

Tuesday, 20 September 2022

**AUDIT COMMITTEE**

A meeting of **Audit Committee** will be held on

**Wednesday, 28 September 2022**

commencing at **2.00 pm**

The meeting will be held in the Meadfoot Room, Town Hall, Castle Circus,  
Torquay, TQ1 3DR

**Members of the Committee**

Councillor Loxton (Chairman)

Councillor Brooks

Councillor Johns

Councillor Douglas-Dunbar

Councillor Kennedy (Vice-Chair)

Councillor Hill

Councillor O'Dwyer

---

**Together Torbay will thrive**

---

Download this agenda via the free modern.gov app on your [iPad](#), [Android Device](#) or [Blackberry Playbook](#). For information relating to this meeting or to request a copy in another format or language please contact:

**Governance Support, Town Hall, Castle Circus, Torquay, TQ1 3DR**

Email: [governance.support@torbay.gov.uk](mailto:governance.support@torbay.gov.uk) - [www.torbay.gov.uk](http://www.torbay.gov.uk)

# AUDIT COMMITTEE AGENDA

1. **Apologies**  
To receive any apologies for absence, including notifications of any changes to the membership of the Committee.
2. **Minutes** (Pages 4 - 9)  
To confirm as a correct record the Minutes of the meetings of the Audit Committee held on 27 July and 3 August 2022.
3. **Declarations of interests**
  - (a) To receive declarations of non pecuniary interests in respect of items on this agenda  
**For reference:** Having declared their non pecuniary interest members may remain in the meeting and speak and, vote on the matter in question. A completed disclosure of interests form should be returned to the Clerk before the conclusion of the meeting.
  - (b) To receive declarations of disclosable pecuniary interests in respect of items on this agenda  
**For reference:** Where a Member has a disclosable pecuniary interest he/she must leave the meeting during consideration of the item. However, the Member may remain in the meeting to make representations, answer questions or give evidence if the public have a right to do so, but having done so the Member must then immediately leave the meeting, may not vote and must not improperly seek to influence the outcome of the matter. A completed disclosure of interests form should be returned to the Clerk before the conclusion of the meeting.  
  
(**Please Note:** If Members and Officers wish to seek advice on any potential interests they may have, they should contact Governance Support or Legal Services prior to the meeting.)
4. **Urgent Items**  
To consider any other items that the Chairman decides are urgent.
5. **Treasury Management Mid - Year Review 2022/23** (Pages 10 - 27)  
To consider a report that reviews the Treasury Management activities during the first part of 2022/23.
6. **Torbay Council Audit Progress Report and Sector Update** (Pages 28 - 39)  
To note a report that provides an update on progress made by Grant Thornton in delivering their responsibilities as the Council's external auditors.
7. **HR Investigations and Whistleblow** (Pages 40 - 46)  
To consider a report that provides a high level summary of the number of HR investigations and Whistleblow investigations in the year 2022.

**Meeting Attendance**

Please note that whilst the Council is no longer implementing Covid-19 secure arrangements attendees are encouraged to sit with space in between other people. Windows will be kept open to ensure good ventilation and therefore attendees are recommended to wear suitable clothing.

If you have symptoms, including runny nose, sore throat, fever, new continuous cough and loss of taste and smell please do not come to the meeting.

**Minutes of the Audit Committee**

**27 July 2022**

**-: Present :-**

Councillor Loxton (Chairman)

Councillors Brooks, Douglas-Dunbar, Johns and O'Dwyer

---

**6. Apologies**

Apologies for absence were received from Councillors Hill and Kennedy.

**7. Minutes**

The Minutes of the meetings of the Audit Committee held on 11 and 25 May 2022 were confirmed as a correct record and signed by the Chairman.

**8. Annual Governance Statement 2021-22**

Members considered the draft Annual Governance Statement for 2021-22. The Head of Policy, Performance and Community Engagement informed Members that the preparation of the Annual Governance Statement provides the opportunity for the organisation to review its processes, controls and objectives and to provide assurance to Members, Senior Officers and stakeholders as to the reliability of its statement of accounts and the probity of its operations.

Members requested that the paragraph relating to wholly owned companies be amended to avoid giving the impression that there were only four wholly owned companies.

Resolved:

That subject to amending the paragraph relating to wholly owned companies within the following section 'Partnership Working', the draft Annual Governance Statement for 2021/2022 be agreed and forwarded to the External Auditors for comment.

**9. Local Government Association and Local Partnerships : Review of Wholly Owned Companies 2021 - Action Plan Monitoring**

Members considered and noted an update on the progress made on implementing the Local Government Association and Local Partnerships : Review of Wholly Owned Companies 2021 Action Plan, which was approved by Cabinet on 14 December 2021.

Members raised questions in relation to:

- The advantages of having wholly owned companies;
- The purpose of wholly owned companies;
- Teckal compliance; and
- Timescales for the implementation of the action plan.

(Note 1: During consideration of the item in Minute 9, the press and public were formally excluded from the meeting on the grounds that exempt information (as defined in paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended)) was likely to be disclosed.)

Note 2: Councillor O'Dwyer declared a non-pecuniary interest as the Council's appointed representative to Torbay Economic Development Company Ltd.)

#### **10. Exclusion of the Press and Public**

Prior to consideration of the item in Minute 11 the press and public were formally excluded from the meeting on the grounds that the item involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended).

#### **11. Management Accounts - SWISCo**

Members noted the exempt report that set out the management accounts for SWISCo and raised questions in relation to:

- The Teckal compliance;
- The purpose of the company;
- Package recycling note income; and
- Value for money.

---

Chairman/woman

## **Minutes of the Audit Committee**

**3 August 2022**

**-: Present :-**

Councillor Loxton (Chairman)

Councillors Brooks, Johns, Kennedy (Vice-Chair) and O'Dwyer

---

### **12. Apologies**

Apologies for absence were received from Councillors Douglas-Dunbar and Hill.

### **13. Target Setting Report 2022-23**

Members considered a report that set out the proposed projects and performance indicators that were going to be used to track the delivery of the priorities within the Community and Corporate Plan for 2022/23. Additionally, members were asked to consider the targets being proposed for each performance indicator for the years 2022-2023, 2023-2024 and 2024-2025. The Senior Performance and Risk Officer informed Members that the projects, performance indicators and targets had been developed by the Senior Leadership Team in consultation with Cabinet Members.

