

Meeting: Full Council

Date: 20 September 2018

Wards Affected: All

Report Title: Options for Local Government Re-organisation

When does the decision need to be implemented? As soon as possible

Supporting Officer Contact Details: Steve Parrock, Chief Executive, 01803 201201, steve.parrock@torbay.gov.uk

1. Proposal and Introduction

1.1 At the meeting of Council on 21 June 2018 a resolution was passed instructing the Chief Executive to immediately review all local government re-organisation options, and that in undertaking such review to engage with relevant bodies, including;

- a) MPs
- b) Local Government Association/Local Partnerships
- c) Other Councils.

1.2 This report sets out the review undertaken and recommendations from the Chief Executive as to the way forward.

2. Reason for Proposal

2.1 Torbay Council faces significant challenges over the sustainability and resilience of its future delivery of services. The Medium Term Resource Plan sets out that the Council needs to identify at least £14.7m of additional savings by 2021/22 in order to deliver the range and depth of services currently provided. The increases in demand for children's and adult social care, together with the impact of deprivation across the spectrum of Torbay Council's services, means that the financial future of Torbay Council, along with other local authorities, is far less certain than it has been previously.

2.2 To assist in this respect Council requested the Chief Executive to review all local government re-organisation options.

3. Recommendation(s) / Proposed Decision

3.1 Chief Executive Recommended Decision

3.1.1 That Council instructs the Director of Corporate Services to undertake a Community Governance Review with a view to considering the principle of three Town Councils across the entirety of Torbay.

3.1.2 That the cost of additional resources to undertake the community governance review of £50,000, be funded from the Council's Revenue Contingency Budget.

3.1.3 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 (4 Conservative, 2 Liberal Democrat and 1 Independent).

3.1.4 That Council notes that it needs to continue to deliver and expand its current Transformation programme at pace, recognising that significant savings are required and that future change is inevitable. That Council reflects upon the severe ramifications of not achieving sufficient savings and works together to review options for raising additional income through Council Tax, above that envisaged within the current Medium term Resource Plan, irrespective of whether it decides to carry out a Community Governance Review.

Appendices

Appendix 1: Local Partnerships Report to Council – September 2017

Appendix 2: Local Gov Article – 6 June 2018

Supporting Information and Impact Assessment

Service / Policy:	Options for Local Government Re-organisation
Chief Executive:	Steve Parrock, Chief Executive, 01803 201201, steve.parrock@torbay.gov.uk

Section 1: Background Information

1.

What is the proposal / issue?

At the meeting of Council on 21 June 2018 a resolution was passed instructing the Chief Executive to immediately review all local government re-organisation options, and that in undertaking such review to engage with relevant bodies, including;

- a) MPs
- b) Local Government Association/Local Partnerships
- c) Other Councils

This decision was taken in the context of Torbay Council facing significant challenges over the sustainability and resilience of its future delivery of services. The Medium Term Resource Plan sets out that the Council needs to identify at least £14.7m of savings by 2021/22 in order to deliver the universal range of services currently provided. The increases in demand for children's and adult social care and the impact of deprivation across the spectrum of Torbay Council's services means that the financial future of Torbay Council, along with many other local authorities, is less certain than it has been previously.

2.

What is the current situation?

Torbay Council was a district council up until 1998 when it acquired unitary status, taking on responsibility for tier 1 services that were previously delivered in Torbay by Devon County Council. The tier 1 services included adult and children's social care, education, transport, libraries and waste disposal.

In the light of continued austerity, it is important for all Council's to keep under review their long term strategic direction. This is particularly pertinent given that Torbay's challenges in relation to deprivation and an aging population has provided the council with considerable increases in the cost of delivering social care, whilst continuing to maintain other services that the public and place requires.

Council will recall that in 2017 Local Partnerships were engaged by the Council to review how services were delivered, which included consideration of Local Government re-organisation. By way of a reminder to Council, Local Partnerships are a joint venture between HM Treasury and the LGA who provide support and advice to public bodies looking at new models of operating.

Local Partnerships commenced their work with an options appraisal in May 2017 and in the preparation of this met with senior politicians, senior officers, and potential partner organisations. They reviewed a wide range of key documentation from both Torbay and potential partners such as Devon County Council, Plymouth City Council and South Hams and West Devon District Councils. Initially a long list of options were explored, but with input from Members and Officers a short list was agreed, which were considered in more detail and subjected a high level qualitative and quantitative analysis. Following discussions with potential partners and with Government, local government re-organisation was not considered to be achievable by Local Partnerships and therefore their review focused upon strategic partnering possibilities.

