

## Supporting Information and Impact Assessment

Service / Policy:	Options for improving the viability and resilience of Torbay Council's services
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### Section 1: Background Information

1.	<p><b>What is the proposal / issue?</b></p> <p>Torbay Council, with support from Local Partnerships and the Local Government Association (LGA), have undertaken an options appraisal on the future options for Torbay Council's future structure so as to improve the viability and resilience of services. This options appraisal led to the development of a business case (attached at Appendix 2) on the options to enter into a strategic partnership to share a workforce with either Plymouth City Council or Devon County Council.</p> <p>However, after further analysis it has become clear that a third option has emerged from within the business case. This third option involves the creation of town councils in Torquay and Paignton, this could occur as a stand alone option, or in conjunction with the Council pursuing a strategic partnership.</p> <p>Therefore, Council is being asked to determine how they wish to progress matters from this point.</p>
2.	<p><b>What is the current situation?</b></p> <p>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.</p> <p>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 for Torbay Council where there has been a freeze on raising council tax over the last five years. This coupled to the area's challenges in relation to deprivation and an aging population has provided the council with significant challenges in delivering social care.</p> <p>In January 2016 OFSTED rated Torbay Council's children's services as inadequate and the Department of Education (DfE) issued the council with a Statutory Direction</p>

in May 2016 and appointed the Chief Executive of Hampshire County Council, Mr John Coughlan, as DfE Commissioner for Torbay's children's services. Whilst the Commissioner's primary role is to challenge and support the service to address the failures identified by OFSTED, he was also required to explore the extent to which sustained improvement in children's services might be secured through different models of governance and service delivery. As a consequence of repeated failure, Torbay Council falls into a category of intervention whereby there is a central government assumption that the governance of services will be changed.

In January 2017, the DfE Commissioner commenced a dialogue with partner agencies to explore the appetite of local authorities in the south west region to work with Torbay Council's children's services and subsequently meetings were held with both Devon County Council and Plymouth City Council.

On 5 April 2017 the DfE Commissioner wrote to the DfE recommending that a partnership with Plymouth City Council's children's services provided the best option for sustainable improvements in children's services in Torbay within a reasonable timeframe. However, within his recommendation the Commissioner acknowledged that if there were 'serious and imminent possibilities of a wider partnership with Devon County Council' or 'of deeper local government re-organisation' these would be a material consideration for the Minister in coming to a decision.

Therefore, in order to ensure that the Council's overall strategic direction was considered alongside any specific decision on children's services, Torbay Council commissioned Local Partnerships, working with the Local Government Association (LGA), to undertake an appraisal of the various options for its future organisational form and partnership working.

Local Partnerships are a joint venture between HM Treasury and the LGA and provides support and advice to public bodies looking at new models of operating.

Whilst Local Partnerships have been undertaking the options appraisal, Full Council met on 20 July 2017 to consider the partnering of Torbay's children's services with Plymouth City Council in accordance with the Commissioner's recommendation, whereby it was agreed that a detailed partnership agreement would be developed with Plymouth City Council.

Whilst Devon County Council were still wanting to be considered a partner in respect of Children's Services as part of a wider partnership for all tier 1 services, they informed the DfE Commissioner in late August 2017 that they were no longer able to be considered for the delivery of Torbay Council's Children's Services, at least in the short term. This means that, irrespective of the strategic partnership being considered in this report, there is no potential impact upon the partnering for Children's Service, and that work is continuing in earnest to ensure the joint delivery of Children's Services with Plymouth City Council, commencing in 2018.

**3.**

**What options have been considered?**

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 from both Torbay and potential partners such as Devon County Council, Plymouth City Council and South Hams and West Devon District Councils. This then enabled the work to progress from a long list of potential options to a short 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 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 short listed options were evaluated against the following criteria:

- Transition demand from high cost services to lower cost services
- Support economic growth
- Increase service resilience
- Increase income generation
- Speed of implementation
- Deliver a permanent cost reduction of at least an additional £5m
- Fundable cost of transition
- Autonomy over decision
- Maintain the Torbay identity
- Retain local democratic control and influence
- Compatible with local and central public service policy direction
- Pre-disposition of partners towards the option.

