

**West Devon Borough Council
Annual Governance Statement
2019-2020**

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.

Following the conclusion of our transformation programme, and the departure of three members of the Senior Leadership Team (SLT), a restructure of both the Senior and Extended Leadership Team (ELT) was undertaken in late 2019. This was to ensure that the Council's leadership was better aligned to become more customer focused, ensure our future financial sustainability and to better align ourselves to deliver our corporate priorities. Our Chief Executive left us in early March 2020 and following an external recruitment process, her replacement will be taking up post in June 2020.

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, IT and Human Resources.

The Council's Corporate Director of Strategic Finance 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 2020 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
- In order to promote ethical behaviours amongst Members and Officers, the Council has a number of policies such as those relating to procurement, whistleblowing, counter fraud and anti-money laundering. Through the Council's induction programme, employees are required to read the Employee Code of Conduct and confirm that they have understood the content. Any suspected cases of fraud, corruption and non-compliance with policy are investigated by the Council's Internal Audit Team.
- 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 but is due for review on the conclusion of the Local Government Association's consultation (and issue of) a new model code of conduct.

- The Standards 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, which oversees internal and external audit, the Constitution, Risk Management and regulatory policies.
- The Council has continued to operate a robust information governance regime overseen by its Information Governance Group. Information security breaches are reported to the Data Protection Officer (DPO) on a regular basis and are investigated by an officer within the Governance Directorate, with a report to the Information Commissioner where required. Information governance policies and procedures are reviewed and approved by the Information Governance Group on a regular basis.
 - Annual IT health checks are undertaken which are conducted by accredited external security specialists. These are commissioned standard tests of system security, designed to assess our suitability for connection to government networks. Overall the security posture of the external network infrastructure was found to be excellent.

The Devon Audit Partnership completed a Cyber security audit of the Council this year and was satisfied that the systems, processes and procedures used to mitigate Cyber Security risks and threats were of a good standard. A robust control environment has layers of protection and the review identified this was true of the Cyber Security protections in place at the Council.

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 10th September 2019, the Hub Committee considered a series of desired outcomes to support its Corporate Strategy which was recommended and approved by Council. Minute HC33 refers

<https://mg.swdevon.gov.uk/documents/s22989/Corporate%20Strategy.pdf>

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 2019-2020

The Council's Annual Report sets out the Council's achievements for 2019/20 by each of the themes within the Corporate Strategy.

This will be published alongside the Annual Governance Statement and considered by Audit Committee in July 2020.

The report will then be published online.

Partnerships and Governance

The Council has a number of strong partnerships that help to deliver our Strategic Priorities. During 2019/20 Council resolved to formalise those partnerships that the Council makes a financial contribution to through the development of Service Level Agreements. During 2020/21 the Council will be undertaking a mapping of key partnerships in order to review the ways that we can support each other for the benefit of the Borough.

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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 4 years.
- The Council holds an annual Staff Awards ceremony to recognise outstanding performance

PRINCIPLE F - Managing risks and performance

There is a culture of risk ownership and management throughout the Council and in 2019/20, particular focus has been given refreshing the risk register for the new Council term. 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.

A Member Risk Management training session was delivered during July 2019. This was a joint session with South Hams District Council in order to help Members understand how we consider risks and steps that we can take to treat them. 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), Corporate Director for Strategic Finance (S151 Officer) and the Monitoring Officer, Director of Governance and Assurance and the Deputy Chief Executive, 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 25th June 2019, the Audit Committee considered the Annual Report of the Statutory Officers' Panel.

As part of the Statutory Officer's Panel work programme, 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.

In October 2019, staff away days were held to specifically focus on further improving the customer experience. These were attended by all employees of the Council over a number of days.

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.

The 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.

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

External audit was provided by Grant Thornton for 2018/19 and in July 2019 they reported that they had concluded that the Council had made proper arrangements to secure economy, efficiency, and effectiveness in its use of resources. (The 2019/20 Accounts will be reported on by Grant Thornton by September 2020).

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 9th July 2019 they considered their Annual Report for 2018/19, which set out a summary of the work programme they have considered for the previous 2018/19 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 2019/20 was considered by the Audit Committee on 23rd June 2020. The report contains the Head of Internal Audit's Opinion for the 2019/20 year which is that of "Substantial Assurance" on the adequacy and effectiveness of the Authority's internal control framework.

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/inspectorates

Our external auditors (Grant Thornton) have issued their 'External Audit Report ISA260 report' for 2019/20 in October 2020 which will be considered by the Audit Committee. The document summarises their key findings in relation to their external audit of the Council for 2019/20 and contained 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 Grant Thornton's External Audit 'The Audit Findings' report for 2019/20 are as below (extract of Page 6 of the Grant Thornton report):

We recommended that the Council enhance its disclosure around going concern and the impact of, and response to, the economic difficulties created by the Covid-19 pandemic.

The Covid-19 pandemic resulted in land and building and investment property valuations being reported on a 'material uncertainty' basis. This is a national issue related to the Covid-19 pandemic and the Council is following national guidance from RICS in its valuation of land, buildings and investment properties. More information is included on page 8.

