaviours (known as 'IMPACT') to establish the right values and culture
- The Council's whistle-blowing policy, known as the Confidential Reporting Policy, is available to all staff on the Council's Intranet (including Frequently Asked Questions) and is also publicised internally on an occasional basis to maintain its profile. It was last reviewed and adopted by Members in July 2016 and is reviewed annually (along with the Council's regulatory framework) by the Statutory Officers' Panel and remains fit for purpose.
- The Council's Constitution also defines the roles of Members and officers. Part 5 of the Constitution includes a Protocol on Councillor / Officer Relations. The Protocol is a guide to Members and Officers in their dealings with each other, and applies equally to co-opted Members of Council bodies in their dealings with officers where appropriate.
- There are codes of conduct in place for Members and Officers which include arrangements for registering interests and managing conflicts of interest. The Officers Code of Conduct was reviewed and agreed with the Unions in 2017-18. A Members Code of Conduct is in place and is fit for purpose.
- The Overview and Scrutiny Committee is responsible for overseeing the Members' Code of Conduct and good governance by Members and its terms of reference are set out in the Constitution
- There is an effective Audit Committee in place with clear terms of reference.

## **PRINCIPLE B - Ensuring openness and comprehensive stakeholder engagement**

All Committee and Council meetings are open to the public, with papers available in advance on the Council's website (save where 'Exempt' under the Local Government Act 1972 following formal evaluation of the public interest).

The Council also undertakes the following to ensure openness and comprehensive engagement:

- Publishes consultations and surveys on the Council website and uses a consultation checklist based on the Gunning Principles to structure consultations to ensure good communication guidelines are adhered to.
- Utilises social media on a daily basis including Twitter, Instagram, Facebook, LinkedIn and YouTube to provide instant information on Council services thus allowing for a free flow of comments from stakeholders.
- Uses dedicated Locality Engagement Officers to attend local events to canvas the opinions of stakeholders to help shape the delivery of Council services.
- Produces specific e-bulletins for various interest groups including Business, Housing, Neighbourhood Planning, etc.
- Publishes an Annual Report available on the Council website which openly demonstrates how Council resources are used.

## **PRINCIPLES C AND D - Defining, optimising and achieving outcomes**

The Council has a number of strategic documents and plans that guide its approach to achieving its vision and ensuring that it remains financially sustainable. The Council's adopted Priorities are confirmed in Article 6 of the Constitution and again are published on the Council's website.

The Council's policies, aims and objectives are well established and monitored at various levels for example forward plans, annual service planning process and personal development reviews.

### **Corporate Strategy**

On 24<sup>th</sup> April 2018, the Hub Committee considered a new, refreshed and more focused five year Corporate Strategy which was recommended and approved by Council. Minute HC80 refers

<http://mg.swdevon.lan/ieListDocuments.aspx?CId=221&MId=460&Ver=4>

## **The Five Year Corporate Strategy 2018 – 2023 has six Corporate Strategy Themes as below:-**

Council – Delivering efficient and effective services

Homes – Enabling homes that meet the needs of all

Enterprise – Creating places for enterprise to thrive and business to grow

Communities – Council and residents working together to create strong and empowered communities

Environment – Protecting, conserving and enhancing our built and natural environment

Wellbeing – Supporting positive, safe and healthy lifestyles and helping those most in need

### **Annual Report for 2018-19**

On 21st May 2019, the Council considered and approved the content of the 2018/19 Annual Report. This sets out the Council's achievements for 2018/19 by each of the new Themes within the Corporate Strategy.

<http://mg.swdevon.lan/ieListDocuments.aspx?CId=271&MId=1200&Ver=4>

### **Joint Local Plan**

On 26 March 2019 the Plymouth and South West Devon Joint Local Plan was formally adopted by Council. The Plan had been subject to examination by two independent Inspectors appointed by the Secretary of State. The Joint Local Plan is only the third joint plan in the country to include strategic and local policies, the first to include a major English city and its neighbouring Councils, and has been prepared in the shortest time of any joint plan in the country.

The Council also undertakes the following to ensure it defines, optimises and achieves outcomes:

- Staff briefings led by Senior Leadership Team articulate the vision and new ways of working
- Regular consultation is undertaken on a range of issues

- Effective budgetary monitoring takes place regularly and is reported quarterly to Members – KPMG concluded in their audit report that ‘the budgeting process can be seen as reliable and prudent’.
- Cashable savings identified in the T18 Programme have been realised
- Performance management and reporting is embedded including quarterly reporting to the Overview and Scrutiny Committee
- Scrutiny teams have delivered tangible outcomes as highlighted in their Annual Report
- The Council regularly engages with other authorities to learn and understand how best practice has been delivered elsewhere.