Out of the 136 performance indicators being suggested, members of Audit Committee agreed with all apart from 4 whereby recommendations were made for the Cabinets consideration.

Resolved:

1) That the Audit Committee recommends that Cabinet:

a) reset the targets for:

- 'Net additional homes provided' and
- 'Number of affordable homes delivered'

for 2022-2023 to be in line with the current local plan and reviewed for 2023-2024 and 2024-2025;

b) that the target for the 'Number of families in B&B accommodation longer than 6 weeks per quarter' be set at 0.

- c) that Torre Abbey Admissions Footfall be reviewed as the Audit Committee considers it to be disproportionately high.

#### 14. Q1 Performance Report

Members considered the Quarter 1 Community and Corporate Plan Performance Report. This report contains the summaries of progress, update on projects and performance of key indicators used to deliver and track the priorities within the Community and Corporate Plan.

At the meeting Members were joined by the Divisional Director for Community and Customer Services and the Director of Children's Services and held a debate which focused on the indicators within their service areas.

The Divisional Director for Community and Customer Services provided details of a new project included in the performance report titled 'Housing Options Improvement Plan' and provided further information about the activities and challenges currently faced by the Council's Housing Service.

Members raised questions in relation to:

- The Department for Levelling Up, Housing and Communities action plan, what resulted in the Council being subject to an action plan and progress in implementing the action plan.
- How the Council is ensuring value for money in respect of the two contracts awarded by Cabinet on 10 May 2022 for a 'development and management partner to support us in the acquisition and redevelopment of the required properties' and 'property management partner to oversee the maintenance and running of our temporary accommodation once secured and operational'.
- The actions being taken to create long terms fixes such as reviewing underoccupancy of social rented stock and encouraging empty homes to be brought back into use.
- The delays in recruiting an Empty Homes Officer.
- The insourcing of the homeless hostel provision.
- And asked for some reassurance that the numbers being reported for those accessing the Domestic Abuse Services during 2021/22 were accurate as they noted a significant drop.

The Director of Children's Services was congratulated on the positive improvements that she had made to the Children's Services in Torbay following an Ofsted inspection which took place between 21 March to 1 April 2022. Ofsted had judged the Council as 'Good' in all four areas of their inspection.

The Director of Children's Services explained her reasoning around the inclusion of the new performance indicators from her area being used to track the Community and Corporate Plan and the plans she has to take the service forward over the next 12 months. The Director of Children's Services also explained in more detail the projects relating to Special Educational Needs and Disability.

Members raised questions in relation to:

- Whether the number of Children in receipt of an Education, Care and Health Plan is reflective of the make up of our area.
- Support for Special Educational Needs Co-ordinators.
- The number of agency staff within the whole of Children's Services and the split relating to social care officers and other posts.
- Unaccompanied Assylum Seeking Children.

In their consideration of the overall Quarter 1 Performance Report, Members requested that as part of their meeting scheduled for 7<sup>th</sup> November 2022, that some specific points be included within the Quarter 2 Performance Report.

Resolved that:

- a) As part of Project 1 "Deliver and update our Housing Strategy, including working with developers to encourage sites to be brought forward, to ensure a five-year housing land supply, thereby protecting our green spaces" – Within the narrative there is reference to details on the Land Release Fund sites, the funding that has been unlocked and monies not spent.
- b) That the summary for Thriving People: We will turn the tide on poverty includes an update on what the council has achieved in relation to work completed on; empty homes and properties brought back into occupation and under occupation.
- c) That the summary also includes reference to the numbers of households being placed in Torbay by other local authorities and the number of households Torbay are placing out of area.
- d) That the Children's performance indicators that are reported as per rate of 10,000 Cared for Children and rate of requests for Education, Care and Health Plans should also include the exact numbers underneath.
- e) That as part of the Agency Staff Cost performance indicator, a breakdown is included detailing the split by service.

Under Council Fit For The Future, Project 80 "Deliver improvements within the Planning service ensuring improved responsiveness and accessibility together with a proactive approach" – the Audit Committee requested if the Chief Executive could be asked to bring forward a separate report on the progress being made on the Planning, Housing and Climate Emergency – Service of the Future Project.

Additionally, members would like to see the performance data being collected to track the project's progress and request for the below performance indicators be included within the list of KPIs in the PID used to track the improvement progress:

- Total number of planning applications received



- Total £s of income received for planning applications
- Total £s paid back to the customer for returned planning fees
- Total number of planning appeals per year
- Total number of planning appeals lost
- Total number of planning appeals won
- Total amount of £s spent on planning appeals
- Total amount of £s recuperated from overturned planning appeals

It was noted that members would also like to see some planning benchmarking information as part of the report.

#### **15. Q1 Risk Report**

Members noted the Quarter 1 Risk Report and requested the Director of Children's Services email further details of the mitigation regarding 'SRCFF02 School High Needs block spending pressure'.

---

Chairman/woman

**Meeting:** Audit Committee/Council      **Date:** 28 September 2022/13 October 2022

**Wards affected:** All wards in Torbay

**Report Title:** Treasury Management Mid – Year Review 2022/23

**When does the decision need to be implemented?** Immediate

**Cabinet Member Contact Details:** Councillor Darren Cowell, [Darren.Cowell@torbay.gov.uk](mailto:Darren.Cowell@torbay.gov.uk)

**Director/Divisional Director Contact Details:** Pete Truman, Principal Accountant,  
[pete.truman@torbay.gov.uk](mailto:pete.truman@torbay.gov.uk)

---

## 1. Purpose of Report

---

- 1.1 This report provides Members with a review of Treasury Management activities during the first part of 2022/23. The Treasury function aims to support the provision of all Council services through management of the Council's cash flow and debt & investment operations.
- 1.2 The key points in the Treasury Management review are as follows:
- Interest rates have risen steadily on the back of severe inflationary pressures
  - Gilt yields and therefore PWLB rates have significantly increased
  - No new borrowing has been undertaken and internal resources used to fund capital expenditure.
  - Investments have been focussed on the safest counterparties and been of relatively short duration to track interest rate rises.
  - All decisions have complied fully with adopted principles and the Council's approved Treasury Management Strategy.

## 2. Reason for Proposal and its benefits

---

- 2.1 The preparation of a mid-year review on the performance of the treasury management function forms part of the minimum formal reporting arrangements required by the CIPFA Code of Practice for Treasury Management.

