

LGA Corporate Peer Challenge

Torridge District Council

23 – 25 April 2024

Feedback report



Corporate Peer Challenge



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1. Introduction

Corporate Peer Challenge (CPC) is a highly valued improvement and assurance tool that is delivered by the sector for the sector. It involves a team of senior local government councillors and officers undertaking a comprehensive review of key finance, performance and governance information and then spending three days at Torridge District Council to provide robust, strategic, and credible challenge and support.

CPC forms a key part of the improvement and assurance framework for local government. It is underpinned by the principals of Sector-led Improvement (SLI) put in place by councils and the Local Government Association (LGA) to support continuous improvement and assurance across the sector. These state that local authorities are: Responsible for their own performance, Accountable locally not nationally and have a collective responsibility for the performance of the sector.

CPC assists councils in meeting part of their Best Value duty, with the UK Government expecting all local authorities to have a CPC at least every five years.

Torridge District Council last had a corporate peer challenge in [March 2017](#).

Peers remain at the heart of the peer challenge process and provide a 'practitioner perspective' and 'critical friend' challenge.

This report outlines the key findings of the peer team and the recommendations that the council are required to action.

2. Executive Summary

Torridge District Council (TDC) is clearly ambitious for the district and people of Torridge as evidenced by their successful bid for Levelling Up Fund monies for regeneration at Appledore. This has been further bolstered by an invitation to form a Levelling Up Partnership through which the council could be allocated up to £20m. Participation in this high level national funding programme has helped to ensure that TDC can move forward with purpose on its journey to 'level up' Torridge and in addition to the funding the LUP provides the opportunity to engage more directly with Government across wider Government departments to level up the district.

The council understands the challenges that arise from the rurality of the area, the district is classified by the Department for Environment, Food and Rural Affairs as 'mainly rural' with over 80% of residents living in areas defined as rural or in market towns, and this understanding has informed a review of the Council's Strategic Plan. As a result, the Council now has a Plan that includes a focus on addressing the challenges associated with significant rurality, such as supporting rural diversification and development, increasing the availability and quality of homes to meet local needs and developing Torrington to be a great place to work and build a career.

Within the renewed Strategic Plan, one of the key themes is 'Local Economy'. The council's Economic Development team is highly regarded and is clearly making a positive impact in delivering against the 'Local Economy' theme, for example, securing funding from the Coast and Communities Fund for the replacement of a visitor centre facility at Northam Burrows.

A further key theme is 'Our Environment, Our Future', and the council shared examples of impressive projects that support Green Energy such as the proposals for Floating Offshore Wind leases and the Appledore Clean Maritime Innovation Centre. Whilst these innovative projects will put Torrington at the heart of the clean and green energy agenda, it is not wholly clear how the council's supporting priority of 'aligning the council's activities to meet the carbon neutral operational target of 2030' will be met. Establishing clear milestones against delivery and having associated performance measures in place will enable the council to track progress of this priority.

TDC appreciates that it cannot deliver on priorities without the support of partners, and as an organisation is itself well respected by partners it works with. This support will be critical to enable the council to take advantage of the significant opportunities available from the Levelling Up grant funding. The council will need to proactively drive the programmes and project delivery to ensure that the funding opportunities are not lost. Whilst there is external project support in place, more capacity is needed alongside standardised and robust programme governance. The peer team feel the councillors will benefit from regular briefings so that they are aware of the related risks, resource requirements and spend, thereby ensuring that informed decisions can be taken.

As well as the partnership working that is related to the Levelling Up funding streams, TDC is engaged in a number of partnerships that it recognises could offer opportunities in achieving the priorities that support the Strategic Plan. The council should continue to proactively engage in those partnerships to ensure it is in the best position to maximise any benefits that may arise. TDC already works in partnership with neighbouring North Devon District Council on the Joint Local Plan¹ and the emerging North Devon and Torridge Economic Strategy. Both councils share the challenges and opportunities of geography and rurality and TDC may wish to explore if there are opportunities for further joint working that would benefit both councils, the area and the wider partnerships with which they are associated.

The council has carried out successful consultation events, such as the public consultation on the renewed Strategic Plan. However, residents, councillors and staff all referenced that improvements in wider communication and engagement from the council would be beneficial to relationships and outcomes. The council should celebrate its successes so that residents, partners, councillors and staff are all aware of the council's activities and are updated on progress with projects and actions to support delivery of the themes within the Strategic Plan.

