

Overview
& Scrutiny
Confidence in your Council

Priorities and Resources 2016/2017

Report of the Overview and Scrutiny Board to the Mayor and Council
January 2016



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1. Introduction

- 1.1 The Mayor's Draft Revenue Budget Digest was published on 6 November 2015. The Digest set out the proposed budget for each Council service for 2016/2017 including the proposals for service change, income generation and savings. The Priorities and Resources Review Panel was established to scrutinise the proposals and to make comments, conclusions and recommendations as necessary.
- 1.2 The Review Panel comprised the councillors on the Overview and Scrutiny Board and it met in November and December 2015 and January 2016. At its meetings, the Panel heard from the Mayor and his Executive Leads as well as officers from the Senior Leadership Team. The Panel examined the rationale for the proposals and information was sought about the services which would continue to be delivered including the costs of those services.
- 1.3 At the time the Draft Revenue Budget Digest was published the Government's Comprehensive Spending Review and the Local Government Settlement had not been announced. The proposals put forward were based on the Council's Medium Term Resource Plan which showed that the Council had an estimated funding gap of £33 million over the next three years with reductions of more than £12 million needed in 2016/2017.
- 1.4 The Department for Communities and Local Government announced the provisional Revenue Support Grant (RSG) allocation in the Local Government Finance Settlement on 17 December 2015. The Panel heard that the key issues arising from the announcements (to date) were:
 - A four year RSG would be introduced which councils would have the choice of accepting subject to the production of an "efficiency plan".
 - Torbay Council's RSG would reduce from a (re-stated) £27 million in 2015/16 to £20 million in 2016/2017 and to £6 million by 2019/20.
 - The Local Government Association estimated that nationally there would be a 24% reduction in core council funding over four years.
 - The Care Act Grant now formed part of the RSG meaning that future Care Act costs would need to be met by councils.
 - Local authorities with responsibility for adult social care would be able to increase Council Tax by a further 2% to be spent on adult social care. In addition, Council Tax Freeze Grants would no longer be provided with the referendum limit for Council Tax rises (excluding the adult social care element) being set at 2%. The Department for Communities and Local Government forecasts of spending power assumed that Council Tax would rise, implying a shift from national to local taxation. The Department also assumed that Council Tax rises would be linked to the Consumer Prices Index (CPI).
 - Councils would retain 100% of National Non-Domestic Rates (NNDR) by the "end of parliament" – Councils currently retain 49%. The introduction of this change would be "fiscally neutral" as RSG and other funding would be adjusted and, as yet unnamed, new responsibilities passed to councils.
 - The Public Health Grant for 2016/17 had not yet been announced but was expected to be a further 4% reduction in addition to the 6% reduction in year for 2015/16.

2. General Findings

- 2.1 The Panel felt that the Council was not putting its income earning services under the same pressure to identify efficiency savings as it was putting on those organisations that were currently grant funded. For example, it was proposed to reduce the grant to Torquay and Brixham Museums but the budget for Torre Abbey would remain unchanged. The Panel believe that the Council should be more commercially driven and that there needs to be a concerted effort to market ourselves more effectively.
- 2.2 In considering the proposed budget for Community Services the Panel identified a number of issues which may be included within the Work Programme of the Overview and Scrutiny Board; namely:
- Business Case and Risk Register for the Air Show – to understand any associated financial risks
 - Update report on the Geopark Conference – to review the potential future use of the reserves being held for this event
 - Business Cases for future planned large events – to scrutinise plans before decisions are made
 - Business Case and Marketing Plan for the Velopark – to review whether the business case is being met, how income can be increased and whether lessons can be learnt for future business cases
 - Business Case associated with the Heritage Lottery Funding for Torre Abbey – to consider the impact of any future funding reductions in light of the conditions of the Heritage Lottery Fund grant
 - Options Appraisal in relation to public toilets
 - The usage of the Right to Buy clawback monies to support affordable housing schemes and full details of the Business Case for the Self Build Programme.
 - The outcome of the parking review – to allow for scrutiny before any final decision is made.
- 2.3 There is a need for the Council to start making difficult decisions about the use of its resources moving forward. The Panel is disappointed that no major proposals have been developed in relation to services such as public toilets, libraries, parks and sports pitches. The Panel does not feel that the Council is working fast enough to transform services to reduce costs. There does not appear to be the long term planning to involve the community in those difficult decisions.