## 3. Recommendation(s) / Proposed Decision

---

### Audit Committee

1. **that the Audit Committee provide any comments and/or recommendations on the Treasury Management decisions made during the first part of 2022/23**

### Council

2. **that the Treasury Management decisions made during the first part of 2022/23 as detailed in this report be noted.**

## Appendices

Appendix 1: Economic commentary

Appendix 2: Non-Treasury Management Investments

## Background Documents

Treasury Management Strategy 2022/23

### 1. Introduction

---

- 1.1 In February 2019 the Council adopted the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice (the CIPFA Code) which requires the Council to approve treasury management semi-annual and annual reports.
- 1.2 The Treasury Management strategy for 2022/23 was approved at a meeting on 3<sup>rd</sup> March 2022. The Council has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk remains central to the Council's treasury management strategy.
- 1.3 CIPFA published its revised Treasury Management Code of Practice (the TM Code) and Prudential Code for Capital Finance in December 2021. The key changes in the two codes are around permitted reasons to borrow, knowledge and skills, and the management of non-treasury investments. The principles within the two Codes took immediate effect although local authorities could defer introducing the revised reporting requirements within the revised Codes until the 2023/24 financial year if they wish which Torbay Council has elected to do.
- 1.4 Treasury risk management at the Council is conducted within the framework of the Treasury Management Code. This Code now also includes extensive additional requirements for service and commercial investments, far beyond those in the 2017 version.
- 1.5 Treasury management decisions and strategies have been made in consultation with the Council's advisors, Arlingclose Ltd.
- 1.6 This report is written before any fiscal announcements have been made by the new Truss government which may impact on inflation forecasts, base rates and gilt yields.

## 2. Economic Commentary

---

2.1 The significant economic events impacting the Treasury Management strategy during the year were:

- MPC has increased Bank Rate to 1.75% (at August 2022) in regular stages throughout the year.
- Fears of rising and persistent inflation and its damaging impact on consumers' cost of living. CPI rose to 8.8% for July 2022.
- Gilt yields have increased through the year on the back of the concerns of higher inflation.

2.2 A full economic commentary covering the first quarter 2022/23 by Arlingclose Ltd is provided at Appendix 1 to this report. Clearly economic forecasts have continued to change and be volatile since the date of the commentary.

2.3 Arlingclose's key observations for the remainder of 2022/23 are set out below:

- Money tightening measures are being pushed through by policy makers in the EZ and UK
- BoE now forecasts CPI inflation to reach 13% with energy and fuel prices contributing half that amount.
- Forecasts for Bank Rate have been raised over the next few months, peaking at 2.75% by the end of 2022, as the BoE looks to tackle inflation by dampening demand.
- The Economy will therefore slow down more drastically, necessitating cuts in bank rate during the second half of 2023
- Rising inflation and central bank policy expectations will push up gilt yields slightly on their current levels. The medium-term path for yield has flattened as lower policy expectations are priced in.
- However, the risks around gilt yield forecasts are significantly to the upside over the short term. Over the medium term, the balance of risks is broadly balanced.

## 3. Local Context

---

3.1 On 31st March 2022, the Council had net borrowing of £273m arising from its revenue and capital income and expenditure. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. These factors are summarised in Table 1 below.

Table 1: Balance Sheet Summary

	<b>31st March 2022 Actual £m</b>
<b>Total Capital Financing Requirement (CFR)</b>	<b>422</b>
Less: Other debt liabilities	(16)
<b>Borrowing CFR</b>	<b>406</b>
<b>Financed by:</b>	
<b>External borrowing</b>	<b>389</b>
Internal borrowing	17
<b>Total</b>	<b>406</b>
<b>Internal Resources for investment:</b>	
Useable Reserves	(96)
Working Capital	(37)
Less: Cash resource applied to Internal Borrowing	17
<b>Total Treasury Management Investments</b>	<b>(116)</b>
<b>Net Treasury Management Position</b>	
External Borrowing	389
Investments	(116)
<b>Net Total</b>	<b>273</b>

- 3.2 The treasury management position (nominal values) on 31<sup>st</sup> August 2022 and the change over the six months is shown in Table 2 below.

Table 2: Treasury Management Summary

	<b>31.3.22 Balance £m</b>	<b>Movement £m</b>	<b>31.8.22 Balance £m</b>	<b>31.8.22 Rate %</b>
Long-term borrowing	389	(3)	386	2.98
Short-term borrowing	0	0	0	0
<b>Total borrowing</b>	<b>389</b>	<b>(3)</b>	<b>386</b>	<b>2.98</b>
Long-term investments	(5)	0	(5)	3.68
Short-term investments	(107)	(10)	(117)	1.37
Cash and cash equivalents	(4)	2	(2)	0.23
<b>Total investments</b>	<b>(116)</b>	<b>(8)</b>	<b>(124)</b>	<b>1.41</b>

## 4. Borrowing

---

- 4.1 PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield; the Council intends to avoid this activity to retain its access to PWLB loans.
- 4.2 The Council currently holds £211m (Valuation as at 31.3.2022) in commercial investments that were purchased prior to the change in the CIPFA Prudential Code and PWLB rules
- 4.3 A new requirement of the new Prudential Code is that “authorities with existing commercial investments who expect to need to borrow should review the options for exiting those investments”. Therefore on an annual basis, as part of the annual Treasury Management Strategy, the Council will review the options and financial implications on the revenue budget such as lost rent for exiting these investments compared to the cost of new borrowing.
- 4.4 As outlined in the Treasury Management Strategy, the Council’s chief objective when borrowing has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should long-term plans change being a secondary objective. The Council’s borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio.
- 4.5 Over the period, short-term rates rose between 1.2% and 1.7% and long-term rates rose between 1.2% and 1.3%.
- 4.6 The Council’s strategy for 2022/23 was to use internal resources to fund capital spend. No new borrowing was undertaken while a £3m existing loan has been allowed to mature without replacement.
- 4.7 The PWLB increases in recent weeks have not changed that approach. All council existing debt is fixed therefore not impacted by the higher rates. New borrowing will be at a higher rate than forecast which will impact on the business case for capital schemes. The current cash levels, low level of capital spend and borrowing rate volatility means that it is unlikely the council will undertake any additional borrowing for at least 12 months.
- 4.8 The Council will continue to monitor with the support of its Treasury advisor’s any alternative borrowing options.
- 4.9 Outstanding loans on 31<sup>st</sup> August are summarised in Table 3 below.