The council has a performance management system that has been recognised as good practice by the Local Government Association. TDC were asked to present on this topic at a round table event to which other councils were invited. The performance management system links to the Strategic Plan ensuring a 'golden thread' between the actions of the council and the achievement of the Strategic Plan priorities. The Quarterly Business Reports produced by service managers are also linked to key financial performance information, again ensuring the important link between the Strategic Plan and the Medium Term Financial Strategy.

TDC produces financial statements of good quality, as confirmed by the external auditor. However, the external auditor annual report for 2022/23 which was reported to Audit and Governance Committee on 20 February 2024, included a number of improvement recommendations that the council should ensure it actions.

TDC has a plan in place to meet the revenue budget gap in the Medium Term Financial Strategy by using reserves. Whilst the council has reserves in place to do this, in the

¹ [North Devon and Torridge Local Plan 2011 - 2031](#)

interests of financial sustainability, the council should look to identify savings and efficiencies to cover the budget gap and then monitor and regularly report on progress.

It is understood across the council that councillors set strategic direction and officers are responsible for delivery of services. However, there is a sense of some disconnect as there is not always clarity amongst some councillors in understanding whether lead members or officers are responsible for initiating reports related to policy development and decision taking. The processes of policy development and how a decision is taken is not clear to the peer team and a review of these processes is recommended.

Furthermore, there is a lack of clarity for some councillors about how to influence policy development. Leadership Team meetings take place and are intended to be an inclusive way of working across the council. That intent is not widely understood by some councillors. A review of the purpose and effectiveness of the leadership team meetings would provide an opportunity to clarify why the meetings take place, who should attend, and how to communicate appropriately to the wider council membership.

To support the effective governance of the council, the relationship between the three statutory officers, (the Chief Executive, Monitoring Officer and s151 officer) should be formalised and regular meetings arranged with a work programme of future governance issues considered including the annual governance statement and the corporate risk register. Regular formal meetings will provide the opportunity to identify and address governance risks and issues that may arise. The recently published [Local Government Association Improvement and Assurance Framework for Local Government](#) may provide a helpful reference.

There are councillor training opportunities, but engagement could be improved as attendance at some sessions is low. Establishing a Member Development Working Group would empower councillors to design an effective learning and development programme which could encourage attendance at non mandatory development sessions.

A Member Officer Protocol is in place which on paper appears fit for purpose. Overall, the peer team found there were good relationships between councillors and officers and demonstrations of mutual respect. However, there are a number of instances in relation to certain councillors where this isn't the case. The peer team heard reports of this which is clearly unacceptable and at odds with the council's Member Officer Protocol

that promotes the high standards of public office as expected of a council. The LGA is committed to promoting Civility in Public Life and positive debate and has a range of resources that could support TDC to address this.

The council has a committed workforce who demonstrate a passion for the district and describe a positive working culture at the council. However, some concerns were raised with the peer team regarding an inconsistent approach in the application of some staff policies. It was positive to hear that a review of HR policies is being undertaken and there is an opportunity to review terms and conditions to align where service need allows.

The peer team identified workforce capacity as a concern as the council works to deliver against the Strategic Plan priorities and also support the programme of major projects arising from the Levelling Up Fund and Partnership grant monies. External project support is in place, but the council should consider if current support levels and resources are sufficient.

3. Recommendations

There are a number of observations and suggestions within the main section of the report. The following are the peer team's key recommendations to the council:

3.1 Levelling Up

- a. Levelling up Fund – consider what existing or new governance arrangements should be in place (to include key partners) to ensure governance is robust, the budget is monitored closely and importantly the wider benefits of this investment impact on the locality.
- b. Levelling Up Partnership - Address as a matter of urgency the capacity of the economic development team and major projects team to lead this scale of programme.
- c. Levelling Up Partnership - An appraisal process is needed to ensure that the projects recommended not only meet the key metrics, but are deliverable, are sustainable in the long term and will make a real difference to outcomes locally.
- d. Levelling Up Partnership - A clear governance structure is needed with roles, responsibilities and allocation of risk fully understood.

- e. Levelling Up Partnership - All projects within the wider LUP programme should follow a standard process, whether internal or external to the council.