### **PRINCIPLE E - Developing capacity and capability**

Staff throughout West Devon and South Hams perform well with average days of short term sickness on or above target. HR policies allow a fair and positive relationship between employer and employee.

Regular staff briefings and an online staff appraisal system ensures staff are up to speed with Council priorities. Employees are able to evidence their achievements and identify any training needs through the appraisal process. The Councils are committed to providing opportunities to young people and have an apprenticeship scheme.

The Council also undertakes the following to develop capacity and capability:

- Delivers an induction programme for Officers and Members
- Provides a Member training and development programme
- Promotes to staff the use of “Learning Pool” an extensive online learning resource
- Delivers focused training on specific issues (e.g. complaints, data protection)
- Extended Leadership Team development programme
- Works in partnership with local authorities and other bodies to achieve economies of scale
- Conducts a staff survey to gauge employee satisfaction and assist in improving how the organisation performs. The survey results have shown significant improvement over the past 3 years.
- The Council held its first Staff Awards in 2017/18 and this is an annual event

## PRINCIPLE F - Managing risks and performance

There is a culture of risk ownership and management throughout the Council and in 2018/19, particular focus has been given to health and safety and information security. Risks are logged centrally and are updated regularly.

For each risk, the uncertainties are identified, along with the consequences, likelihood of occurrence and strategic impacts that would result. The Council's Senior Leadership Team review the corporate risk log quarterly and updates are reported to Elected Members via the Audit Committee on a biannual basis.

Elected Members also have the opportunity to raise concerns with the mitigating actions being taken by officers and can suggest new risks for consideration.

A Statutory Officers' Panel which meets quarterly has been set up comprising of the Chief Executive (Head of Paid Service), Strategic Finance Lead (S151 Officer) and the Head of Legal (Monitoring Officer) with other key officers invited as appropriate. Its key roles are to ensure that the Council complies with and manages:

- Governance frameworks
- Strategic risk management, and
- Regulatory framework

The Statutory Officers' Panel has important links with the Audit Committee and the Overview & Scrutiny Committee. It has a rolling programme of works which are set out in a Forward Plan. On 19<sup>st</sup> June 2018, the Audit Committee considered the Annual Report of the Statutory Officers' Panel.

As part of the Statutory Officer's Panel work programme in 2018-19, the Finance Procedure Rules have been updated and reported to the Council's Audit Committee.

All Committee reports include a reference where relevant to the potential impact on the Council's priorities and community plan themes, and address as appropriate any financial, staffing, risk, legal and property implications, and are monitored by appropriate senior officers (including the S151 Officer and the Monitoring Officer).

With regards to managing performance throughout the year we have continued to improve performance to meet the needs of our customers.

We have systematically reviewed areas of poor performance, streamlined processes, embedded new IT solutions and delivered staff training. As a result we have seen a significant reduction in call volumes and an increase in transactions online.

To manage performance the Council ensures the following:

- Continuous managerial review of services to ensure continuous improvement and the economic, effective and efficient use of resources
- Financial management arrangements, where managers are responsible for managing their services within available resources and in accordance with agreed policies and procedures. Quarterly budget monitoring reports are presented to the Hub Committee.
- Active performance management arrangements including quarterly reports to Overview & Scrutiny Committee on performance measures
- A robust complaints/ compliments procedure is in place and is widely publicised, with the Ombudsman's Annual Report being reported to the Overview and Scrutiny Committee
- Freedom of Information requests are dealt with in accordance with established protocols

### **PRINCIPLE G Implementing good practices in transparency, reporting, and accountability**

The Council follows the Government Communication Service guidance on providing clear and accurate information and has a number of measures in place to demonstrate transparency and accountability.

An Audit Committee meets five times a year and its role is to provide an oversight of the financial reporting and audit processes plus the system of internal controls and compliance with laws and regulations.

The Council also has two internal audit staff managed by the Devon Audit Partnership who provide an opinion on the internal control environment and governance processes. In March 2019 (Minute AC39), it was recommended to Council for West Devon to join the Devon Audit Partnership as a 'non-voting' partner from 1 April 2019 (or as soon as is reasonably practicable thereafter). This was approved by Council in March 2019.