Table 3: Borrowing Position

	<b>31.3.22 Balance £m</b>	<b>Net Movement £m</b>	<b>31.8.22 Balance £m</b>	<b>31.8.22 Weighted Average Rate %</b>	<b>31.8.22 Weighted Average Maturity (years)</b>
Public Works Loan Board	379	(3)	376	2.938	27
Banks (LOBO)	5	0	5	4.395	56
Banks (fixed term)	5	0	5	4.700	52
<b>Total borrowing</b>	<b>389</b>	<b>(3)</b>	<b>386</b>	<b>2.980</b>	<b>28</b>

- 4.10 LOBO loans: The Council continues to hold £5m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Council has the option to either accept the new rate or to repay the loan at no additional cost. The lender option does not commence until 2028.
- 4.11 After £0.8m repayment of prior years' Private Finance Initiative debt, total debt other than borrowing stood at £16.0m on 31<sup>st</sup> March 2022, taking total debt to £405m.

## 5. Treasury Investment Activity

---

- 5.1 CIPFA revised TM Code defines treasury management investments as those which arise from the Authority's cash flows or treasury risk management activity that ultimately represents balances which need to be invested until the cash is required for use during business.
- 5.2 The Council holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. During the year investment balances ranged between £110m and £131m due to timing differences between income and expenditure. The investment position where applicable is shown in table 4 below.



Table 4: Treasury Investment Position

	<b>31.3.22 Balance £m</b>	<b>Net Movement £m</b>	<b>31.8.22 Balance £m</b>	<b>31.8.22 Income Return %</b>	<b>31.8.22 Weighted Average Maturity days</b>
Banks & Building Societies	17.2	(2.1)	15.1	0.99	35
Government	62.0	10.0	72.0	1.44	93
Local Authorities	15.0	5.0	20.0	1.18	140
Money Market Funds	12.6	(4.6)	8.0	1.64	1
Other Pooled Funds:					
- Short-dated bond funds	4.0	-	4.0	0.39	-
- Property fund*	5.5	0.1	5.6	3.68	-
<b>Total Investments</b>	<b>116.3</b>	<b>8.5</b>	<b>124.7</b>	<b>1.41</b>	<b>87</b>

\* value includes capital growth

- 5.3 Both the CIPFA Code and government guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.
- 5.4 Short dated market cash rates have increased during the year in line with Bank Rate announcements. New deposits have been kept relatively short to track these and forecast future rises. It is expected that investment returns will continue to be volatile.
- 5.5 At the end of August, the rates on government DMADF deposits ranged between 1.55% and 2.51% and the return on sterling low volatility net asset value (LVNAV) Money Market Funds ranged between 1.62% - 1.66%
- 5.6 The progression of risk and return metrics are shown in the extracts from Arlingclose's quarterly investment benchmarking (Q1 to end June 2022) in Table 5 below.

Table 5: Investment Benchmarking – Treasury investments managed in-house

	<b>Credit Score</b>	<b>Credit Rating</b>	<b>Bail-in Exposure</b>	<b>Weighted Average Maturity (days)</b>	<b>Rate of Return %</b>
31.03.2022	3.63	AA-	28%	70	0.68%
30.06.2022	3.56	AA-	27%	83	1.01%
<b>Similar LAs</b>	<b>4.48</b>	<b>AA-</b>	<b>66%</b>	<b>35</b>	<b>1.52%</b>
<b>All LAs</b>	<b>4.46</b>	<b>AA-</b>	<b>64%</b>	<b>16</b>	<b>1.39%</b>

5.7 The benchmarking results reflect the Council’s cautious risk appetite with emphasis on government deposits in preference to market counterparties.

5.8 **Externally Managed Pooled Funds:** £5m of the Council’s investments is invested in an externally managed strategic pooled property fund where short-term security and liquidity are lesser considerations, and the objectives instead are regular revenue income and long-term price stability. During the year this fund has generated an average total return of 0.21m (21.4%), comprising a £0.09m (3.7%) income return which is used to support services in year, and £0.2m (17.7%) of capital growth.

## 6. Non-Treasury Investments

---

6.1 The definition of investments in CIPFA’s revised 2021 Treasury Management Code covers all the financial assets of the Authority as well as other non-financial assets which the Authority holds primarily for financial return. Investments that do not meet the definition of treasury management investments (i.e. management of surplus cash) are categorised as either for service purposes (made explicitly to further service objectives) and or for commercial purposes (made primarily for financial return).

6.2 A full list of the Council’s non-treasury investments is presented at Appendix 2.

## 7. Impact of Treasury Performance on the Revenue Budget

---

7.1 The net revenue budget for treasury management is projected to be underspent (as reported to OSB in September 2022) as a result of reduced external borrowing expectations and the rise in investment returns, as shown in table 6 below.

As at 31 <sup>st</sup> August 2022	Revised Budget 2022/23	Projected Outturn 2022/23	Variation
	£m	£m	£m
Investment Income	(0.4)	(0.9)	(0.5)
Interest Paid on Borrowing	12.2	12.0	(0.2)
<b>Net Position (Interest)</b>	<b>11.8</b>	<b>11.1</b>	<b>(0.7)</b>
Minimum Revenue Provision	6.9	6.9	(0.0)
<b>Net Position (Other)</b>	<b>6.9</b>	<b>6.9</b>	<b>(0.0)</b>
<b>Net Position Overall</b>	<b>18.7</b>	<b>18.0</b>	<b>(0.7)</b>

## 8. Compliance

- 8.1 The Chief Finance Officer reports that all treasury management activities undertaken during the period complied fully with the principles in the TM Code and the Council's approved Treasury Management Strategy. Compliance with specific limits is demonstrated in tables 7 and 8 below.

Table 7: Debt Limits

	2022/23 Maximum	31.8.22 Actual	2022/23 Operational Boundary	2022/23 Authorised Limit	Complied? Yes/No
Borrowing	£388.9m	£385.6m	£530m	£620m	Yes
PFI & Finance Leases	£16.0m	£15.0m	£20m	£20m	Yes
<b>Total Debt</b>	<b>£404.9m</b>	<b>£400.6m</b>	<b>£550m</b>	<b>£640m</b>	<b>Yes</b>

Table 8: Investment Limits

	Maximum in period	31.8.22 Actual	2022/23 Limit	Complied? Yes/No
Any single organisation, except the UK Government	£12m	£6m	£15m	Yes
UK Central Government	£77m	£72m	Unlimited	Yes
Money Market Funds	£13m	£8m	£60m	Yes

**Treasury Management Indicators:** The Council measures and manages its exposures to treasury management risks using the following indicators.