3. Children's Services

- 3.1 The Panel considered the proposals put forward in relation to Children's Services for service change, income generation and savings. Over the course of the review, the Panel also received updates from the Chairman of the Audit Committee on the progress of that Committee's work to review the Children's Services revenue budget and the Five Year Cost Reduction Plan. The Panel also considered the findings from the Ofsted Inspection of services for children in need of help and protection, children looked after and care leavers and the subsequent improvement plan prepared in response.

- 3.2 In response to questioning by the Panel, the Executive Lead for Children’s Services and the Director of Children’s Services prepared a report for consideration which focussed on the change to the budget for 2016/2017 and explained how Children’s Services would be managed to ensure that service delivery costs remain within the proposed financial envelope of £29 million.

4. Adult Social Care

- 4.1 The Panel heard from the Director of Adult Services that there continued to be demand pressures within adult social care mainly from the needs of an ageing population and from price pressures such as pension costs and the cost of implementing the Living Wage. However, it was noted that the strategy to develop the integrated care organisation (ICO) fitted with the NHS Five Year Forward View. The ICO (Torbay and South Devon NHS Foundation Trust (“the Trust”)) was established on 1 October 2015 with a business plan which aimed to reduce bed-based care through the development of Local Multi-Agency Teams. At its meeting held in January, representatives of the Trust attended and gave further details of the proposals being put in place to meet the funding requirements of its commissioners.
- 4.2 It was noted that a 3% year-on-year reduction had been included within the contract for the ICO which amounted to £1.1 million in 2016/2017 (proposal 2.1). The Panel heard from the Trust that this figure had been met through the economies of scale of bringing together the two previous Trusts to create the ICO. A further saving of £700,000 (proposal 2.3) had also been identified by the Council and the Panel heard that this was now assumed to be covered by the additional 2% Council Tax rise for adult social care.
- 4.3 However, the Panel heard that the Trust was still working to identify Cost Improvement Programmes (CIP) to meet its overall reducing resources (including the previously deferred adult social care saving of £1.566m). Whilst four adult social care CIP proposals were shared with the Panel, it was also noted that the NHS Growth Allocation being held centrally was larger than had previously been the case and that the Trust would be aiming to maximise the amount of this money that it received.
- 4.4 Given the establishment of the ICO and the level of funding which the Council provides (in amongst a much larger amount of commissioning from the NHS), the Council must recognise the need to set up robust monitoring of the Annual Strategic Agreement with the aim of ensuring performance targets are met and that the Council and the Trust are able to deliver services within budget.

5. Public Health

- 5.1 The Panel considered the budget proposed for Public Health and noted that in 2015/2016 an in-year reduction of 6.2% was required with the expectation that there would be a further reduction made to the grant for 2016/2017. The Director of Public Health reported that she had a five year budget plan which showed where it was planned to reduce funding but that many of the functions undertaken by her team were mandatory. It was also noted that Public Health supported other functions within the Council which were deemed to have a public health role.
- 5.2 The contract for the Community Development Trust (CDT) is managed within Public Health. It was felt that further consideration should be given in the coming months to the outcomes of the CDT and how it was planning on becoming self-sustaining moving forward. To this end, it was felt that the CDT should attend a future Councillor Conversation.

