

## Introduction

Teignbridge District Council must ensure its business is conducted in line with the law and proper standards, and use public money economically, efficiently and effectively. It is the Council's duty to put in place arrangements for the governance of its affairs, and effective delivery of services.

To achieve good governance, we have systems for managing and overseeing what we do. These arrangements are intended to make sure that we deliver intended outcomes while acting in the public interest at all times.

We have measured ourselves against the principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) and Society of Local Authority Chief Executives (SOLACE) Framework for Delivering Good Governance in Local Government. This statement explains how Teignbridge District Council has complied with the principles and also meets the requirements of the Accounts and Audit Regulations (England) 2015 in relation to the publication of an Annual Governance Statement. We have also outlined how our arrangements were affected by the Covid-19 Coronavirus pandemic which impacted us from March 2020.

## The Guiding Principles



## The governance framework

The governance framework comprises the systems, processes, culture and values which direct and control our daily business, and includes the methods we use to engage, lead and account to the community. It enables us to monitor how we are doing and to consider whether our plans have helped us deliver appropriate services that are value for money.

The system of internal control is a significant part of that framework and 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 but not absolute protection. The management of risk is an ongoing process designed to identify, prioritise and manage risks to the achievement of the Council's aims and objectives, and maximise opportunities.

The governance framework has been in place at Teignbridge District Council for the year ended 31 March 2020 and up to the date we approved the statement of accounts.

## Impacts of the Covid-19 Coronavirus Pandemic on Governance

The Covid-19 Coronavirus pandemic caused us to make a number of changes to our normal governance arrangements, however, these were carefully considered to ensure that the modified arrangements have adequate controls in place and all urgent decisions were documented.

As the full impacts of the pandemic emerged, from March 2020, the Council put in place an Incident Management Team (IMT) which managed risk on a daily basis throughout, ensuring the delivery of essential services was maintained safely for customers and staff. We worked closely with central Government, neighbouring authorities and the voluntary sector in providing community support to address the needs of our most vulnerable customers, delivering urgent financial support such as business and welfare grants, and regularly communicating with our staff and residents on how to stay safe and limit the spread of the virus. We are currently developing our Recovery Plan in response to the pandemic across 5 work streams: Economy; Communities; Environment; Place; and Vital Viable Council.

A review of the Council's Ten Year Strategy has identified a number of projects that are now on hold or will not continue due to the extreme financial and economic uncertainty caused by the COVID-19 pandemic. The Strategy will be further reviewed during 2020 taking account of the recovery work being undertaken and particularly our understanding of the impact the pandemic has had on our communities.

A full report on the Council's response to the pandemic and its impacts can be found in the July 2020 report to the Overview and Scrutiny Committee [here](#).

The key things we do to comply with the good governance principles are as follows:

### **Behaving with integrity, demonstrating strong commitment to ethical values, and being lawful**

- The Council's Constitution, Councillor and Officer Codes of Conduct, and Vision and Values statement set out required standards of members and officers.
- Registers of Interests are for maintained to avoid conflicts, prejudice or bias.
- The designated statutory Head of Paid Service, Financial Officer and Monitoring Officer help ensure business is conducted lawfully.

- Internal and external audit scrutinise Council activities and report independently on the extent to which laws, policies and procedures are complied with.
- Audit Scrutiny, Standards Committee and the Monitoring Officer provide oversight.
- Anti-Fraud and Corruption and Whistleblowing policies are in place.
- Council services are led by trained and professionally qualified staff.
- Comments and complaints processes are in place and are publicised, including how to complain to the Ombudsman.
- Our 'fair for all' ethos is incorporated in the work we do, and we publish our adherence to the Equality Act duties annually.

### **Ensuring openness and comprehensive stakeholder engagement**

- Our Consultation and Community Engagement Strategy and Toolkit encourages all members of the community to contribute to, and participate in the work of the Council.
- Members of the public have access to Council meetings, minutes and agendas. As a result of lockdown, some meetings had to be cancelled until legislation was enacted, and IT solutions put in place to enable us to hold these virtually. Meetings are now available to the public through the Council's YouTube channel which has improved the transparency of decision making.
- Our Residents Panel "Talking Teignbridge" is used as a sounding board and is representative as possible of the Teignbridge community.
- A Customer Reading Group ensures publications can be understood.
- We have developed a Digital Strategy to guide the way services will be delivered with a digital first approach.
- We survey customers annually for views on services to help shape future direction.
- A Statement of Community Involvement sets out engagement processes for planning policy and applications, and a revision of our Local Plan is in progress. This consultation was completed virtually due to the impact of the Covid-10 pandemic, which actually resulted in a higher level of engagement than previous consultations.
- Our website has been continually improved based on what customers need.