**Security:** The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating/credit score of its investment portfolio. The credit score is calculated by applying a value to each investment (AAA=1, AA+=2, .... A=6 etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

	<b>31.8.22 Actual</b>	<b>2022/23 Target</b>	<b>Complied?</b>
Portfolio average credit rating (score)	AA- (4)	A (6)	Yes

**Liquidity:** The Council has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling one-month period, without additional borrowing.

	<b>31.8.22 Actual</b>	<b>2022/23 Target</b>	<b>Complied?</b>
Total cash available within one month	£26m	£10m	Yes

**Interest rate exposures:** This indicator is set to control the Council's exposure to interest rate risk.

The Council's debt portfolio is virtually all at fixed rate and therefore has no exposure to fluctuations in interest rates. As such no specific limits are proposed on interest rate exposure but any new borrowing will be restricted to a maximum 30% of the total portfolio exposed to variable interest rate. No new borrowing has been undertaken during the first part of the year.

**Maturity structure of borrowing:** This indicator is set to control the Council’s exposure to refinancing risk. The upper and lower limits on the maturity structure of borrowing will be:

<b>Refinancing rate risk indicator</b>	<b>31.8.22 Actual</b>	<b>Upper limit</b>	<b>Lower limit</b>	<b>Complied?</b>
Under 12 months	1%	40%	0%	Yes
12 months and within 24 months	1%	40%	0%	Yes
24 months and within 5 years	4%	30%	0%	Yes
5 years and within 10 years	11%	40%	0%	Yes
10 years and within 20 years	15%	50%	0%	Yes
20 years and within 30 years	9%	60%	0%	Yes
30 years and within 40 years	37%	50%	0%	Yes
40 years and above	22%	50%	0%	Yes

**Principal Sums Invested for Periods Longer than a year:** The purpose of this indicator is to control the Council’s exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end were:

	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
Actual principal invested beyond year end	£5m	£5m	£5m
Limit on principal invested beyond year end	£20m	£20m	£20m
Complied?	Yes	Yes	Yes

## Appendix 1

### Economic Commentary (provided by Arlingclose Ltd, July 2022)

Following Russia's invasion of Ukraine in February, global inflationary pressures have intensified sharply, leading to a sizeable deterioration in the outlook for world and UK growth.

The economic backdrop in the April-June quarter was characterised by higher oil, gas and commodity prices, fears of rising and persistent inflation and its damaging impact on consumers' cost of living, little indication of an imminent end to Russia-Ukraine hostilities and supply chain bottlenecks exacerbated by war in Ukraine and lockdowns in China.

Added to this was tough rhetoric and action by central bankers globally on fighting inflation through higher interest rates and quantitative tightening even as financial conditions became increasingly difficult for consumers, more so for those whose wages have not kept pace with inflation.

In the UK inflation remained elevated. Ofgem, the energy regulator, increased the energy price cap by 54% in April, equivalent to around £700 for a household with average energy consumption (the cap had already increased 12% back in October 2021). May data showed CPI edging higher to 9.1% while the core CPI rate, which removes energy, fuel and food was 5.9%. RPI rose to 11.7%.

The labour market continued to show signs of tightness as employers struggled to fill vacancies with workers with skill sets matching their requirements. The unemployment rate 3m/year for April fell to 3.8% and is now below pre-pandemic levels. Pay growth was 6.8% for total pay (including bonuses) and 4.2% for regular pay; however, adjusted for inflation, growth in total pay was just 0.4%, whilst regular pay fell 2.2%.

Unsurprisingly, with disposable income squeezed and another energy cap increase due in October, consumer confidence plummeted to the level last seen during the 2008/09 financial crisis. Quarterly GDP growth was 0.8% in the January-March quarter and the Bank of England now expects a decline of 0.3% in Q2 2022.

Having increased interest rates by 0.25% in April, the Bank of England's Monetary Policy Committee on the 15th of June 2022 voted 6-3 to increase the official Bank Rate by 0.25% to 1.25%. Those members in the minority preferred to increase Bank Rate by 0.5%. Rises in the input and output producer price measures suggest further inflationary pressure is in the pipeline. The Bank of England is therefore unlikely to become complacent, so further rate rises look likely in the near term.

Annual inflation in the US rose to 8.6% in May, the highest in nearly 40 years. The Federal Reserve also stepped up its fight against inflation with a 0.5% hike in rates in May followed by a further increase of 0.75% in June, the latter its most aggressive hike since 1994 and higher than markets expected, taking policy rates to a range of 1.5% - 1.75%.

Inflation in the Eurozone also pushed higher to 8.1%, with energy price pressures a major contributor. Europe is heavily impacted by the energy crisis following the Russian invasion of Ukraine, but concerns about the Eurozone's peripheral members and highly indebted members states complicates the European Central Bank's response as it seeks to normalise monetary policy. The ECB stated it would end quantitative easing at the beginning of July and then increase interest rates by 0.25% later in the month, the first hike since 2011. The central bank's Governing Council also convened an emergency meeting in June to address 'fragmentation' risks.

Financial markets: Heightened uncertainty characterised financial market sentiment and bond yields were similarly volatile but with a general upward trend as concern over higher inflation and higher interest rates dominated.

Over the quarter the 5-year UK benchmark gilt yield rose from 1.41% to 1.89%, the 10-year gilt yield rose from 1.61% to 2.35% and the 20-year yield from 1.82% to 2.60%. The Sterling Overnight Rate (SONIA) averaged 0.89% over the period.

Credit review:

In May Moody's affirmed the long-term rating of Guildford Borough Council at Aa3, a reflection of the Council's solid track record of budgetary performance and high level of usable reserves but changed the 'outlook' (the longer-term direction of travel) to negative. The agency downgraded the long-term rating of Warrington Borough Council from A2 to A3 and that of Transport for London (TfL) from A3 to Baa1.

Having completed its full review of its credit advice on unsecured deposits at UK and non-UK banks, in May Arlingclose extended the maximum duration limit for five UK banks, four Canadian banks and four German banks to six months. The maximum duration for unsecured deposits with other UK and non-UK banks on Arlingclose's recommended list is 100 days.