6. Community Services

Community Services – Food Safety, Licensing, Trading Standards etc

- 6.1 When the Panel met in November, it heard that the proposal to reduce the budget by £292,000 across the Community Services portfolio (proposal 3.1) would involve a reduction in staffing. The Executive Lead reported that he was not comfortable with the proposals especially how they would impact on the food safety service and that he would be asking the Mayor to add money back into the proposed budget.
- 6.2 It was reported to the Panel in January that additional income had been identified within the food safety team and that the trading standards service had been reviewed. This meant that staff within both teams could be retained.
- 6.3 It was also reported that a street warden presence would be maintained within Torquay Town Centre and that options were continuing to be explored in relation to the street warden service. It was, however, highlighted that the decision had been taken in February 2015 to cease the service from April 2016.
- 6.4 The Panel believe that the enforcement regime across the whole Council should be reviewed in order to minimise the potential reputational damage to the Council moving forward. This would take account of the possible alternative provision being explored in relation to street wardens which is considered a valuable service. The Panel question whether ceasing the street warden service would shunt costs onto other parts of the Council and the public sector as a whole. It is the only service in Torbay which clearly targets those areas which are most deprived (as detailed in the recent Indices of Multiple Deprivation). The Panel found no evidence of other such targeted services.
- 6.5 The Panel concluded that the street warden service should be retained although it was recognised that a different approach may be needed.

Sport

- 6.6 The Panel questioned how the proposal to reduce the funding for Swim Torquay and Admiral Community Pool in Brixham fitted with the ambition within the Corporate Plan to have a Healthy Torbay. It questioned whether reducing the level of smaller grants to community organisations was the best use of resources as these grants normally enabled alternative sources of income to be identified.
- 6.7 The Panel wished to examine whether the provision of sports pitches exceeded the demand. It was explained that a piece of work was currently being undertaken to this end. The Board felt that the Council was not currently in the position of being able to provide sports pitches which were not being used.

Highways

- 6.8 There were a number of concerns raised about the proposed reduction in funding for highways (proposal 3.5) including:
- Virtually all residents of and visitors to Torbay used the roads and pavements
 - Only the Council can provide the service
 - The proposed reduction was disproportionate to other proposals (10% cut in highways spending, 1% cut in spending on sports)

- At current levels of spend, the Council would still have a long term issue with the condition of the roads
- The condition of the roads is the issue that ward councillors get contacted about the most

6.9 There are long term consequences of not maintaining highways and by retaining the budget at the current level the Council could be saving future costs. However, the revenue budget could also be used to fund prudential borrowing for the highways. The Panel felt that further consideration should be given by the Mayor to this proposal with a suggestion that (i) as the Local Government Settlement was better than expected, the revenue budget be maintained; or (ii) the Geopark Reserve could be utilised for this purpose if it wasn't needed for the forthcoming conference. In any event, options for the future maintenance of Torbay's highways should be considered with a report back to the Overview and Scrutiny Board in the coming months.

6.10 Similar concerns were raised about the reduction of £100,000 from the **Corporate Maintenance** budget (proposal 7.1). Whilst the Panel reluctantly accept this proposal, there is a requirement to bring forward a review of all of the Council's assets (including its highways) to consider how we best use, utilise and maintain them.

Torbay Coast and Countryside Trust

6.11 In light of the representation received from the Torbay Coast and Countryside Trust, the proposal to reduce the grant by £15,000 (proposal 3.8) should not be pursued.

Museums

6.12 The Panel was reminded of how the museums in Torbay had been involved in the Future Museums Project but that this had ceased in March 2015. The Executive Lead reported that the museums needed to act in a smarter way. At its meeting in January, the Panel heard a representation from Brixham Town Council about the proposal to reduce the grant funding of Brixham Museum (proposal 3.10). The Panel reflected on its findings in September 2014 when transitional funding had been made available to "allow a degree of breathing space".