3.2 Capacity to Deliver

Take stock as to the sufficiency of the council's staff resources to continue to deliver everything that the council is seeking to do through the Strategic Plan as well as the resources needed to support delivery of major project programmes.

3.3 Member Development and Behaviour

Create a Member Development Working Group to empower councillors to drive their own development and address low attendance at councillor learning and development sessions. Invest in an ongoing programme of councillor development and political awareness training for staff, to ensure wider understanding of the roles and responsibilities of councillors and officers respectively. Include training using the resources available to promote Civility in Public Life to address instances of poor councillor behaviour.

3.4 Review of Procedures

Undertake a review of process and procedures such as the Leadership Team meetings, Lead Member roles, use of Full Council Motions, Call In, Scheme of Delegation and appropriate use of Part Two to ensure effective decision-making processes and governance that is widely understood across the council.

3.5 Golden Triangle

Formalise statutory officer meetings and develop a forward work programme around governance issues to include the Annual Governance Statement and the corporate risk register. Meeting regularly would allow for sharing of information and development of a 'united' approach to governance issues.

3.6 Financial Sustainability

Develop a transparent mechanism for seeking efficiencies and income generation to replace the use of Reserves in the Medium Term Financial Strategy. Action the improvement recommendations set out in the external auditor's annual report.

3.7 Risk Management

Strengthen how management of corporate risks is reviewed and reported to ensure it is transparent and implications linked to the Medium Term Financial Strategy.

3.8 Partnership Working

Proactively engage with partners to ensure that TDC is in a position to maximise the opportunities that may arise from the various partnerships that the council is involved in.

3.9 Climate Change

Embed clear performance measurements and milestones into service plans to meet the council's carbon neutral operational target of 2030, to demonstrate on track delivery.

3.10 Review of HR Policies

Review HR policies, terms and conditions and working arrangements, to address actual or perceived inconsistencies in their application across different council services and to ensure that the council is seen as an attractive place to work.

3.11 Communications

Improve external communications so that the council can proactively celebrate its success. Continue to develop a Strategic Communications Plan to ensure consistent messaging through internal and external communications at the same time.

4. Summary of the peer challenge approach

4.1 The peer team

Peer challenges are delivered by experienced elected member and officer peers. The make-up of the peer team reflected the focus of the peer challenge and peers were selected by the LGA on the basis of their relevant expertise. The peers were:

- Lead Officer Peer: **Ian Knowles**, Chief Executive at West Lindsey District Council
- Lead Member Peer (Independent): **Cllr Hannah Dalton**, Leader Epsom and Ewell District Council
- Member Peer (Lib Dem): **Cllr Lisa Spivey**, Cotswold District Council
- Officer Peer: **Dr Alison Knight**, Director of Place, Broxbourne Borough

Council

- Officer Peer: **Kirsten Burnett**, Head of Policy and OD, Hyndburn Borough Council
- Officer Peer: **David Clark**, Service Director, Governance, Democratic and Legal Services, Somerset Council
- Peer Challenge Manager: **Kathryn Trant**, LGA Regional Adviser for South West

4.2 Scope and focus

The peer team considered the following five themes which form the core components of all Corporate Peer Challenges. These areas are critical to councils' performance and improvement.

1. **Local priorities and outcomes** - Are the council's priorities clear and informed by the local context? Is the council delivering effectively on its priorities? Is there an organisational-wide approach to continuous improvement, with frequent monitoring, reporting on and updating of performance and improvement plans?
2. **Organisational and place leadership** - Does the council provide effective local leadership? Are there good relationships with partner organisations and local communities?
3. **Governance and culture** - Are there clear and robust governance arrangements? Is there a culture of challenge and scrutiny?
4. **Financial planning and management** - Does the council have a grip on its current financial position? Does the council have a strategy and a plan to address its financial challenges? What is the relative financial resilience of the council like?
5. **Capacity for improvement** - Is the organisation able to bring about the improvements it needs, including delivering on locally identified priorities? Does the council have the capacity to improve?

As part of the five core elements outlined above, every Corporate Peer Challenge includes a strong focus on financial sustainability, performance, governance, and assurance.

4.3 The peer challenge process

Peer challenges are improvement focused; it is important to stress that this was not an inspection. The process is not designed to provide an in-depth or technical assessment of plans and proposals. The peer team used their experience and knowledge of local government to reflect on the information presented to them by people they met, things they saw and material that they read.