The options appraisal was presented to the 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 into 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.

For each of the options within the Business Case, the concept of Town Council's and whether there is the potential for them to progress in the longer term to any form of Local Government re-organisation was agreed to be explored, and subsequently this has emerged as a discrete third option.

	<p>The detailed business case for the options is attached at Appendix 2 and it is this business case that forms the key information for making the decisions outlined in this Report.</p> <p>It is important to note that Local Partnerships have not recommended a particular option to Torbay Council as their remit was only to identify the potential options and to test them against a set of agreed criteria so that the Council understands the implications of each option before making a decision.</p>
4.	<p><b>How does this proposal support the ambitions, principles and delivery of the Corporate Plan 2015-19?</b></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 ong-term stability of service delivery by Torbay Council.</p>
5.	<p><b>Who will be affected by this proposal and who do you need to consult with?</b></p> <p>It is not perceived that this proposal will impact negatively on the residents of Torbay.</p> <p>If a Strategic Partnership were to be pursued this is only likely to impact on the senior levels of the Council's management staff. If any wider staff impact were to emerge as a possibility, then the Council will ensure that all proper policies and procedures in regard to Human Resources are undertaken with the appropriate consultation with unions and any staff who will be affected.</p>
6.	<p><b>How will you propose to consult?</b></p> <p>All key organisational stakeholders have been consulted with since May 2017 when the Local Partnerships work commenced and have been updated via face to face, telephone and email communication at key parts of the process and this will continue to be undertaken after the decision is taken on how to proceed.</p> <p>If a decision is taken to proceed with the development of a delivery and implementation plan with the preferred partners then the Council will undertake a public engagement process.</p> <p>In regard to any human resources implications as stated above the Council will follow the appropriate policies and adhere to employment law as applicable.</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.</p>
<b>Section 2: Implications and Impact Assessment</b>	
7.	<p><b>What are the financial and legal implications?</b></p> <p>The financial and economic implications of the proposals are outlined in detail in Appendix 2 Detailed Business Case in Section 3 Economic Case and Section 5 Financial Case.</p> <p>However, in summary the following high level savings are associated with the three options:</p>

	<ul style="list-style-type: none"> <li>□ £610k of savings in the first three years with the shared workforce option with Plymouth City Council with Torbay's portion being approximately £244k</li> <li>□ £570k of savings in the first three years with the shared workforce option with Devon County Council with Torbay's portion being approximately £160k</li> <li>□ £3.0m of increased revenue funding to Torbay Council via the establishment of two new town councils in Torquay and Paignton</li> </ul> <p>The legal implications of the proposals are that Torbay Council and any preferred partner would need to agree a Partnership Agreement as a legal basis for the arrangements. However, there would not be any change to the legal status and sovereignty of Torbay Council or the partnering local authority.</p> <p>There may be human resource implications identified as part of any implementation plan for a strategic partnerships, in respect of senior officers of the Council. If redundancies were to take place then the Council has the option to capitalise these costs.</p> <p>However, if the option to create town councils in Torquay and Paignton was pursued then a Community Governance Review would need to be undertaken, and the appropriate process followed.</p>
<p><b>8.</b></p>	<p><b>What are the risks?</b></p> <p>The key high level generic risks associated with the proposals are outlined below:</p> <ul style="list-style-type: none"> <li>□ That the financial and economic benefits identified in the business cases do not materialise or do not materialise at the pace required</li> <li>□ That preferred partner does not agree to proceed with partnership in the future</li> <li>□ Public opposition to the creation of two new town councils in Torquay and Paignton</li> <li>□ That Department for Communities and Local Government (DCLG) impose a council tax referendum on town councils</li> <li>□ That the option selected does not deliver service resilience to Torbay Council</li> <li>□ That the strategic visions of both partners may diverge over time</li> <li>□ That the development of the partnership distracts the partners from their pre-existing transformation programmes</li> <li>□ That the operating models/service philosophy of the partners may not be complimentary</li> <li>□ That ICT systems across the partners are not compatible for shared working service delivery</li> <li>□ That pre-existing service delivery relationships act as a barrier to shared working arrangements</li> <li>□ That the physical distance between partners acts as a barrier to shared working arrangements</li> <li>□ That partners do not have appropriate project/programme management staff and skills at their disposal to deliver the changes required to move to shared workforce.</li> </ul>