Five applications for exemptions to Contract/Financial Procedure Rules were received in the year, all were accepted.

External audit was provided by KPMG for 2017/18 and in July 2018 they reported that they had concluded that the Council had made proper arrangements to secure economy, efficiency, and effectiveness in its use of resources.

To further ensure transparency the council undertakes the following:

- Provide training to Members on the Overview and Scrutiny Committee on effective scrutiny practices
- Ensure all Member decisions are formally minuted
- Publishes all Council decisions online together with background reports
- Produces an Annual Report detailing Council performance and spend



## **Process for maintaining and reviewing effectiveness of the Council's Governance arrangements**

The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. This responsibility is in practice carried out by Senior Managers, with the Chief Executive informing the Hub Committee of any significant matters warranting their attention. The Council ensures the delivery of services in accordance with Council policies and budgets, which includes long term financial planning, good financial management and ensuring up to date risk management across the Council. The Overview and Scrutiny Committee is responsible for performing a review function and on 26<sup>th</sup> June 2018 they considered their Annual Report for 2017/18, which set out a summary of the work programme they have considered for the previous 2017/18 year.

### The Audit Committee

The Audit Committee has a specific role in relation to the Council's financial affairs including the internal and external audit functions and monitors the internal workings of the Council (broadly defined as 'governance'). It is responsible for making sure that the Council operates in accordance with the law and laid down procedures and is accountable to the community for the spending of public money. The Audit Committee will provide:-

- i) independent assurance of the adequacy of the risk management framework and the associated control environment
- ii) independent scrutiny of the Council's financial and non-financial performance to the extent that it affects the Council's exposure to risk and weakens the control environment
- iii) oversees the financial reporting process.

The review of effectiveness of the system of internal control is informed by three main sources: the work of Internal Audit; by managers who have responsibility for the development and maintenance of the internal control environment; and also by comments made by external auditors and other review agencies/inspectorates.

### Internal Audit

The Council's responsibility for maintaining an effective internal audit function is set out in Regulation 6 of the Accounts and Audit Regulations 2011. This responsibility is delegated to the S151 Officer.

The Internal Audit Shared Service Team operates in accordance with best practice professional standards and guidelines. It independently and objectively reviews, on a continuous basis, the extent to which the internal control environment supports and promotes the achievement of the Council's objectives and contributes to the proper, economic, efficient and effective use of resources. All audit reports go to the Senior Leadership Team who agree any recommendations. Members receive an annual report of internal audit activity and approve the annual audit plan for the forthcoming year.

The Internal Audit annual report for 2018/19 will be considered by the Audit Committee in June 2019. The report will contain the Head of Internal Audit's Opinion for the 2018/19 year and this view will form part of the final Annual Governance Statement for 2018/19.

### Senior Managers

Individual managers are responsible for establishing and maintaining an adequate system of internal control within their own sections and for contributing to the control environment on a corporate basis. There are a number of significant internal control areas which are subject to review by internal audit. All managers acknowledge their responsibilities and confirm annually that they have implemented and continuously monitored various significant controls.

### External auditors and other review agencies/inspectors

Our external auditors (KPMG) issued their 'External Audit Report ISA260 report' for 2017/18 in July 2018 which was considered by the Audit Committee. The document summarised their key findings in relation to their external audit of the Council for 2017-18 and covered an opinion on the Council's financial statements, the control environment in place to support the production of timely and accurate financial statements and the Council's significant risk areas.

The key messages from KPMG's External Audit report for 2017/18 (presented to the Audit Committee on 24<sup>th</sup> July 2018) were as follows:-

An unqualified audit opinion on the Accounts was issued before 31 July 2018. KPMG's audit of the Accounts did not identify any material misstatements to the Council's Accounts and they agreed a number of minor presentational and disclosure changes to the supporting notes to the Accounts.

No significant issues arose as a result of their work on the allocation of shared costs, the valuation of PPE, Pension Liabilities or Faster Close.

KPMG concluded that "They have identified no significant issues with the Authority's organisational control environment and consider that the overall arrangements that have been put in place are reasonable."

KPMG reported that "The controls over the majority of the key financial systems are sound". However KPMG did note two weaknesses around the monitoring of housing benefit controls and they also noted that there was not a formally documented approach to revaluation review and impairment review for the year end property, plant and equipment process.

**Value for Money (VFM) audit conclusion** – KPMG concluded that the Authority has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources. An unqualified VFM conclusion was issued in 2018.

