

Meeting: Full Council

Date: 27 September 2017

Wards Affected: All

Report Title: Options for improving the viability and resilience of Torbay Council services

Is the decision a key decision? Yes

When does the decision need to be implemented? Immediately

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1. Proposal and Introduction

- 1.1 This report is presented to Council by the Chief Executive, as Head of Paid Service, given the potential implications for Council wide service delivery.
- 1.2 In the light of continued austerity, it is important for all Council's to keep under review their long term strategic direction.
- 1.3 In recent months the partnering of Torbay Council's Children's Services function with another local government organisation has been considered at the recommendation of the Department of Education (DfE) appointed Commissioner, Mr. John Coughlan, who provides independent oversight and challenge to the local authority's Children's Services. This activity, alongside the local authority's continuing challenging budget reductions, have acted as a catalyst for a wider review of the local authority's function and form to ensure its future viability and resilience to deliver services.
- 1.4 Therefore, in May 2017 the Council engaged Local Partnerships and the Local Government Association (LGA) to undertake an appraisal of the potential options for Torbay to improve its viability and resilience, primarily involving new structures and partnerships with the wider local government family across the geography of wider Devon.
- 1.5 Local Partnerships commenced work on the options appraisal in May 2017 and met with senior politicians, senior officers, potential partner organisations and reviewed a wide range of key documentation. This then enabled the work to progress from a long list of potential options to a shorter list.

The short listed options were then considered in more detail and subjected a high level qualitative and quantitative analysis.

The short listed options were:

- As Is: a no change option other than the changes already identified by the Council e.g. delivery of the Transformation programme,
- Best Fit transfers: the Council seeks a range of partners best suited to help deliver specific services - be they neighbouring Councils and/or other public and private sector bodies. To an extent, this is an acceleration of the current direction of travel of the Council,
- Shared workforce with Plymouth; simply described as 2 Councils, 1 workforce,
- Shared workforce with Devon: This represents the sharing of Tier 1 service workforce (Adults and Children's Services, Transport, Waste Disposal etc.) with Devon County Council and Torbay either delivering the Tier 2 services itself or in partnership with other district councils,
- New District Council: This would involve the formal transfer of statutory powers and political responsibility for Tier 1 services so that Torbay reverts to being a District Council or 'joins' an existing District council or councils,
- New Unitary: An option modelled on the merger of Torbay with Plymouth.

The options appraisal was presented to Torbay Council's Elected Mayor, Councillors, and senior officer leadership team at a workshop on 18 July 2017 where a consensus was sought on the options that would be taken forward to detailed business case stage. At the workshop there was a consensus to develop the following options in a detailed business case:

1. Shared workforce with Plymouth City Council,

2. Shared Tier 1 workforce with Devon with Torbay operationally acting as a district council, potentially in partnership with other district councils.

1.6 Therefore, this Report in Appendix 1 outlines the context of this work and the process taken to date by Local Partnerships. The Business Case prepared by Local Partnerships is included as Appendix 2.

2. Reason for Proposal

2.1 Torbay Council faces significant challenges over the resilience of its future delivery of services. When combined with the continuing financial challenges, this necessitates the creation of a long-term strategy for the Council that ensures resilience of services for the people of Torbay, albeit within an ever decreasing financial envelope.

2.2 Therefore, Council are asked to make a decision over how they wish to pursue the outcome of the work to date.

2.3 *Evaluation of the Business Case and rationale for recommendation by the Chief Executive*

The Local Partnership’s Business Case has assisted the Council greatly in reviewing the options for future delivery and resilience of our services. I am clear, as are my Senior Leadership Team colleagues, that doing nothing at this juncture is not an option.

What is immediately apparent from the Business Case however is that the opportunity for a strategic partnering arrangement, does not, in and of itself, assist with the financial challenges of the Council. Whilst service resilience is important, I would advise that primary focus for the Council needs to be upon delivering savings through the transformation agenda and the opportunities for increasing the monies available for delivery of services that our residents value.