6.13 The Panel believe that a review of all museum services in Torbay should now be undertaken.

Parks and Open Spaces

6.14 The current budget for parks and open spaces (recreation and landscape) was £1,521,000 although it was noted that the majority of this budget was covered by contractual arrangements. However, the Panel felt that there was far greater scope to reduce the budget by more than the £15,000 proposed (proposal 3.11). There was a need to seriously review how savings could be made to this budget in future years and that it was preferable to reduce this budget by £300,000 rather than the highways budget. If the Mayor wished communities to be more involved in maintaining parks and open spaces there needs to be a coherent plan implemented as a matter of urgency.

Waste and Cleansing

6.15 The Panel was disappointed not to see any savings associated with these budget lines. It was noted that the Energy from Waste plant was running better than expected and therefore it was felt that there should be some savings available.

7. Customer Services

Customer Services – Connections

- 7.1 Having requested the business case and options appraisal associated with the proposed changes to the Connections service on no less than two previous occasions, the Panel was able to review the detailed proposal to centralise Connections at Paignton Library and Information Centre. Whilst it was felt that the Executive had probably made its case for centralising the Connections office through its recent trial closure of Torquay and Brixham offices, the case for the central location being Paignton still needed to be made taking account of customer base, customer need, income opportunities and implementation costs.
- 7.2 The Panel do not feel that the Council would be providing a satisfactory service by having a completely centralised service and that there was a need to meet the bulk of demand that exists in Torquay. It recommends that the Council's Policy Framework be amended to include that the Council maintains a face-to-face customer service presence in Torquay, Paignton and Brixham for at least part of the week.

Social Fund

- 7.3 The Panel received a detailed report at its meeting in January setting out the background to the current Crisis Support Scheme and the proposals moving forward to make the current scheme more sustainable, removing the overlaps and common criteria for all discretionary welfare funds operated by the Council. The Panel received assurances from the Executive Head that the proposal to reduce the social fund base budget to nil but to utilise the current levels of reserve (proposal 4.7) would ensure that a service could be provided for three to five years.
- 7.4 The Panel recognise that there may be a need to reappraise whether further revenue funding should be made available following the depletion of the current level of reserves. It also requests a report back in six months on the rationalisation of all the discretionary welfare funds.

Library Services

- 7.5 In its last report in January 2015, the Priorities and Resources Review Panel recommended (amongst other things) that "a strategy for the future of the library service be developed taking account of current and expected usage and service delivery models". The Mayor in his response (February 2015) said he was "in agreement that a strategy should be developed which includes a Needs Assessment" and that he would "be asking officers to develop a strategy which will be used to inform the 2016/2017 budget".
- 7.6 The Panel is disappointed that the Mayor was not able to share with it his strategy and requests that the strategy be presented to the Overview and Scrutiny Board within two months.
- 7.7 As it is, the proposal put forward in relation to the library service (proposal 4.9) gives an inadequate amount of saving and further consideration should be given to reduce the number of libraries in Torbay. The Panel recommend that the Policy Framework should be amended to state that the Council will maintain libraries in Torquay, Paignton and Brixham.

8. Corporate Services (including Assets and Regeneration)

Riviera International Centre

- 8.1 The Panel considered the Business Plan 2015-2019 for the Riviera International Conference Centre and discussed its contents with representatives of the Centre. It was also reported that the Assistant Director – Corporate and Business Services would be establishing two meetings per year with the Centre as part of the Council’s Management Agreement. The Panel would wish to see a representative of the Overview and Scrutiny Board attend those meetings. In parallel, the Council’s representative on the Riviera International Conference Centre Board will be requested to attend a future Overview and Scrutiny Board to report back on the Centre’s plans for the future.

Exit Packages

- 8.2 The proposal to remove the costs of exit packages (proposal 5.15) should remain however the Panel believe that the Comprehensive Spending Review Reserve should be replenished to ensure that these costs can be met moving forward.

9. Business Services

Parking Services

- 9.1 It was noted that the overall 3% increase in fees and charges would mean that parking income would be projected to increase by £131,000 with an additional £50,000 income being identified as a specific proposal for the service. The Panel were further informed that, based on the income figures for 2015/2016, a further £25,000 income was being identified from Parking Services. The Panel noted the external factors which could impact on the future levels of parking income but also recognised that the review of parking in Torbay would be completed shortly.