## Significant Governance Issues

The following action plan has been drawn up to address the weaknesses identified and ensure continuous improvement of systems or to deal with governance issues:

### ***Issues and action plan from the System of Internal Control***

Issue Identified	Action to be Taken	Responsible Officer
<p><b>Closedown of T18 Transformation Programme</b></p> <p>In 2013, West Devon Borough Council and South Hams District Council embarked on an ambitious and challenging Transformation Programme (T18), to remodel how the Councils worked. This was in light of the acute combined funding gap (£4.7 million) the Councils were facing.</p> <p>The T18 Closedown report was presented to the Hub Committee on 5<sup>th</sup> June 2018.</p> <p>The predicted final spend (£2.767million) is £63,000 less than the budget of £2.83 million. The total annual savings realised from the T18 Transformation Programme were £1.505 million per year. The largest element of these savings were staffing savings. Between 2014 and 2015, the majority of employees at both Councils went through a rigorous recruitment process and the workforce was reduced by 30%. The payback period of the Transformation Programme was just under 3 years.</p>	<p>T18 Closedown Report was considered by the Hub Committee in June 2018.</p> <p>Lessons learnt contained within the report are to be taken into account on future corporate projects.</p> <p>As the Programme is now complete, this will be the last year that the T18 Transformation Programme will feature in the Annual Governance Statement.</p>	<p>Senior Leadership Team S.151 Officer Monitoring Officer Internal Audit Manager Timescale in line with the Programme.</p> <p>S151 Officer</p>

The system of internal control is described in section 2 above.

<b>Issue Identified</b>	<b>Action to be Taken</b>	<b>Responsible Officer &amp; Target Date</b>
<p><b><i>The Joint Local Plan</i></b></p> <p>On 26 March 2019 the Plymouth and South West Devon Joint Local Plan was formally adopted. The Plan had been subject to examination by two independent Inspectors appointed by the Secretary of State. The Joint Local Plan is only the third joint plan in the country to include strategic and local policies, the first to include a major English city and its neighbouring Councils, and has been prepared in the shortest time of any joint plan in the country.</p>	<p>In accordance with Council Minute CM65 (26<sup>th</sup> March 2019), approval was given to the establishment of the Joint Local Plan Partnership Board in accordance with the Joint Local Plan Governance arrangements set out in the Plymouth and South West Devon Joint Local Plan – Delivery and Governance Paper.</p>	<p>Head of Place Making Practice</p> <p>Reporting regularly through the Joint Local Plan Partnership Board</p>
<p><b><i>General Data Protection Regulation (GDPR)</i></b></p> <p>On 25<sup>th</sup> May 2018, the General Data Protection Regulation came into effect.</p> <p>Work has been undertaken in respect of data protection/GDPR readiness and an audit completed.</p>	<p>All employees responsible for the adequacy of data security arrangements within their control. Access to electronic data is only available via Council managed devices.</p> <p>All staff have been and new starters will be completing a data protection awareness course via the Council’s new eLearning tool. Continue to monitor arrangements in place.</p>	<p>Support Services Specialist Manager</p> <p>Regular monitoring by Information Governance Group.</p>

Issue Identified	Action to be Taken	Responsible Officer & Target Date
<p><b><i>Financial Uncertainty</i></b></p> <p>The Council continues to face considerable financial challenges as a result of uncertainty in the wider economy and constraints on public sector spending. The Council is still facing a forecast budget gap of £533,000 for 2020 onwards. The Council has had a 38% reduction in Government funding over the last four years, with no main Government Grant now being received (Revenue Support Grant has been reduced to Nil).</p> <p>The Council will continue to implement proposals to meet this financial challenge; these will include progressing investment opportunities and income generating services as well as identifying further efficiencies to reduce costs for the benefit of our community, finding smarter ways of doing things and making our assets work better for us in order to balance the budget next year.</p> <p>The Budget for 2019-20 was approved by Council in February 2019. The waste contract procurement has delivered significant financial savings. Grounds maintenance business review and ICT review to be carried out to deliver either growth opportunity or efficiencies in working methods. Commercial property opportunities being progressed.</p>	<p>The approved net budget for 2019/20 of £7.08 million includes proposals for savings and additional income of £690,000, which includes an annual saving of £254,000 from April 2019 from the re-procurement of the Council's waste collection, recycling and cleansing services contract which was re-tendered during the year.</p> <p>As part of the budget setting process for 2019/20, the Council has agreed to reduce funding or seek efficiencies to ensure statutory delivery outcomes are prioritised.</p>	<p>Senior Leadership Team S151 Officer</p> <p>March 2020</p>