Arlingclose continued to monitor and assess credit default swap levels for signs of credit stress but made no changes to the counterparty list or recommended durations. Nevertheless, increased market volatility is expected to remain a feature, at least in the near term and, as ever, the institutions and durations on the counterparty list recommended by Arlingclose remains under constant review.

Document is Restricted



# Torbay Council Audit Progress Report and Sector Update

Year ending 31 March 2022

September 2022

Page 28



# Contents

Section	Page
Introduction	03
Progress at July 2022	04
Audit Deliverables	06
Sector Update	07

The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit planning process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect the Authority or all weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

Grant Thornton UK LLP is a limited liability partnership registered in England and Wales: No.OC307742. Registered office: 30 Finsbury Square, London, EC2A 1AG. A list of members is available from our registered office. Grant Thornton UK LLP is authorised and regulated by the Financial Conduct Authority. Grant Thornton UK LLP is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. Services are delivered by the member firms. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions.

# Introduction

## Your key Grant Thornton team members are:

### Paul Dossett

Key Audit Partner

T 020 7728 3180

E Paul.Dossett@uk.gt.com

### Oliver Durbin

Audit Manager

T: 0117 305 7785

E: Oliver.J.Durbin@uk.gt.com

### Ben Lancaster

In-charge Auditor

T 0117 305 7654

E Ben.W.Lancaster@uk.gt.com

This paper provides the Audit Committee with a report on progress in delivering our responsibilities as your external auditors.

The paper also includes:

- a summary of emerging national issues and developments that may be relevant to you as a local authority; and
- includes a number of challenge questions in respect of these emerging issues which the Committee may wish to consider (these are a tool to use, if helpful, rather than formal questions requiring responses for audit purposes)

Members of the Audit Committee can find further useful material on our website, where we have a section dedicated to our work in the public sector. Here you can download copies of our publications <https://www.grantthornton.co.uk/en/services/public-sector-services/>

If you would like further information on any items in this briefing, or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either your Engagement Lead or Engagement Manager.

# Progress at July 2022

## Financial Statements Audit

We undertook our initial planning for the 2021/22 audit in March and April 2022.

Our planning work included:

- Updated review of the Authority's control environment

- Updated understanding of financial systems

- Understanding how the Authority makes material estimates for the financial statements

The results of our work to date were included within the May 2022 Audit Committee Progress Update. In summary our planning and interim work has not identified any weaknesses that will impact our audit approach

In March we issued our audit plan, setting out our proposed approach to the audit of the Authority's 2021/22 financial statements.

The Council have not submitted the draft accounts for 2021/22 as at the end of August. We plan to commence the audit fieldwork in late September.

We still hope to report our work in the Audit Findings Report and aim to give our opinion on the Statement of Accounts by 30 November 2022.

The Accounts and Audit Regulations 2015 were amended by SI 2021 No. 263. The Department for Levelling Up, Housing and Communities (DLUHC) previously stated their intention to introduce secondary legislation to extend the deadline for publishing audited local authority accounts to 30 November 2022 for the 2021/22 accounts.

This is enacted by The Accounts and Audit (Amendment) Regulations 2022 (SI 2022 No. 708) that came into force on 22 July 2022. The deadline for publishing audited local authority accounts for 2021/22 is extended to 30 November 2022 and thereafter changed to 30 September for years up to 2027/28.

## Value for Money

The new Code of Audit Practice (the "Code") came into force on 1 April 2020 for audit years 2020/21 and onwards. The most significant change under the new Code was the introduction of an Auditor's Annual Report, containing a commentary on arrangements to secure value for money and any associated recommendations, if required.

The new approach is more complex, more involved and is planned to make more impact.

Under the 2020 Code of Audit Practice, for relevant authorities other than local NHS bodies auditors are required to issue our Auditor's Annual Report no later than 30 September or, where this is not possible, issue an audit letter setting out the reasons for delay.

As a result of the ongoing pandemic, and the impact it has had on both preparers and auditors of accounts to complete their work as quickly as would normally be expected, the National Audit Office has updated its guidance to auditors to allow us to postpone completion of our work on arrangements to secure value for money and focus our resources firstly on the delivery of our opinions on the financial statements. This is intended to help ensure as many as possible could be issued in line with national timetables and legislation. The extended deadline for the issue of the Auditor's Annual Report is now no more than three months after the date of the opinion on the financial statements. We anticipate issuing our Auditor's Annual Report in before the end of 2022.

# Progress at July 2022 (cont.)

## Meetings

We met with Finance Officers in May as part of our quarterly liaison meetings and continue to be in discussions with finance staff regarding emerging developments and to ensure the audit process is smooth and effective. We also met with your Chief Executive in May to discuss the Authority's strategic priorities and plans.

There is another planned meeting with the Officers in September 2022.

## Financial Statements Audit 20/21

The financial statements for 2020/21 remain unsigned while we await the outcome of the CIPFA consultation relating to Infrastructure assets. We are expecting a resolution to this in September.

The results of this consultation and subsequent engagement with the Financial Reporting Advisory Board may result in councils needing to provide updated accounts where the accounts have not yet been signed (as in Torbay's case for 20/21). For those who have 20/21 accounts signed, they may need to prepare their 21/22 accounts with prior year adjustments.

There are also number of small matters on Group accounts which need resolution, namely the Group Movement in Reserves statement and Pension Guarantee note. We expect them to be completed alongside the update for Infrastructure assets.