The peer team prepared by reviewing a range of documents and information in order to ensure they were familiar with the council and the challenges it is facing. This included a position statement prepared by the council in advance of the peer team's time on site. This provided a clear steer to the peer team on the local context at Torridge District Council and what the peer team should focus on. It also included a comprehensive LGA Finance briefing (prepared using public reports from the council's website) and a LGA performance report outlining benchmarking data for the council across a range of metrics. The latter was produced using the LGA's local area benchmarking tool called [LG Inform](#).

The peer team then spent three days onsite at Torridge, during which they:

- Gathered evidence, information, and views from more than 30 meetings, in addition to further research and reading.
- Spoke to more than 85 people including a range of council staff together with members and external stakeholders.

This report provides a summary of the peer team's findings. In presenting feedback, they have done so as fellow local government officers and members.

5. Feedback

5.1 Local priorities and outcomes

At a council meeting in December 2023, TDC approved a renewed Strategic Plan for the next five years that reinforces the council themes of Local Economy; Communities, Health and Housing; Our Environment, Our Future; and Our Council. The Plan was approved after taking account of feedback following a period of public consultation, thereby ensuring that community views informed the council's priorities.

TDC now needs to be confident that the Strategic Plan is driving the council's agenda and decision making so that the council is focused on agreed areas of priority. Similarly, councillors should understand how to bring items forward within the parameters of the Strategic Plan. Diverting council and officer resource to other areas will impact on the ability to deliver on the key themes agreed by the council.

TDC understands the challenges that arise from the rurality of Torridge as a district, and this is reflected in the priorities that sit under the key themes, such as supporting rural diversification and development where possible, increasing the availability and quality of homes to meet local needs and developing Torridge to be a great place to work and build a career. The peer team heard from councillors and partners, a desire to deliver on the council's priorities for the benefit of the district.

Local Economy is one of the key themes and the work of the council's Economic Development team is recognised by external partners such as town councils, local community groups and social enterprises for its willingness to engage, responsiveness and achievements. Examples of projects that the team has been involved with include the Appledore Clean Maritime Innovation Centre and the visitor centre at Northam Burrows, as well as providing support for the Place Board.

Our Environment, Our Future is another key theme. One of the priorities supporting this theme is for the council to align activities to meet the carbon neutral operational target of 2030. This is obviously an ambitious target, but it is not sufficiently clear how it will be met. If the council is to achieve this target, clear performance measures and milestones will need to be set out and reflected in service business plans.

TDC has an Equality Strategy that demonstrates the council's understanding of the district's demographic statistics. The council has included consideration of implications for those suffering from socioeconomic disadvantage and this further reflects the council's understanding of the importance of knowing residents and the need to tailor service delivery to communities. The Council provides equality training for councillors and employees. Whilst reports to council committees refer to any potential equality, diversity and inclusion considerations or impacts, there could be better articulation of such considerations in decision making, such as the inclusion of equality impact assessments attached to committee reports. This evidence based approach will help to ensure decisions taken are fair and do not disadvantage any protected groups.

Levelling Up

TDC recognises that it has significant opportunities with the grant of both Levelling Up Fund and Levelling Up Partnership monies. The peer team looked at these opportunities in some detail and views are set out below.

Levelling Up Fund - The council was successful with a LUF2 bid of £15.6m for the Appledore Clean Maritime Innovation Centre, which was announced January 2023.

A project manager has now been appointed and construction is due to start; project delivery is monitored by an officer group which feeds into the Strategic Management Team (SMT) and then into the Leadership Team.

The council should consider what existing or new governance arrangements should be in place (to include key partners) to ensure governance is robust, the budget is monitored closely and importantly the wider benefits of this investment impact positively on the locality.

Levelling Up Partnership (LUP) - Up to £20m of projects can be approved to address skills levels, pay, gross value added (GVA) and health life expectancy. This money needs to be spent by March 2025. There is some potential to extend beyond March 2025 which is being explored, but the council recognises that this comes with an increased risk to the council of inflation.

A Place Board was set up by the council in February 2024. The Board consists of leaders from both public and private sectors with strong local knowledge of what is needed in this rural area. The Place Board understands that their role is to make recommendations to DLUHC and that the council is the accountable body.