Issue Identified	Action to be Taken	Responsible Officer & Target Date
<p>The Council responded to consultations on the Fair Funding Review and Business Rates reform in February 2019 and copies were sent to all Members and MPs for West Devon.</p>	<p>Continue to respond to Government consultations as and when they are issued.</p>	<p>S151 Officer In line with consultation timetables</p>
<p>In September 2018, Council approved the Medium Term Financial Strategy which looks at financial planning and management over a five year strategy. It sets out the strategic intention for all of the different strands of funding available to the Council. The Council can now rely on this to inform future decisions. This also helps us to develop a sustainable budget over the medium term and will be reviewed annually. It incorporates key factors such as changes in Government funding, our spending plans and the levels of savings we need to make to achieve a balanced budget.</p>	<p>An updated Medium Term Financial Strategy will be presented to Members in September 2019</p>	<p>S151 Officer September 2019</p>
<p>Commence budget engagement with the wider membership earlier than in the past to enable Members and Officers to jointly develop proposals for savings.</p>	<p>Regular reports to Members and further develop budget engagement process</p>	<p>S151 Officer July 2019</p>
<p>Engage with Devon Pensions on the Council's Pensions Strategy (Actuarial Valuation) for 2020-21 onwards</p>	<p>Initial dialogue already entered into with Devon Pensions.</p>	<p>S151 Officer July 2019</p>
<p>Continue to explore opportunities for investment in commercial property, residential property and council owned assets.</p>	<p>Progress opportunities for investment set out within the Capital Strategy.</p>	<p>Opportunities being progressed S151 Officer Head of Assets Practice</p>

Issue Identified	Action to be Taken	Responsible Officer & Target Date
Review all Fees and Charges for 2020/21 onwards	Report to be presented to the Hub Committee	Head of Finance Practice January 2020
Review all Partnership Grants for 2020/21	Report is scheduled on the Hub Committee Forward Plan to be considered in September 2019	Commissioning Manager & Head of Finance Practice
Keep all Members updated on changes to the Local Government Finance system (e.g. New Homes Bonus and Negative Revenue Support Grant) that will be announced as part of the Spending Review for 2019	On-going as announcements are made by Government. It is likely that until the Relative Needs and Resources review is completed by Central Government, the Council may only receive a one year finance settlement from 2020/21.	S151 Officer September 2019
Confirmed in finance settlement for 2019/20 that negative revenue support grant (RSG) will be taken away for 19/20.		
Possibility of removal of New Homes Bonus (NHB) in 2020 will have a significant negative impact. Central Government is due to consult on the current scheme and may move towards Housing Delivery Test to further incentivise the scheme.	Continue to respond to Government consultations as and when they are issued.	S151 Officer In line with consultation timetables
Larger unknowns on resetting of business rate baseline and fairer funding review which could have a negative impact on finances. These developments will fundamentally change the Local Government Finance environment, which is now characterised by an increased shift towards locally-generated resources, with an accompanying transfer of both risk and opportunity.		

Issue Identified	Action to be Taken	Responsible Officer & Target Date
<p><b>Review of key services – Peer Review</b></p> <p>In 2018, the Council requested that the Local Government Association (“LGA”) undertake a Peer Challenge of West Devon Borough Council, jointly with South Hams District Council in order to identify their strengths and any areas for improvement.</p> <p>The LGA concluded their review and made a number of recommendations to the Councils in its report.</p> <p><i>On 19<sup>th</sup> March 2019, the Hub Committee considered the Peer Challenge Action Plan. The full report is available on the following link:-</i></p> <p><a href="http://mg.swdevon.gov.uk/ieListDocuments.aspx?CId=221&amp;MId=1210&amp;Ver=4">http://mg.swdevon.gov.uk/ieListDocuments.aspx?CId=221&amp;MId=1210&amp;Ver=4</a></p> <p><b>The six recommendations were as follows:-</b></p> <p><b>Recommendation 1 – To ensure there is both sufficient strategic capacity and direction to enable the Councils to effectively plan for and deliver their aspirations into the medium term</b></p> <p>Progress is already being made in addressing a number of the recommendations such as developing Corporate Strategy Delivery Plans and undertaking a review of the Council senior management structures</p>	<p>Hub Committee Minute (HC 84) – The Local Government Association (LGA) will be asked to undertake a visit by the end of 2020 to follow up on progress in delivering the action plan.</p> <p>Member Induction Plan</p> <p>Council in March 2019 approved a Joint Working Group being convened with Terms of Reference as an essential part of plotting the future strategic direction.</p> <p>Undertake a review of Senior and Extended Leadership roles to align to best deliver against the Council corporate themes and future priorities</p> <p>Undertake a capacity audit to understand pressure points</p>	<p>Chief Executive By the end of 2020</p> <p>Chief Executive May and June 2019</p> <p>Already approved by Council in March 2019</p> <p>Chief Executive By September 2019</p> <p>Support Services Specialist Manager September 2019</p>