# Audit Deliverables

2021/22 Deliverables	Planned Date	Status
<p><b>Audit Plan</b></p> <p>We are required to issue a detailed audit plan to the Audit Committee setting out our proposed approach in order to give an opinion on the Authority's 2021/22 financial statements and to report on the Authority's value for money arrangements in the Auditor's Annual Report</p>	March 2022	Completed
<p><b>Interim Audit Findings</b></p> <p>We will report to you the findings from our interim audit and our initial value for money risk assessment within our Progress Report.</p>	May 2022	Completed
<p><b>Audit Findings Report</b></p> <p>The Audit Findings Report will be reported to the November Audit Committee.</p>	November 2022	Not yet due
<p><b>Auditors Report</b></p> <p>This includes the opinion on your financial statements.</p>	November 2022	Not yet due
<p><b>Auditor's Annual Report</b></p> <p>This report communicates the key outputs of the audit, including our commentary on the Authority's value for money arrangements.</p>	December 2022	Not yet due
2021/22 Audit-related Deliverables	Planned Date	Status
<p><b>Teachers Pensions Scheme – certification</b></p> <p>This is the report we submit to Teachers Pensions based upon the mandated agreed upon procedures we are required to perform.</p>	TBC	Not yet due
<p><b>Housing Benefit Subsidy – certification</b></p> <p>This is the report we submit to Department of Work and Pensions based upon the mandated agreed upon procedures we are required to perform.</p>	TBC	Not yet due
<p><b>Harbour Audit - certification</b></p> <p>This is the report we submit to the Department for Levelling Up, Housing and Communities (“DLUHC”). based upon the mandated agreed upon procedures we are required to perform.</p>	TBC	Not yet due

# Sector Update

Authorities continue to try to achieve greater efficiency in the delivery of public services, whilst facing the challenges to address rising demand, ongoing budget pressures and social inequality.

Our sector update provides you with an up to date summary of emerging national issues and developments to support you. We cover areas which may have an impact on your organisation, the wider local government sector and the public sector as a whole. Links are provided to the detailed report/briefing to allow you to delve further and find out more.

Our public sector team at Grant Thornton also undertake research on service and technical issues. We will bring you the latest research publications in this update. We also include areas of potential interest to start conversations within the organisation and with audit committee members, as well as any accounting and regulatory updates.

- [Grant Thornton Publications](#)
- [Insights from local government sector specialists](#)
- [Reports of interest](#)
- [Accounting and regulatory updates](#)

More information can be found on our dedicated public sector and local government sections on the Grant Thornton website by clicking on the logos below:

A teal rectangular button with the text "Public Sector" in white, sans-serif font, centered within the button.

Public Sector

A dark purple rectangular button with the text "Local government" in white, sans-serif font, centered within the button.

Local  
government

# Response to local audit consultation – Department for Levelling Up, Housing and Communities (“DLUHC”)

The Department for Levelling Up, Housing and Communities (“DLUHC”) has published its response to the local audit consultation. This follows the “Redmond Review”, which reported in September 2020.

The response confirms plans to establish a new regulator, the Audit Reporting and Governance Authority (ARGA), as the system leader for local audit within a new, simplified local audit framework.

Ahead of ARGA’s establishment, a shadow system leader arrangement will start at the Financial Reporting Council (FRC) from September 2022.

The consultation response also announces:

- Plans to make audit committees compulsory for all councils, with each audit committee required to include at least one independent member. This will create greater transparency and consistency across local bodies.
- ARGA will take over statutory responsibility for preparing and issuing the Code of Audit Practice (from the National Audit Office).
- A post-implementation review of the new Value for Money arrangements. The Code is a key part of the local audit system, and it is important to ensure that it helps to facilitate effective local audit. To allow time for the new arrangements to bed in the response proposes this is completed within three years.

The full response can be found here:

[Government response to local audit framework: technical consultation - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/government-response-to-local-audit-framework-technical-consultation)





# The Value of Internal Audit – CIPFA

One of the key elements of good governance is an independent and objective internal audit service. Some organisations engage fully and reap significant benefits from the assurance, insight and expertise they bring whilst others pay lip-service to them and see their work as an administrative burden.

CIPFA's recent report, [Internal Audit: Untapped Potential](#), lifts the lid on internal audit in public services. For some chief financial officers and chief executives, this report confirms the value and contribution of internal audit teams with 87% of respondents recognising the contribution internal audit makes to their organisation. However, some leadership teams saw internal audit as providing a basic service at minimal cost.

Getting the most out of the function requires honest conversations and long-term planning. Maintaining appropriate skills and knowledge within the function is necessary to ensure high quality internal audit in public services are retained.

## Culture and governance

The Audit Committee should monitor the delivery of internal audit and their output will be a key part of the annual work-plan. However, internal audit is not a substitute for risk management and should enhance the overall assurances received by management. Executives and Officers should engage with internal audit recommendations to ensure the organisation gains maximum value from reviews.

## Capacity

Reducing internal audit days can lead to a lack of 'corporate grip' and not identifying issues at an early stage. This report raises concerns over the capacity of internal audit across the public sector. The profession needs to be valued and invested in to make it more attractive to new blood and for bodies to be able to attract the best candidates to their service.

## Expectations

To maximise the impact of internal audit, a clear and aligned strategic audit plan and annual audit plan should be in place. This should be agreed with all stakeholders.

## Future plans

Internal audit needs to adapt to the changing landscape, including risks such as climate change, digital and technological developments, cyber-security and ongoing financial and service pressures within their planning processes. For financial resilience and medium- and long-term financial strategies internal audit can provide vital independent assurance to decision makers to allow them to take on more risk and be more ambitious. Leadership teams need to be clear on what assurances they will require going forward.

For more information, [Rob Whiteman](#) share his views on this report.



# Audit and Risk Assurance Committee effectiveness tool – NAO

The National Audit Office (NAO) has published this tool which supports Audit Committees in assessing their effectiveness.

The NAO comment “Audit and Risk Assurance Committees (ARACs) play a crucial role in supporting the effective governance of central government departments, their agencies and arm’s-length bodies.

ARACs are operating in a highly challenging context. Government organisations are managing many short- and long-term risks and are required to be resilient to a number of pressures. This has created an environment where ARACs need to be dynamic and responsive to the changing risk profiles and demands of their organisations. ARACs can see this as an opportunity to work out how they can most proactively work with the Board and accounting officer.

Against this background, the NAO’s effectiveness tool provides a way for ARACs to assess their effectiveness against more than just the basic requirements. It provides aspects of good practice to give ARACs greater confidence and the opportunity to meet the requirements of their role.

The NAO’s effectiveness tool is a comprehensive way for ARACs to assess their effectiveness on a regular basis.”

The tool covers:

- Membership, independence, objectivity and understanding
- Skills and experience
- Roles and responsibilities
- Scope
- Communication and reporting

Although the tool is designed for central government Audit Committees it is also relevant to local government.