The Business Case highlights, as a key risk, the fact that pursuing a strategic partnering arrangement would detract officer time and attention from delivering the transformation savings. I believe this is a significant risk that Members need to carefully consider. To consider this risk, it is necessary to compare the required budgetary savings over the next 3 years as compared to the level of savings that would be achieved from a strategic partnering arrangement;

	2018/19		2019/20		2020/21	
MTRP required savings	£9.6m		£6m		£1.8m	
Strategic Partner	Plymouth	Devon	Plymouth	Devon	Plymouth	Devon
Savings to be achieved through a partnership (as per the Local Partnership Business Case)	£0	£0	£244k	£160k	£0	£0

As this table highlights, the level of savings to be realised from a strategic partnering arrangement are incomparable to the budget reductions faced. To pursue a strategic partnering relationship with Plymouth might deliver **1.4%** of our required savings, and for Devon it might equate to **0.9%**. There is no doubt that significant officer resources would be required to deliver a strategic partnering arrangement, for which there will be an opportunity cost, plus the actual cost of implementation.

My clear and unequivocal advice to Members is that the Council cannot allow our collective focus and limited capacity to be distracted from delivering savings through our transformation programme and the income generation aims of our Investment Strategy. The implications for the Council's future viability of any such

loss of focus is profound. For this reason therefore I have to recommend that we do not pursue a strategic partnering arrangement with any party at this time.

If my advice is accepted this will mean that the Council's current service delivery model will be maintained; we will continue to deliver our adult social care through the Integrated Care Organisation, subject to their agreement we will partner with Plymouth City Council in respect of our Children's Services and we will continue to deliver all other services in the most efficient and effective way possible.

The Business Case however highlights two options in respect of opportunities to increase the level of income and therefore the level of resilience to the Council;

1. Raise Council Tax to levels comparable in the rest of Devon, or
2. Create Town Councils across the entirety of Torbay, who have an ability to raise income through the precept mechanism, and devolve certain services e.g. public conveniences and public realm maintenance, to them.

In considering these options, I recognise that the concept of increasing public taxation is unlikely to be immediately popular to many. However I do believe that the creation of Town Councils across the entirety of Torbay, in addition to raising much needed revenue, is likely to have significant and long lasting positive benefits on our communities, with the benefits reaching far and beyond those created by the additional revenue created.

With the role of the state diminishing, it is vital that we ensure that we facilitate sustainable communities for our residents and for future generations. Sustainable communities are places where people want to live and work, both now and in the future. They meet the diverse needs of existing and future residents, are sensitive to their environment, and contribute to a high quality of life. They are supportive, safe and inclusive, they have community cohesion and civic pride.

An important aspect to approaching sustainable communities is allowing local people a say in the way their neighbourhoods are managed, with one of the key characteristics being the desire for the community to be well run with effective and inclusive participation, representation and leadership. This means:

- a) representative, accountable governance systems which enable inclusive, active and effective participation by individuals and organisations; and
- b) effective engagement with the community at neighbourhood level including capacity building to develop the community's skills, knowledge and confidence.

I believe that the creation of Town Council's across the entirety of Torbay provides a governance system that will empower and give residents an even greater say in how their local neighbourhoods are managed. Thereby developing sustainable communities, whilst at the same time increasing the overall revenue budget available for resilience and service delivery.

If Torbay Council does not pursue any of the options as set out above, then it will inevitably be forced to make very deep cuts to public services in 2019/20. In such a scenario it may be said that council chose the 'do nothing option' at this time, even though one of the options within its control and not requiring a referendum could have gone a long way to ensuring the continued delivery of local place shaping services that our residents value most. The funding shortfall in 2019/20 is estimated

to be £4.5m (after forecast transformation savings and investment fund income is taken into account).

3. Recommendation(s) / Proposed Decision

Chief Executive Recommended Decision

- 3.1 That Council confirms that it will maintain its existing service delivery model and will not pursue any Strategic Partnering arrangement;
- 3.2 That Council instructs the Assistant Director of Corporate and Business Services to undertake a Community Governance Review with a view to considering the principle of three Town Councils across the entirety of Torbay.
- 3.3 That a Community Governance Review Working Party be established, with the terms of reference to oversee impartially and objectively the implementation of the Community Governance Review and to report back to Full Council with recommendations based on the responses to the consultation. The Working Party to be created with the following membership, the Elected Mayor, and 7 additional members, to be politically balanced (5 Conservative, 1 Liberal Democrat and 1 Independent).

Appendices

Appendix 1: Supporting Information and Impact Assessment

Appendix 2: Detailed Business Case