Issue Identified	Action to be Taken	Responsible Officer & Target Date
<p><b>Recommendation 2 – Strengthen the Councils’ political governance arrangements</b></p> <p>A number of Members did not appear to be able to balance their responsibility for Council-wide and ward representation</p> <p>Both Councils’ backbench Members felt excluded from decision-making.</p>	<p>Ensure that Members are fully aware of the issues facing the Council and the Council priorities. This will be highlighted through the Member induction/re-induction programme</p> <p>Ensure that officers engage with Lead Members on items which will require Member consideration early in the development of the proposal. This will in turn enable the Lead Member of each authority to engage with the wider membership on key proposals. Joint Working Group will consider the merits of using Policy Advisory Groups (PAGs) to engage with backbench Members.</p>	<p>Chief Executive May/June 2019</p> <p>Senior Leadership Team and Extended Leadership Team Immediate</p> <p>Joint Working Group to consider whether further consideration of PAG’s is necessary.</p>
<p><b>Recommendation 3 – Ensure a continued organisational focus on achieving financial sustainability</b></p> <p>It will be important to ensure that financial self-sufficiency becomes the byword over the medium term and focus is maintained to achieve this.</p> <p>Council savings plans would benefit from having more detail.</p> <p>Develop new income streams, for example through rental income derived from commercial property</p>	<p>Commence budget engagement with the wider membership earlier than in the past to enable Officers and Members to jointly develop proposals for savings.</p> <p>Engage with Devon Pensions on the Councils’ Pensions Strategy (Actuarial Valuation) for 2020-21 onwards</p> <p>Progress opportunities for investment set out within the Capital Strategy.</p>	<p>S151 Officer July 2019</p> <p>S151 Officer May 2019</p> <p>Opportunities being progressed S151 Officer Head of Assets Practice</p>

Issue Identified	Action to be Taken	Responsible Officer & Target Date
<p><b>Recommendation 4 – Prepare a viable future accommodation strategy</b></p> <p>In the short term the Councils should investigate the disposal and the alternative use value of both Councils’ headquarters.</p> <p>The Councils should consider the longer term options for the future accommodation requirements of both Councils.</p>	<p>A report on the Accommodation Strategy was considered by the Hub Committee on 19/3/19 and Minute HC 89 refers. It was agreed at Council in March 19 that approval be given to the formation of a Member Working Group to determine their terms of reference and work through options and make recommendations to the Hub Committee.</p> <p>Accommodation Strategy is on the Hub Committee Forward Plan to be considered by July 2019</p>	<p>Head of Assets with Lead Members By July 2019</p>
<p><b>Recommendation 5 – Clarify partnership priorities and seek to strengthen key sub-regional partnerships</b></p> <p>The relationship with the Dartmoor National Park has many strengths but further work is needed to gain improved outcomes from it</p> <p>Be clear on which partnerships derive the greatest value and ensure the most relevant partnerships receive appropriate resource commitment</p>	<p>Work with Dartmoor National Park to identify areas for closer working such as housing, economic growth and tourism</p> <p>Develop a Partnerships Roadmap to identify current partnerships, the benefits, the reporting structures, the financial contributions and future potential opportunities and engage partners in this process.</p>	<p>Commissioning Manager/ Joint Working Group September/October 2019</p> <p>Customer First Specialist Manager September 2019</p>