Beach Services

- 9.2 The Panel questioned whether there was enough demand for beach huts to sustain a beyond 3% increase in charges and whether the business plans for the new beach huts at Meadfoot and Oddicombe Beaches were delivering as expected. The Panel were reassured with the information that was provided and it supports the idea of providing beach services differently. However, the redesign of beach services needs to happen at pace to maximise income from these assets.

Tourism Marketing

- 9.3 Over the course of the review, the Panel were kept informed on the evolving situation in relation to tourism marketing. One-off funding for the English Riviera Tourism Company was agreed by the Council following the unsuccessful Torbay Retail and Tourism Business Improvement District ballot and moves were starting towards a ballot for a Tourism Business Improvement District in Summer 2016. The Executive Head – Business Services was preparing a report to be considered by the Council in February 2016.

Tor Bay Harbour Authority

- 9.4 It was reported by both the Chairman of the Harbours Committee and the Executive Lead that, whilst the Harbour Committee had been asked to contribute £197,000 from the Harbour Accounts to the Council’s revenue budget, the Committee was only likely to agree

that £147,000 contribution be made. The difference between these two figures needs to be resolved before the Council is in a position to agree a balanced budget.

10. Recommendations

To be considered by the Mayor:

- 10.1 That the Council become more commercially driven and that it should market itself and its facilities more effectively.
- 10.2 That the Board is confident that the proposed budget for Children's Services for 2016/2017 is adequate and appreciates that the Director of Children's Services and the Assistant Director – Children's Safeguarding concur that it is adequate. However, the Board still need to see the detail of how it will be achieved and that there is pace of change to ensure that a balanced budget is delivered. The Board will require an update on the financial position when it considers the progress report on the Improvement Plan and will continue to hold the Executive Lead for Children's Services and the Director of Children's Services to account in this regard.
- 10.3 That robust monitoring of the Integrated Care Organisation be established (by 1 April 2016 at the latest) to ensure councillors can satisfy themselves that performance and budget targets are being met.
- 10.4 That, with in the next six months, the Torbay Community Development Trust be invited to a future Councillor Conversation to share its outcomes to date and how it aims to become self-sustaining.
- 10.5 That the Council's enforcement regime, as a whole, be reviewed (over the coming year) to ensure that scarce resources are used to best effect and that possible reputational damage is minimised.
- 10.6 That four street wardens be retained with funding being returned to the base budget.
- 10.7 That the proposal in relation to highways be not implemented and that consideration be given to alternative options for ensuring the long term maintenance of the highway.
- 10.8 That, over the course of the coming year, a review of all of the Council's assets (including highways) be brought forward to consider how we best use, utilise and maintain them.
- 10.9 That the proposal in relation to the Torbay Coast and Countryside Trust be not implemented.
- 10.10 That a review of all of the museums in Torbay be undertaken within the next six months.
- 10.11 That a review of how to make a significant reduction in the budget for recreation and landscape be undertaken and that a coherent plan for involving the community in providing the service be implemented as a matter of urgency.
- 10.12 That further consideration be given to reduce the number of libraries in Torbay in the next six months.
- 10.13 That a representative of the Overview and Scrutiny Board attend the newly established monitoring meetings with the Riviera International Conference Centre.

- 10.14 That the Comprehensive Spending Review Reserve be replenished to ensure that the costs of exit packages can be met moving forward.
- 10.15 That the redesign of Beach Services should happen at pace to maximise the income to the Council from these assets.

To be considered by the Council:

- 10.16 That the Policy Framework be amended to include that the Council maintains a face-to-face customer service presence in Torquay, Paignton and Brixham for at least part of the week.
- 10.17 That the Policy Framework be amended to include that the Council will maintain libraries in Torquay, Paignton and Brixham.