The council felt unable to carry out extensive work in advance of the formal establishment of the LUP due to the risk of wasted resources and a lack of clarity on the process from DLUHC. This means that there may be only nine months to spend the funding once the key projects have been agreed.

At present there are numerous potential projects on the longlist which collectively far exceed funding available.

The Place Story being developed needs to steer DLUHC towards what they believe the priority projects are and how they meet the key metrics and local need.

The peer team has concerns about the deliverability of this programme by March 2025. Key areas for the council to address are as follows:

- 1. The economic development team is working closely with Major Projects and has been commended by partners for their work on the project, but they do not have the capacity to lead this scale of programme. This will need to be addressed urgently once the scale of projects is understood.**
- 2. An appraisal process is needed to ensure that the projects recommended not only meet the key metrics, but are deliverable, are sustainable in the long term and will make a real difference to outcomes locally.**
- 3. A clear governance structure is needed with roles, responsibilities and allocation of risk fully understood.**
- 4. All projects within the wider LUP programme should follow a standard process, whether internal or external to the council.**

5.1.1 Performance

TDC has a performance management framework that has been recognised by the Local Government Association (LGA). The council was asked to present at a LGA organised round table event 'Performance Management Practices in Local Authorities'.

Quarterly Business Reports (QBR) monitor performance against the council's priorities along with Service Business Plans. There is a link to the council's financial reporting and key financial performance information is included. The QBR summarises key achievements and progress against each of the council's priorities and reports on performance measures for each service area against aims in the Strategic Plan. The QBR is presented to the Strategic Management Team and then brought before the Internal Overview and Scrutiny Committee for additional challenge. Councillors are encouraged to ask questions in advance which are then answered in a Questions and Answers document. Circulation to all councillors ensures wider understanding of how the council is performing against the priorities to deliver the Strategic Plan. The individual service business plans are comprehensive and provide data to drive service delivery, monitor performance and risks for the council.

Recruitment challenges referenced later in this report, for example revenue and benefits officers and housing options staff, which are two areas where there has been a reliance

on agency staff, have impacted on council performance. The time taken to process housing benefit claims and changes is significantly higher for TDC than for similar CIPFA near neighbour councils, as evidenced in the Local Government Association [LG Inform report](#). At the same time, the data also indicates that TDC has delivered the lowest number of affordable homes across the same comparison group. TDC does benchmark performance but needs to use that data to develop improvement plans and focus resources.

The council may wish to consider how progress against the action plan coming from this Peer Challenge is monitored, for example, using the QBR performance management mechanism.

5.2 Organisational and place leadership

TDC has an aspiration and desire to benefit the residents and businesses of Torridge and is developing a range of strategies to achieved this. The council understands the need to work in partnership to deliver on its priorities. TDC is a respected partner to work with, but some partners question if the council has the capacity to maintain existing strategic partnerships as well as resource the work that will be required from the major projects such as those arising from the Levelling Up Fund and Partnership.

TDC recognises the opportunities that could arise from partnership arrangements and there may be benefits to the council that would support achievement of the Strategic Plan priorities. An example is the work with Team Devon. TDC is welcomed as part of Team Devon, a dynamic and proactive partnership that was first established at the outset of the Covid 19 pandemic. The partnership brings together the eight districts with Devon County Council to enable cross county working and responses to ensure a consistent county wide approach.

The council's relationship with neighbouring North Devon District Council is mixed. Both councils share similar challenges in terms of rurality and their geography and are already partners in many groups such as One Northern Devon (led by NHS partners) and Northern Devon Futures and are working together on a revised Joint Local Plan and the emerging North Devon and Torridge Economic Strategy. The relationship with North Devon District Council should not be taken for granted and it may be worth TDC further exploring the relationship to see if closer working and alignment of ambition may be beneficial.

TDC undertakes public consultation on specific projects, and the renewed Strategic Plan is a good example. However, external communication is reported by stakeholders and councillors as limited. The council should proactively celebrate its activity and success so that partners and residents are aware of the work and projects that are taking place towards successfully achieving the priorities that support the themes within the Strategic Plan. TDC is in the process of developing a Strategic Communications Plan and this is an opportunity to address this and ensure consistent messages through internal communication at the same time.