Ultimately the review demonstrated that the level of savings to be realised from a strategic partnering arrangement were incomparable to the budget reductions

faced by the Council. It was recognised that significant officer resources would be required to deliver a strategic partnering arrangement, for which there would be an opportunity cost, plus the actual cost of implementation. Therefore in the report to Council in September 2017 the Chief Executive gave clear and unequivocal advice to Members that the Council could not allow the collective focus and limited capacity to be distracted from delivering savings through the transformation programme and recommended that the Council did not pursue a strategic partnering arrangement with any party at that time but recommended that the Council should immediately undertake a Community Governance Review given the urgency of the financial position of the Council.

Since that time, the Council has worked tirelessly in respect of its Transformation agenda, however despite this the Council continues to face unprecedented financial challenges and an uncertain financial future. The current iteration of the Medium Term Resource Plan sets out that the Council needs to identify at least £14.7m of savings/income generation by 2021/22, however, it is recognised that with increasing demand in children's safeguarding and social care the level of savings required is likely to increase.

As mentioned within the Local Partnership Business Case 2017 the savings associated with developing further shared services is low and albeit the Council is continuing to develop shared services where possible, this will not deliver sufficient savings. It will however assist with maintaining resilience and access to specialist services.

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3.

What options have been considered?

In respect of options for local government re-organisation the position of Government has been considered. The Rt. Hon. James Brokenshire MP, Secretary of State for Housing, Communities and Local Government, expressed a clear view in this regard in his speech to the Local Government Association on 3 July 2018 in which he said;

“I have no intention of forcing re-organisation on local government where it isn’t wanted.”

He went on to say he will only back council mergers when there is a good deal of local support.

In view of the stance of Government, the position of other authorities within Devon is clearly critical to this issue. The Chief Executive therefore obtained the views of relevant authorities across Devon as to their positions in this respect. What was clear as a result of those discussions is that there is no desire for any form of local government re-organisation across Devon, currently or in the foreseeable future.

The views of Torbay’s MPs was also sought. Whilst supportive of the Government’s position encouraging council mergers where appropriate, they were not in favour of any local government re-organisation in Devon at this time recognising that there was no local support.

As a consequence of the Government’s stated position, and that of relevant authorities, the Chief Executive has to advise Council that any consideration of local government re-organisation is not a realistic prospect.

Given the context in which the instruction to explore local government re-organisation was given to the Chief Executive i.e. Torbay Council facing significant challenges over the sustainability and resilience of its future delivery of services, the Chief Executive returned to a consideration of the business

case undertaken by Local Partnerships in 2017. The Business Case highlighted two options in respect of opportunities to increase the level of income to the Council;

1. Raise Council Tax to levels comparable in the rest of Devon, and/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 to them e.g. public conveniences and public realm maintenance.

It should be noted that the raising of Council Tax to levels comparable to the rest of Devon would require, under current legislation, an unprecedented referendum.

It should also be recognised that the creation of Town Councils, whilst raising income through the precept mechanism, will not avoid the necessity for Torbay Council to make further savings.

Within the report to Council in September 2017, the Chief Executive set out that he recognised that the concept of increasing public taxation either through increased Council Tax or through the creation of Town Councils was unlikely to be immediately popular to many. However he set out that he believed that the creation of Town Councils, in addition to raising much needed revenue, was likely to deliver positive benefits for our communities, with the benefits reaching far and beyond the revenue generated.

Given the Council's financial position the Chief Executive has to recommend to Council that further consideration of these options is now urgently undertaken.

In respect of Council Tax increases to levels comparable in the rest of Devon, this will be for the Elected Mayor to consider in his draft budget proposals that he will consult upon later this year, and for Council to consider at its budget meetings in February 2019. Ultimately this could lead to a Referendum

depending upon Council's decision making and any cap placed upon council tax increases by Government.

In respect of the option of creating Town Councils across the entirety of Torbay, before such a decision can be taken a Community Governance Review must be undertaken. This is a prescribed and lengthy process of approximately 12 months to complete the same. Any decision to actually create a Town Council/s is a separate decision which would take place at the end of the Community Governance Review.

There are increasing examples of Town and Parish Council's taking responsibility for services from higher tier authorities. In an article in Local Gov published earlier this year it was reported that Salisbury Parish Council had increased its precept by 69% to £208 per household, and had taken responsibility for street cleaning, maintenance of parks, playgrounds and open spaces from Wiltshire Council. The article reported that they were also due to take responsibility for the CCTV system and an Environmental Services Manager.