We reviewed management's other estimates and judgements in light of the Covid-19 pandemic and concluded that these were reasonable.

The audit was completed remotely which resulted in certain challenges and work taking longer than we would have expected in normal conditions.

Value for Money (VFM) audit conclusion

The key message from Grant Thornton's External Audit 'The Audit Findings' report for 2019/20 is as below (extract of Page 19 of the Grant Thornton report)

VFM - Overall conclusion

Based on the work we performed to address the significant risks, we are satisfied that the Council had proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

An unqualified VFM conclusion for 2019/20 is anticipated to be issued in October 2020.

Significant Governance Issues

Given the sudden and significant global impact of the Covid-19 pandemic, we have set out the significant governance issues for the year in two sections.

The first covering the 11 months of the year to the end of February 2020, the second section covering March 2020.

April 2019 – February 2020

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 & Target Date
<p>Financial Uncertainty</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.</p> <p>The Council was already under financial strain before the coronavirus crisis, with a predicted budget gap in 2021/22 of £0.42 million and a cumulative budget gap of £1.6 million over the five year period to 2024/25. This is on an annual net budget of £7.2 million for 2020/21.</p> <p>Since 2010 we have had to redesign our services to balance the books. We have done this by sharing a single workforce with South Hams, generating an ongoing annual saving of £2.2 million for West Devon and by reducing our staffing levels by 30% through our Transformation Programme.</p> <p>In September 2019, Council approved the Medium Term Financial Strategy (MTFS) 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.</p> <p>The MTFS will need to be updated in the light of Covid 19.</p>	<p>An updated Medium Term Financial Strategy will be presented to Members in October/November 2020.</p>	<p>Director of Strategic Finance By October/November 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>Review all Fees and Charges for 2021/22 onwards</p>	<p>Report to be presented to the Hub Committee</p>	<p>Head of Finance Practice December 2020</p>
<p>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 2021/22 onwards</p>	<p>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 for 2021/22.</p>	<p>S151 Officer December 2020</p>
<p>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.</p>	<p>Continue to respond to Government consultations as and when they are issued.</p>	<p>S151 Officer In line with consultation timetables</p>

Issue Identified	Action to be Taken	Responsible Officer & Target Date
<p><u>Climate & Biodiversity Emergency</u></p> <p>The Council declared a Climate Change and Biodiversity Emergency on 21 May 2019. This followed on from declarations made nationally and by Devon County Council.</p> <p>The Council committed to produce an Action plan which was adopted on 17 December 2019 and the following was resolved;</p> <ol style="list-style-type: none"> 1. The Council aims to reduce its organisational carbon emissions (Scope 1, 2 and 3 emissions) to net-zero by 2030; 2 .The Council commits to working with partners through the Devon Climate Emergency Response Group to aim to reduce the Borough of West Devon’s carbon emissions to net-zero by 2050 at the latest; 3.The Council aims for a 10% Biodiversity Net Gain in the habitat value of its green and wooded public open space by 2025; 	<p>Development of a Strategic Framework and action plan to support delivery against the adopted aims.</p>	<p>Director of Governance and Assurance September 2021</p>

Issue Identified	Action to be Taken	Responsible Officer & Target Date
<p><u>Senior and Extended Leadership Team Restructure</u></p> <p>The Chief Executive, in consultation with the Leaders and with advice from the Local Government Association, undertook a restructure of the Leadership Team resulting in the following changes:</p> <p>Deletion of the following posts:-</p> <ul style="list-style-type: none"> • Group Manager Business Development • Group Manager Commercial Services • Commissioning Manager • Specialist Manager x 2 • Case Management Manager x 2 • Head of Commercial Services <p>Addition of the following posts:-</p> <ul style="list-style-type: none"> • Corporate Director Governance and Assurance • Strategic Director Economy and Enterprise • Head of Strategy & Projects • Business Manager – Specialists • Business Manager – Case Management • Customer Improvement Manager <p>Shortly after the conclusion of the restructure, the Chief Executive took up a new post at another Local Authority. As a result, a recruitment process was undertaken with a new Chief Executive due to take up post in June 2020.</p>	<p>Appointment has been approved by Full Council, actions are now around ensuring full briefing of new Chief Executive from Acting Chief Executive.</p>	<p>Deputy Chief Executive – June 2020</p>

Issue Identified	Action to be Taken	Responsible Officer & Target Date
<p>Business Continuity Management Strategy and Work Programme</p> <p>On 29th 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>During 2018/19, an Internal Audit review noted that there were 'Fundamental Weaknesses' primarily due to not ensuring Business Continuity Plans were kept updated (or missing). During 2019/20, a further review noted that updated plans were now in place and considered that the overall status had improved to 'Improvements Required'</p> <p>At the end of 2019/20, the leadership team undertook an extensive review of our business continuity arrangements along with in depth planning sessions including responding to a pandemic flu outbreak. This put the Council in a good position to act quickly in response to Covid-19.</p>	<p>A work programme is in place and will continue to be updated.</p> <p>While the Covid-19 pandemic is not over, the Incident Management Team will undertake a review of our business continuity response in July 2020 to inform future planning</p>	<p>Senior Specialist (Environmental Health)</p> <p>Timescales as set out in Work Programme</p> <p>Senior Specialist (Environmental Health) / Head of Strategy July 2020</p>