The leader of council is an experienced councillor who has a collegiate approach to leadership that reflects the political make-up of the council and seeks to minimise political conflict. He holds a great deal of knowledge about the district and information about the council's activities which is impressive. However, the route for sharing this with the wider council membership via the Leadership Team meetings is not working effectively due to poor attendance and lack of clarity about this particular meeting amongst councillors. The peer team therefore beg the question whether this approach inadvertently creates a lack of challenge as not all councillors are aware of forthcoming decisions to be taken, issues that have arisen and progress made against projects; this is worthy of reflection and review.

TDC has regularly scheduled 'Leadership Team' meetings that include invites to every councillor as well as senior managers. These meetings are informal and are a mechanism to update on council activity and forthcoming agenda items. However, the peer team challenge whether these meetings are working effectively enough. Attendance is low as there is a lack of clarity on their purpose, and their role in respect of governance is unclear. 'Leadership Team' meetings should be reviewed so that the purpose is clearly understood across the council, the meetings are effective and there is clarity around what, if any, role it has in the TDC decision making and committee structure.

Alongside a lack of clarity amongst councillors regarding the Leadership Team meetings, there is also a lack of clarity around the purpose of the lead member role, particularly in how it is driving council direction and in working with officers. As a result, the peer team felt that some councillors focus their activity and attention solely on ward/parish level matters, rather than the district wide priorities agreed in the Strategic Plan. This has a knock-on impact on officer resource and capacity. Again, a review of

the role and purpose of lead members would provide clarity and focus resources to delivering against the priorities within the Strategic Plan. This would also address the lack of understanding between some lead members and officers in terms of responsibility for bringing items forward and presenting reports at committees.

5.3 Governance and culture

TDC operates a modernised committee system of governance. The council reviews its corporate governance arrangements annually and produces an Annual Governance Statement which outlines the effectiveness of the Code of Governance and its application, suggesting areas for improvement and recommendations as appropriate.

The 'golden triangle' of the three key statutory officers is crucial to the effective governance of any council. The three key officers at TDC do not formally meet as a statutory officer group. Consideration should be given to the formalisation and frequency of statutory officer meetings and the development of a forward work programme around governance issues to include the Annual Governance Statement and the corporate risk register. Meeting regularly would allow for sharing of information and development of a 'united' approach to governance issues.

The Council has a significant portfolio of major projects, which will need careful programme management, councillor involvement and governance to deliver the much needed opportunities and benefits. Whilst lessons have been learnt from a previous significant project that resulted in financial loss to the council, there remains an underlying fear of project failure (amongst councillors and officers), which is driving certain behaviours, such as appetite to risk, that constrain project delivery and effective managed risk taking.

The council should strengthen how it reviews and reports risk management to ensure it is more transparent. Currently the corporate risk register is an exempt agenda item. Whilst it may be appropriate for specific items to be exempt (in line with the categories of exempt information), publication of the main body of the risk register would support council wide ownership and demonstrate to partners and stakeholders the council's awareness of risk and mitigation where appropriate.

Some councillors are unsure how to influence policy and direction of travel of the council and are using full council motions to fulfil this function. This takes resources

away from delivery of agreed priorities and is an inappropriate use of full council motions. This is one of several council procedures that would benefit from review, others include Call-In, the Scheme of Delegation and appropriate use of Part Two exempt information.

Councillors would benefit from a comprehensive programme of ongoing learning and development. To address low attendance at non mandatory sessions TDC is now recording some of those sessions to make them more widely available. Creation of a Member Development Working Group would empower councillors to drive their own development which could have a positive impact on attendance.

Overall, the peer team found there were good relationships between councillors and officers and demonstrations of mutual respect. However, there are a number of instances in relation to certain councillors where this isn't the case. The peer team heard reports of this which is clearly unacceptable and at odds with the council's Member Officer Protocol that promotes high standards of public office as expected of a council. Complaints and reports of individual cases of bad behaviour can have a negative impact on the reputation of a council and the perceived culture and working relationships, and in turn this will impact on recruitment and retention of staff. The LGA is committed to promoting Civility in Public Life and would encourage the council to take advantage of the range of support available. The peer team will want to assess the progress made when the Progress Review takes place later in the year.