Similarly the article highlights Mountsorrel Council, who were increasing its band D precept from £76 to £199, following the transfer of services from Leicestershire and from Charnwood Borough Council, including community centres and a Library.

Given the Council's financial position, the Chief Executive has to recommend that Council takes the decision to commence a Community Governance Review, to allow full consultation and consideration of Town Councils throughout Torbay, with the ultimate decision to be taken in approximately 12 months' time.

<p>4.</p>	<p>How does this proposal support the ambitions, principles and delivery of the Corporate Plan 2015-19?</p> <p>The proposal supports both of the ambitions of the Council's Corporate Plan (A Prosperous and Healthy Torbay) as it seeks to ensure the long-term stability of service delivery to the residents of Torbay.</p>
<p>5.</p>	<p>Who will be affected by this proposal and who do you need to consult with?</p> <p>The proposal to carry out a Community Governance Review, in and of itself does not affect the residents of Torbay. Residents will be consulted through the Community Governance Review, so as to inform future decision making.</p>
<p>6.</p>	<p>How will you propose to consult?</p> <p>If a decision is taken to proceed with the concept of Town Council's throughout Torbay, then in order to progress this, a Community Governance Review will need to be undertaken, within which consultation will be carried out.</p>

Section 2: Implications and Impact Assessment

7.	<p>What are the financial and legal implications?</p> <p>There are no legal implications of the decision to undertake a Community Governance Review. If this proposal was supported, then the formal Community Governance Review process would be followed.</p> <p>In respect of financial implications of a Community Governance Review, additional resources will be required to deliver the review as the Governance Support Team is already committed to delivering the May 2019 Torbay Council and Brixham Town Council elections as well as the new governance arrangements for 2019.</p> <p>The cost of additional resources to undertake the community governance review during 2018/2019 will be circa £50,000. There is no budget within the current Governance Support or Members' Support budget to fund this therefore it will need to be funded from Council's Revenue Contingency Budget, as advised by the Council's Chief Financial Officer.</p>
8.	<p>What are the risks?</p> <p>The significant risk is that the Council does not make decisions which will improve the resilience and sustainability of service delivery. The Council must either raise income or make very severe reductions in service delivery. Similar reductions are being implemented by other authorities currently and the Government has made it clear that it will not provide additional funding. An entrenchment within Torbay to core statutory services only is otherwise likely.</p>
9.	<p>Public Services Value (Social Value) Act 2012</p> <p>Not applicable for this proposal.</p>

<p>10.</p>	<p>What evidence / data / research have you gathered in relation to this proposal?</p> <p>Local Partnerships conducted an in-depth analysis of Torbay Council's key documentation in relation to the proposal in 2017 as to the Strategic Partnering Model, and similarly undertook a parallel analysis of the key documentation of the potential partners.</p> <p>Local Partnerships have a strong track-record in advising local authorities on strategic partnerships and local government re-organisation and have undertaken similar roles in Dorset, East Kent and West Somerset and Taunton Deane.</p>
<p>11.</p>	<p>What are the key findings from the consultation you have carried out?</p> <p>The outcome of discussions with relevant authorities are set out earlier in the report.</p>
<p>12.</p>	<p>Amendments to Proposal / Mitigating Actions</p> <p>None</p>

Equality Impacts

13	Identify the potential positive and negative impacts on specific groups			
		Positive Impact	Negative Impact & Mitigating Actions	Neutral Impact
	Older or younger people			No differential impact.
	People with caring Responsibilities			No differential impact.
	People with a disability			No differential impact.
	Women or men			No differential impact.
	People who are black or from a minority ethnic background (BME) <i>(Please note Gypsies / Roma are within this community)</i>			No differential impact.
	Religion or belief (including lack of belief)			No differential impact.
	People who are lesbian, gay or bisexual			No differential impact.
	People who are transgendered			No differential impact.

	People who are in a marriage or civil partnership			No differential impact.
	Women who are pregnant / on maternity leave			No differential impact.
	Socio-economic impacts (Including impact on child poverty issues and deprivation)			No differential impact.
	Public Health impacts (How will your proposal impact on the general health of the population of Torbay)			No differential impact.
14	Cumulative Impacts – Council wide (proposed changes elsewhere which might worsen the impacts identified above)	The proposal to undertake a Community Governance Review, which ultimately could lead to a decision to create Town Councils who would deliver some of the functions of the Council, would increase the viability and resilience of the Council.		
15	Cumulative Impacts – Other public services (proposed changes elsewhere which might worsen the impacts identified above)	None		