Issue Identified	Action to be Taken	Responsible Officer & Target Date
<p>Town and Parish Councils felt the relationship was somewhat one sided. Engage with Parish and Town Councils earlier in respect of proposed service changes so that we work together to effect real change.</p> <p><b><i>Recommendation 6 – It will be essential to ensure clarity on what the new IT is expected to provide and confidence that it will deliver this.</i></b></p> <p>There is an expectation that resolving IT issues, particularly around the IT platform, will resolve most capacity issues but there is a lack of evidence to support this.</p> <p>Work should be undertaken to specify future requirements and costs so that budget provision can be amended if required.</p>	<p>Ensure that a key aspect of Member Induction (re-induction) is the focus on communicating Council key messages and direction to Town and Parish Councils. Consider having Leader Key messages in the Member Bulletins that Members can relay to Town and Parish Councils.</p> <p>Ensure that any recommendations on the future ICT provision are based on comprehensive evidence.</p> <p>Ensure we explore a wide range of options to ensure any future ICT system provides value for money and a good customer experience. If required, commence a procurement for new technology solutions</p> <p>Report scheduled on the Hub Committee Forward Plan for consideration by Members in July 2019</p>	<p>Leader/ Democratic Services Lead</p> <p>(Member induction plan has been developed with a session to include focus on Town and Parish Council engagement)</p> <p>Specialist ICT company already commissioned to undertake evaluation.</p> <p>Group Manager Customer First &amp; Support Services/ Head of IT / Support Services Specialist Manager/ Lead Members</p>

Issue Identified	Action to be Taken	Responsible Officer & Target Date
<p>Channel shift can go further in order to obtain financial savings.</p> <p>A significant number of IT forms online do not successfully link to the back office, leading to double-keying and unnecessary interventions in the back office.</p>	<p>Explore the options for further channel shift</p> <p>Undertake a full evaluation of current IT forms and web site functionality to ensure an improved customer experience and reduction in unnecessary manual work</p>	<p>Customer Contact Lead September 2019</p> <p>Commissioning Manager /Support Services Specialist Manager June 2019</p>
<p><b>Institute of Customer Service – customer satisfaction survey</b></p> <p>In addition to the Local Government Association Peer Review, this year saw the Council commission the Institute of Customer Service to undertake a customer satisfaction survey.</p> <p>The results compared us against public and private sector organisations giving valuable information about what our customer think about how we deliver our services and more importantly, how we can improve them.</p> <p>Customer Satisfaction survey results last year (Autumn 2018) showed that the customer experience is not at the standard that we want or that customers expect.</p> <p>All staff attended a workshop looking at how everyone can make ‘a positive impact’ in delivering our services to the communities we serve.</p>	<p>Embed quick, optional feedback surveys each time the Council electronically contacts a customer.</p> <p>Improve our website by using feedback from the surveys, coupled with findings from Google analytics. This ensures regularly searched information is quick and easy to access. A member of staff is being seconded to be a Web Editor for 6 months, to drive improvements on our website.</p> <p>Website improvement plans include: improving search terms, the ordering of top tasks; better labelling of links and easier to access page content.</p>	<p>Already implemented</p> <p>Group Manager Customer First &amp; Support Services</p> <p>Commissioning Manager October 2019</p> <p>Group Manager Customer First &amp; Support Services</p>

Issue Identified	Action to be Taken	Responsible Officer & Target Date
<p>On 6<sup>th</sup> November 2019, the Overview and Scrutiny Committee resolved to note the results from the Institute of Customer Service Customer Satisfaction Survey and endorsed an action plan to improve customer service</p> <p>Work is also underway to analyse customer complaints to make sure lessons are learned and that service delivery is improved accordingly.</p>	<p>A customer focus group will be convened ensuring customers are an integral part of this work.</p> <p>To complete the 2019 Survey – the Councils have set a target for improvement of a minimum 5.1 point improvement in the Council’s overall benchmarking score. Thereby bringing the Council’s score in line with the average national UKCSI (UK Customer Service Index) for local councils of 63.4</p>	<p>Commissioning Manager</p> <p>October 2019</p>
<p><b>Senior Leadership Team Interim arrangements</b></p> <p>Following the resignation of the former Executive Director in February 2018, Council approved interim senior management arrangements.</p> <p>A report was presented to Council on 12th February 2019 (Council Minute CM54) that outlined a review of the Staffing Establishment.</p> <p>The Review Panel, consisting of the Leaders of each Council and senior Members recommended that the previous structure incorporating two Executive Directors was replaced with a Chief Executive Officer.</p>	<p>It was resolved that with effect from 21<sup>st</sup> February 2019, the Executive Director for Service Delivery and Head of Paid Service be appointed to the role of Chief Executive and that agreement be given to extending the interim senior management arrangements with a report being brought to Council recommending a new structure within six months of the 2019 Council elections.</p>	<p>Chief Executive</p> <p>September 2019</p>