### **Defining outcomes in terms of sustainable economic, social and environmental benefits**

- A Ten Year Council Strategy guides our work. This was implemented following extensive research and consultation with residents, business and partners, and is underpinned by ten "Super Projects" each having a widespread impact on the economy, community wellbeing, and environment. However, a number of projects are now on hold or will not continue due to the extreme financial and economic uncertainty caused by the pandemic. The Strategy will be reviewed in light of the recovery work being undertaken and particularly our understanding of the impact the pandemic has had on our communities.
- A Climate Change Declaration was made in 2020 and we have signed up to the Devon Climate Emergency from which a Carbon Management Plan is being developed.
- Budgets, financial plan and capital programme direct financial resources to priorities.
- We have a Procurement Strategy in conjunction with other Devon Districts which defines our commitment to support local economies.
- An Economic Development Plan aids local businesses and the local economy.
- A number of small grants and funding schemes are provided, which benefit local communities, a crowdfunding initiative has been joined.
- We belong to the Greater Exeter Partnership which is developing a Greater Exeter Strategic Plan for joined-up decision making on planning and infrastructure, and we are members of the Heart of the South West Local Enterprise Partnership.

## **Determining the interventions necessary to achieve intended outcomes**

- Performance measures track progress with delivery of our Strategy.
- A medium term financial strategy outlines how we intend to raise and manage the resources needed to deliver our services and priorities over the medium term. This is currently under review to address the severe financial impacts of the pandemic.
- Executive Key decisions are publicised in advance so they can be scrutinised in line with decision making and Overview and Scrutiny arrangements.
- Overview and Scrutiny review groups are appointed to look at Council policy, services, and particular issues of local concern. Although the March, May and June 2020 meetings had to be cancelled due to lockdown, Scrutiny resumed in July following the implementation of virtual meetings.
- A digital transformation programme “One Teignbridge” drives service improvements.
- A Partnership toolkit aids collaborative working and strong partnership governance.

## **Developing capacity including the capability of leadership and the individuals within it**

- Recognised recruitment and selection procedures and induction programmes are followed for both staff and members.
- Training and development needs are tracked through annual personal development and performance interviews for staff, Member development needs are co-ordinated by the Democratic Services Team Leader and Deputy Monitoring Officer.
- HR policies aim to promote the health and wellbeing of the workforce and the Investors in People accreditation is maintained.

## **Managing risks and performance through robust internal control and strong public financial management**

- Our Risk Management Strategy is reviewed annually and risk management reports are reviewed by the Strategic Leadership Team (SLT) and the Audit Scrutiny Committee.
- The Strategy requires risks to be managed at all levels including service, strategic, and project levels, and in all decision making.
- Some risks have inevitably increased as a result of the pandemic and these have been kept under review to ensure appropriate mitigations are in place. A separate risk matrix supports our Covid-19 recovery plan.
- Robust performance monitoring using a basket of indicators is undertaken by the SLT and Overview and Scrutiny Committee. These are currently being reviewed as we revisit our priorities to accommodate the impacts of the pandemic.
- Internal Business Efficiency and Service Transformation reviews (BEST2020) help ensure value for money in services is scrutinised, for efficient service delivery.
- Our Head of Corporate Services is the designated officer responsible for the proper administration of the Council's financial affairs.

## **Being transparent, with good practices in reporting and audit, to deliver effective accountability**

- Agendas, reports, and minutes of meetings are published, along with Key Decisions.
- An internal audit function reports to the SLT and Audit Scrutiny Committee who also receive and consider the external auditors' findings.
- Key data is published, and timely responses are given to Information Requests.

## How do we know our arrangements are working?

At least annually, we review the effectiveness of the governance framework including the system of internal control. The review of effectiveness is informed by the work of the senior managers within the authority who have responsibility for the development and maintenance of the governance systems; the Audit Manager's annual report; and by comments made by external auditors, and other review agencies and inspectorates. Further assurances is provided by:

- Comfort statements completed by the Council's management team, which cover their areas of control, acknowledge accountability for risk management and internal control, and certify their satisfaction with the arrangements in place throughout the year.
- Key officers' views on the standards of governance within the Council – specifically the Section 151 Officer (responsible for the Council's financial affairs), the Monitoring Officer, the Audit Manager, and the Health and Safety Manager.
- The Council's Monitoring Officer has a legal responsibility to look into matters of potential unlawfulness within the Council. The Monitoring Officer also reviews the operation of the Constitution, to ensure it is up to date, and reflects best practice and legal requirements.
- The Standards Committee is available to support the Monitoring Officer on standards of conduct and probity issues.
- The Overview and Scrutiny process has monitored the Council's policies and performance on an ongoing basis (with the exception of the meetings cancelled during lockdown period). Portfolio Holders have also kept issues under review during meetings with managers.
- The Audit Scrutiny Committee has reviewed arrangements for managing risk concluding that adequate risk management arrangements are in place.
- Counter fraud arrangements have been kept under review through a Fraud Risk Assessment and internal audits of high risk fraud areas. An auditor was assigned to the Business Rates team to ensure fraud and error checks were in place for the emergency Coronavirus grant schemes brought in at short notice. Other Covid related processes have also been reviewed.
- The Council's external auditor provided the Council with an unqualified opinion on the Council's accounts and positive Value for Money report within their Annual Audit and Inspection letter. They have attended all Audit Scrutiny Committee meetings where their reports have been considered.
- As a significant group relationship, our IT provider Strata Service Solutions Limited has been provided with positive assurance from the Devon Audit Partnership, as the provider of its internal audit services in 2019-2020. Strata's performance has been monitored closely by the Council's IT Requirements Board, and by the Joint Executive and Scrutiny Committees.
- Strata, has maintained compliance with the Government PSN (Public Services Network) Code of Connection, which is a mandatory set of security standards Councils must meet in order to connect to this secure network. With Strata, we also follow the National Cyber Security Centre's (NCSC) 10 Steps to Cyber Security, the Open Web Application Security Project (OWASP) website principles and use the NCSC WebCheck, MailCheck, Protective Domain Name System security, and the Early Warning Vulnerability Service. Strata are also working towards Cyber Essentials Plus accreditation.

- The Electoral Commission’s real time monitoring of performance concluded that the Council met their standards.
- The Council was not found at fault for any cases investigated by the Local Government Ombudsman.
- A review of legal proceedings and contingent liabilities revealed no issues arising from weaknesses in control or governance.
- CIPFA guidance on the role of the Chief Financial Officer in public service organisations was used to benchmark the Council’s arrangements, showing how these standards are met.
- Based on the assurance work undertaken by internal audit, the Audit Manager has provided an opinion on the control environment which concluded that this was adequate and effective. It should, however, be noted that all risks of failure cannot be eliminated, and the assurance given is therefore reasonable and not absolute.
- Information Governance is overseen by the Audit Manager. There have been no major reportable data breaches and average processing time for Freedom of Information and Environmental Information Regulation requests was 10 days.
- Corporate governance arrangements Council-wide have been assessed against the requirements of the governance framework outlined in the CIPFA / SOLACE Framework for Delivering Good Governance in Local Government.

## Conclusion

Our governance arrangements continue to be regarded as fit for purpose in accordance with the governance framework. Set out below, are the challenges highlighted by this review which we aim to address during 2020-2021, and an update on issues reported in 2018-2019:

2019-2020 Challenges	Planned Action
<p><u>Financial Sustainability</u></p> <p>The Coronavirus pandemic has had a significant financial impact on the Council, and will continue to affect fees and charges and commercial income throughout 2020. The Government support package will assist but will not cover all losses incurred to balance the budget for 2020-2021. The Council also has a number of capital projects at different stages which could also be impacted.</p>	<p>The Chief Finance Officer and Strategic Leadership Team continuously monitor the financial situation to understand the level of budget, service and project reviews required. Budgets will be realigned taking into account Government funding, likely projections and potential impact on the medium term financial plan, and any necessary savings to be found.</p>

2018-2019 Identified Issues	Progress Update
<p><u>Financial Sustainability</u></p> <p>The Council has set a balanced budget despite the continuing pressures on costs and reductions in funding streams. Continue to monitor savings and efficiency plans and assumptions, to ensure they contribute towards future budget deficits</p>	<p>Ongoing – see above.</p>
<p><u>Constitution Review</u></p> <p>The Council’s constitution presented inconsistencies and gaps in the decision making processes.</p>	<p>The decision making process and Scheme of Delegation have been reviewed and updated – publication of updated Constitution to follow AGM in July 2020.</p>
<p><u>Contract Procedure Rules</u></p> <p>These rules govern the Council’s procurement activity and promote good procurement practice and accountability. A review is to ensure they continue to reflect good practice.</p>	<p>The review has not yet been completed due to the pandemic and other priorities. It has been carried forward to the Procurement work plan for 2020.</p>

Signed:

**Leader of the Council**

**Managing Director**