5.4 Financial planning and management

TDC's financial statements are of good quality, and this has been confirmed by the external auditor. TDC has a Medium Term Financial Strategy in place that includes plans to meet the budget gap from Reserves. This is not a sustainable position and there should be a mechanism for seeking efficiencies and income generation to replace the use of Reserves.

The Medium Term Financial Strategy would benefit from regular and robust risk review and reporting. Currently the corporate risk register is presented to Audit and Governance Committee as an exempt item. The Medium Term Financial Strategy (MTFP) is presented on an annual basis. Regular review of the MTFP along with presentation of the corporate risk register in open committee would enable council wide understanding of the financial position of the council. Quarterly reporting of finances

could be strengthened to provide detail of progress and risks to savings delivery.

The council recognises that it needs to identify savings and a Member Budget Working Group has been formed to look at efficiency savings. It has successfully identified £200,000 savings for the year 2024/25. The Group will continue to seek savings, but the peer team question if this is the right approach to meet the budget gap and address potential future pressures such as homelessness costs which will require ongoing robust focus. The need for savings should be given greater priority and urgency.

The council has a Capital Programme in place which experienced slippage in 2023/24 and is likely to significantly expand in 2024/25 and beyond. In the limited time available, the peer team focused their attention on the Levelling Up programmes rather than the Capital Programme in general.

The council has received the external auditors annual report for 21/22 and 22/23 and these were reported to Audit and Governance Committee on 20 February 2024. Whilst no areas of significant weakness in relation to financial sustainability, governance arrangements and economy, efficiency and effectiveness were identified, the significant challenge in bridging the medium-term financial gap and reducing reliance on reserves was highlighted. There were a number of improvement recommendations for the council and the peer team recommend they should be actioned.

5.5 Capacity for improvement

TDC has a committed workforce who enjoy working for the council. It is seen as a good place to work, and the culture is described as positive. A staff survey is undertaken on an annual basis and the most recent survey results (October 2023) indicate an increase in the percentage of staff who feel they have the necessary skills to be effective in their job (up to 92.4% from 84.9%) and an increase in the percentage of staff who have had any learning, training or development in the last 12 months (up to 88.2% from 77.8%). Slightly less positively, the percentage of staff who felt they worked well across different services reduced from 70.7% to 62.2%. The council uses the feedback in the staff survey to shape the offer to current and new staff.

Staff at all levels reported to the peer team that the investment by the council in training is appreciated and this confirms the staff survey results. There are some great examples that were shared such as the 'grow your own' initiative in Planning which has

helped to fully staff the Planning Team and overcome challenges with recruitment and retention.

Some staff did raise concerns with the peer team over the perceived fairness of some HR policies. The current Workforce Strategy runs until 2024 and is being reviewed. It is expected that the renewed Strategy will include an emphasis on recruitment and retention and will provide an opportunity for HR policies to be reviewed to further improve the employment offer in line with neighbouring councils and to address inconsistencies in the application of HR policies across different services. The review will look at terms and conditions and working arrangements to ensure that the council is seen as an attractive place to work, where staff are trusted, which will help to address the recruitment challenges that the council has faced.

Alongside the recruitment challenge is one of capacity. One way that TDC is trying to mitigate capacity issues is by multi skilling some employees so that there is a pool of trained staff who can cover a wider variety of work. Capacity will be a significant challenge for the council as it progresses with the programme of major projects as well as continuing to deliver against the priorities in the Strategic Plan. This has been recognised by external stakeholders as a concern. The council's capacity for improvement will require an appetite for transformation and change which is not currently apparent, and the council needs to consider whether it is resourced to achieve its priorities and whether resources and skills are aligned within the constraints of the MTFS.

6. Next steps

It is recognised that senior political and managerial leadership will want to consider, discuss and reflect on these findings. The LGA will continue to provide on-going support to the council. As part of the CPC, the council are also required to have a progress review and publish the findings from this within twelve months of the CPC. The LGA will also publish the progress review report on their website.

The progress review will provide space for a council's senior leadership to report to peers on the progress made against each of the CPC's recommendations, discuss early impact or learning and receive feedback on the implementation of the CPC action plan. The progress review will usually be delivered on-site over one day.



The date for the progress review at Torridge District Council is by 25 February 2025.

In the meantime, Paul Clarke, Principal Adviser for South West, is the main contact between your authority and the Local Government Association. As outlined above, Paul Clarke is available to discuss any further support the council requires.

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