Issue Identified	Action to be Taken	Responsible Officer & Target Date
<p>The Panel also recommended that once in post, the Chief Executive brings forward a proposed new senior leadership structure that builds upon the recommendations of the Peer Review and will be along the lines of:</p> <ul style="list-style-type: none"> <li>-Director of Customer Service and Delivery</li> <li>-Director of Place and Enterprise</li> <li>-Director of Governance</li> <li>-Director of Strategic Finance</li> </ul>	<p>Report to be brought to Council recommending a new structure within six months of the 2019 Council elections.</p>	<p>Chief Executive September 2019</p>
<p><b>Internal Audit report on the Tavistock Hotel Proposal</b></p> <p>The Devon Audit Partnership undertook a review on the lessons that could be learnt from the proposal to develop the Abbey Rise Car Park site in the Tavistock.</p> <p>Council on 26<sup>th</sup> March 2019 (Minute CM66) considered ten recommendations contained within the Internal Audit report. A link to the report is shown below:</p> <p><a href="http://mg.swdevon.lan/document/s/s22045/Internal%20Audit%20Report%20Tavistock%20Hotel%20Proposal.pdf">http://mg.swdevon.lan/document/s/s22045/Internal%20Audit%20Report%20Tavistock%20Hotel%20Proposal.pdf</a></p>	<p>It was resolved at Council in March 2019 that an action plan for the ten recommendations contained within the report would be brought back to a meeting of the July 2019 Council.</p>	<p>S151 Officer Head of Assets Practice July 2019</p>

Issue Identified	Action to be Taken	Responsible Officer & Target Date
<p><b>Business Continuity Management Strategy and Work Programme</b></p> <p>On 29<sup>th</sup> January 2019, the Hub Committee considered a Business Continuity Strategy and Work Programme (Minute HC70). The Management Strategy and Work Programme was adopted.</p> <p>The Council's internal audit team noted that the failure to have an up to date Business Continuity Strategy was a fundamental weakness and the interim arrangements were not good practice long term. The Strategy and Work Programme approved should overcome these weaknesses.</p>	<p>A full Work Programme is set out as part of the report to the Hub Committee. (Minute HC70)</p>	<p>Senior Specialist (Environmental Health)/ Group Manager for Customer First and Support Services</p> <p>Timescales as set out in Work Programme</p>
<p><b>Health and Safety</b></p> <p>The Internal Health and Safety Audit was carried out in 2018-19 resulting in an opinion of "Improvements Required". Since then a programme of work has been put in place to ensure appropriate measures are in place.</p>	<p>Health &amp; Safety Community of Practice driving improvement programme that requires commitment from all areas and appropriate monitoring by Senior Leadership Team. Good progress being made.</p>	<p>Chief Executive/Head of Practice for Environmental Health</p> <p>April 2020</p>
<p><b>Tree Inspections</b></p> <p>Following a recent Internal Audit report on the grounds maintenance service, it has been identified that there is a limited schedule for tree inspections. Inspections started in Spring 2019.</p>	<p>Work is due to be completed by November 2019.</p>	<p>Head of Environment Service Practice November 2019</p>

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<p><b>Homes Strategy</b></p> <p>The Council is developing a Homes Strategy which will provide a strategic direction to provide new homes and ensure the best use of the existing stock within the Borough.</p>	<p>The Homes Strategy will be considered in September 2019</p>	<p>Specialist Manager, Customer First September 2019</p>
<p><b>Internal and External Audit Reports</b></p> <p>Some issues have been identified in audit reports by the Council's shared in-house internal audit team and the Council's external auditor, Grant Thornton (previously KPMG). Individually the recommendations do not impact on the wider system of internal control, but action plans for remedial action have been agreed where appropriate.</p>	<p>All remedial actions detailed in external and internal audit reports will be completed in line with the agreed timescales. These actions will be monitored by the auditors' 'follow up' procedures.</p>	<p>Extended Leadership Team (ELT) S151 Officer Internal Audit Manager In line with agreed timescales</p>

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

## CONCLUSION

The Council is satisfied that appropriate governance arrangements are in place. However it remains committed to maintaining and where possible, improving these arrangements, in particular by addressing the issues identified by Internal Audit and External Audit in their regular reports to the Audit Committee.

**Signed:**

**Cllr N Jory**  
**Leader of West Devon Borough Council**

**Signed:**

**Sophie Hosking**  
**Chief Executive**

**On behalf of West Devon Borough Council**

**Date:** Draft issued 29<sup>th</sup> May 2019