<p>Internal and External Audit Reports</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</p> <p>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>
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March 2020

As set out above, the Covid-19 pandemic has had significant and sudden impacts on the Council that will be long lasting. In line with CIPFA guidance issued on 7 April 2020, 'Matters to consider as a result of the coronavirus pandemic' briefing note, 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 arising in the period March 2020

Issue Identified	Action to be Taken	Responsible Officer & Target Date
<p><u>Covid-19 Response & Recovery</u></p> <p>The Covid-19 pandemic required the Council to quickly take action to ensure compliance with government guidance. While the full impact will not be understood for some time, immediate impacts are being considered and a recovery plan being developed.</p> <p>The pandemic has significantly increased the Council's risk profile in a number of areas:-</p> <p><u>Financial Sustainability</u></p> <p>The social distancing measures and subsequent national lockdown has significantly impacted on Income that the Council would typically receive. The Government has announced a package of support and the Council is awaiting details of this and guidance on the Government support scheme.</p> <p>The factors affecting the Council's finances are issues affecting the whole Local Government sector. The Council is well-placed to meet the financial challenges arising from Covid19, due to its prudent financial management over previous years.</p>	<p>Review of initial response and overview of implications for the Council to be presented to Overview and Scrutiny</p> <p>Covid-19 Recovery Plan to be developed</p> <p>The Council will continue lobbying with 'Team Devon' for further Government financial support in light of the impact of Covid19.</p> <p>The Council will complete the monthly Government returns on COVID costs and loss of income.</p>	<p>Director of Governance & Assurance – June 2020</p> <p>Director of Governance & Assurance – September 2020</p> <p>Director of Strategic Finance (S151 Officer) – September 2020</p> <p>Director of Strategic Finance (S151 Officer) – September 2020</p>

Issue Identified	Action to be Taken	Responsible Officer & Target Date
<p>On 2nd July, the Rt Hon Robert Jenrick MP announced a new comprehensive package of support for Councils, to address spending pressures and losses in income streams. There were three central pillars of support announced:-</p> <ol style="list-style-type: none"> 1) A new scheme to compensate Councils for losses of income, though not in their entirety (an 'income guarantee' scheme) 2) An extra £500million to cover extra COVID19 expenditure costs 3) To allow council tax and business rate losses in income to be repaid over the next 3 years of budget cycles, instead of just the next one year <p>Income losses above the first 5% will be compensated by the Government paying for 75 pence in every pound thereafter. This is only the income losses from sales, fees and charges so it isn't clear yet which categories of income this will include.</p> <p>Covid19 has had a significant impact on leisure provision given the nature of activities and hygiene requirements. The risk is that as leisure centres make adjustments to reduce the risk of Covid19 to both staff and customers, the capacity of the centres is significantly reduced while many overheads and operating costs remain the same.</p>	<p>Monthly budget monitoring reports will be reported to Members.</p> <p>The Council's Capital Programme will be reviewed and a comprehensive review of all Earmarked Reserves will be undertaken and contributions to Earmarked Reserves.</p> <p>Monthly meetings of the Financial Stability Review Group (FSRG) to formulate the strategy for the amended Budget proposals.</p> <p>An amended Budget for 2020/21 will be presented to the September 2020 cycle of Committee meetings, following a Member Budget Workshop in August.</p> <p>Regular dialogue and discussions with the Council's leisure provider (Fusion) and regular reporting to Members when further information is known. Lobbying of the Government on financial assistance for leisure providers.</p>	<p>Director of Strategic Finance (S151 Officer) – September 2020</p> <p>Director of Strategic Finance (S151 Officer) – September 2020</p> <p>Director of Place and Enterprise and Director of Strategic Finance September 2020 and on-going.</p>

Issue Identified	Action to be Taken	Responsible Officer & Target Date
<p><u>Impact on Business as Usual activities</u> The Council is fortunate that it was quickly able to require the majority of its employees to work from home, even ahead of formal government guidance. This mitigated any spikes in sickness absence or impact on service provision in many areas in the first couple of weeks of the lockdown. We have however had to refocus areas such as business rates and housing teams to focus on the Business Grants scheme and our Community Response. This has had an impact on service delivery.</p> <p>Impact on Corporate Priorities The Council has adopted its corporate priorities and desired outcomes for the period to 2023 based on its Medium Term Financial Plan. Clearly the impact of Covid-19 on these plans could have a significant impact on the Council's ability to achieve its desired outcomes and they will likely need to be reviewed.</p> <p><u>Changes to Council Governance arrangements</u> The Councils have been fortunate that Officers and Members have been using remote meeting technology for some time. As soon as the legislation to enable remote meetings was passed, we were able to recommence meetings for essential business and enable the democratic process to function. Consideration will need to be given to ongoing use of such technology to enable full public participation in such meetings.</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:

**Andy Bates Chief Executive
On behalf of West Devon Borough Council**

Date: 13th October 2020