The guide can be found here:

[Audit and Risk Assurance Committee effectiveness tool - National Audit Office \(NAO\) Report](#)

# Guide for audit and risk committees on financial reporting and management during COVID-19 – NAO

The National Audit Office (NAO) has published this guide which aims to help audit and risk committee members discharge their responsibilities in several different areas, and to examine the impacts on their organisations of the COVID-19 outbreak

The NAO comment “Audit and risk committees are integral to the scrutiny and challenge process. They advise boards and accounting officers on matters of financial accountability, assurance and governance, and can support organisations, providing expert challenge, helping organisations focus on what is important, and how best to manage risk.

Each organisation will have existing risk management processes in place, but risk appetite may have changed as a result of COVID-19, for the organisation to operate effectively and respond in a timely manner. This may result in a weakening of controls in some areas, increasing the likelihood of other risks occurring. Organisations will need to consider how long this change in risk appetite is sustainable for.”

The guide includes sections on:

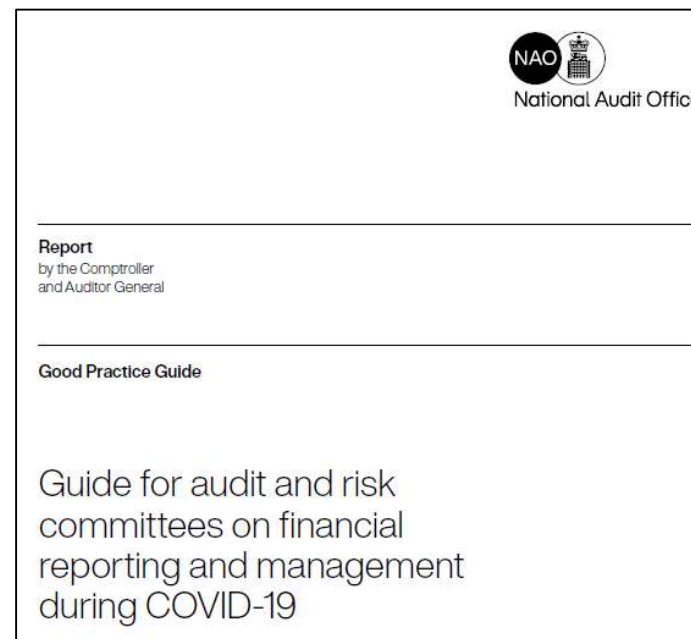
- Annual reports
- Financial reporting
- The control environment
- Regularity of expenditure

The guide can be found here:

<https://www.nao.org.uk/report/guidance-for-audit-and-risk-committees-on-financial-reporting-and-management-during-covid-19/>

The guide includes a number of key questions covering areas such as:

- Property valuations
- Pension scheme valuations
- Completeness of liabilities
- Events after the reporting period
- Control environment
- Fraud and error





© 2022 Grant Thornton UK LLP.

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton UK LLP is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions.

**Meeting: Audit Committee**

**Date: 28 September 2022**

**Wards Affected: All**

**Report Title: HR Investigations and Whistleblow**

**Cabinet Member Contact Details:** Councillor Christine Carter,  
Christine.Carter@Torbay.gov.uk

**Director/Assistant Director Contact Details: Anne-Marie Bond, Chief Executive**  
[Anne-Marie.Bond@Torbay.gov.uk](mailto:Anne-Marie.Bond@Torbay.gov.uk)

---

### **1. Purpose of Report**

- 1.1 The purpose of this report is to provide a high level summary of the number of HR investigations and Whistleblow investigations in the year 2022.
- 1.2 Exempt Appendix 1, sets out such an overview.

### **2. Reason for Proposal and its benefits**

2.1 To provide a greater level of detail to Audit Committee.

2.1 The proposals in this report help us to deliver this ambition by:

- *thriving people; ensuring that our employees can raise concerns in an environment where they feel safe to do so and that the organisation and employee's learns from concerns that have been raised, and therefore we have a workforce that thrive*
- *Council fit for the future; ensuring that the organisation is compliant with employment law and legislation, that we are a learning organisation with a good reputation as an employer where people wish to come and our employment practice supports the council in being fit for the future through our People plan and workforce planning activity..*
- *the Council's responsibilities as corporate parents; ensuing that all our employment practices underpin our responsibility as a corporate parent and that all of our employees understand their obligations in this regard, regardless of role.*

### **3. Recommendation(s) / Proposed Decision**

- (i) That Audit Committee note the contents of Exempt Appendix 1, and give consideration to any further information or action that they require.

## **Appendices**

Appendix 1: Overview of HR Investigations and WB Investigations

### **Background Documents**

*None*

### **Report Clearance**

# Supporting Information

## 1. Introduction

1.1 For Audit Committee to consider the contents of appendix 1.

## 2. Options under consideration

2.1 *To consider the contents of appendix 1.*

## 3. Financial Opportunities and Implications

*None.*

## 4. Legal Implications

4.1 Failure to follow due process in respect of HR investigations and WB concerns could result in Employment claims for the Council.

## 5. Engagement and Consultation

5.1 *None required for the purpose of this report.*

## 6. Purchasing or Hiring of Goods and/or Services

6.1 *N/A*

## 7. Tackling Climate Change

7.1 *N/A*

## 8. Associated Risks

8.1 *N/A*

**Equality Impacts N/A**

9.	Identify the potential positive and negative impacts on specific groups			
		Positive Impact	Negative Impact & Mitigating Actions	Neutral Impact
	Older or younger people			
	People with caring Responsibilities			
	People with a disability			
	Women or men			
	People who are black or from a minority ethnic background (BME) <i>(Please note Gypsies / Roma are within this community)</i>			
	Religion or belief (including lack of belief)			
	People who are lesbian, gay or bisexual			
	People who are transgendered			
	People who are in a marriage or civil partnership			
	Women who are pregnant / on maternity leave			



	Socio-economic impacts (Including impact on child poverty issues and deprivation)		
	Public Health impacts (How will your proposal impact on the general health of the population of Torbay)		
10..	<b>Cumulative Council Impact</b> (proposed changes elsewhere which might worsen the impacts identified above)	<i>Are any cumulative impacts identified across your service area from proposals in other departments OR from other service areas? Please explain what these might be (you may need to revisit this section once proposals have been further defined)</i>	
11.	<b>Cumulative Community Impacts</b> (proposed changes within the wider community (inc the public sector) which might worsen the impacts identified above)	<i>Are any cumulative impacts identified across your service area from proposals in other public services or partner organisations? Please explain what these might be (you may need to revisit this section once proposals have been further defined)</i>	

Document is Restricted