	<p>If a delivery and implementation plan is to be developed, specific risks will be identified and managed via a risk register that will identify mitigating actions and will be regularly reviewed.</p>
9.	<p><b>Public Services Value (Social Value) Act 2012</b> Not applicable for this proposal.</p>
10.	<p><b>What evidence / data / research have you gathered in relation to this proposal?</b> Local Partnerships have conducted an in-depth analysis of Torbay Council's key documentation in relation to this proposal and have also undertaken a parallel analysis of the key documentation of the potential partners. The analysis of this information has then been used to produce an initial Options Appraisal, which then informed the Detailed Business Case, which is attached at Appendix 2.</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>
11.	<p><b>What are the key findings from the consultation you have carried out?</b> Meetings and feedback from key stakeholders has supported the work that Torbay Council has undertaken in partnership with Local Partnerships as they recognise the challenges the local authority has in relation to the future viability and sustainability of services as well as the significant financial challenges faced by the local authority in recent years as well as in the years ahead.</p> <p>Naturally, different stakeholders have differing views although a common theme was that stakeholders wanted to ensure that any decision was made on the evidence in the business cases rather than emotional attachments or pre-existing low level partnering relationships.</p> <p>Where stakeholders did express a preference for the Devon option this was based on the greater identification with the county as a place and the degree of cross-border working. Where the Plymouth option was preferred it was based on the similarities between the social-economic and demographic factors of Plymouth and Torbay as well as on the cultural fit between the two organisations.</p> <p>One recurring theme in the stakeholder's responses was the need for urgent and decisive action by the Torbay's elected members in determining how they wanted to progress matters from this point.</p>
12.	<p><b>Amendments to Proposal / Mitigating Actions</b> In developing the detailed business cases at Appendix 2 Local Partnerships have taken into account the feedback from the key stakeholders.</p>

## Equality Impacts

13	Identify the potential positive and negative impacts on specific groups			
		<b>Positive Impact</b>	<b>Negative Impact &amp; Mitigating Actions</b>	<b>Neutral Impact</b>
	Older or younger people	<p>The partnering with another local authority and/or the creation of town councils will give Torbay's services greater resilience.</p> <p>The principle of creating Town Councils is an important aspect of creating sustainable communities, by allowing local people a say in the way their neighbourhoods are managed.</p>		
	People with caring Responsibilities	<p>The partnering with another local authority and/or the creation of town councils will give Torbay's services greater resilience.</p> <p>The principle of creating Town Councils is an important aspect of creating sustainable communities, by allowing local people a say in the way their neighbourhoods are managed.</p>		

<p>People with a disability</p>	<p>The partnering with another local authority and/or the creation of town councils will give Torbay's services greater resilience.</p> <p>The principle of creating Town Councils is an important aspect of creating sustainable communities, by allowing local people a say in the way their neighbourhoods are managed.</p>		
<p>Women or men</p>	<p>The partnering with another local authority and/or the creation of town councils will give Torbay's services greater resilience.</p> <p>The principle of creating Town Councils is an important aspect of creating sustainable communities, by allowing local people a say in the way their neighbourhoods are managed.</p>		
<p>People who are black or from a minority ethnic background (BME) <i>(Please note Gypsies / Roma are within this community)</i></p>	<p>The partnering with another local authority and/or the creation of town councils will give Torbay's services greater resilience.</p> <p>The principle of creating Town Councils is an important aspect of creating sustainable communities, by allowing local people a say in the way their neighbourhoods are managed.</p>		



<p>Religion or belief (including lack of belief)</p>	<p>The partnering with another local authority and/or the creation of town councils will give Torbay's services greater resilience.</p> <p>The principle of creating Town Councils is an important aspect of creating sustainable communities, by allowing local people a say in the way their neighbourhoods are managed.</p>		
<p>People who are lesbian, gay or bisexual</p>	<p>The partnering with another local authority and/or the creation of town councils will give Torbay's services greater resilience.</p> <p>The principle of creating Town Councils is an important aspect of creating sustainable communities, by allowing local people a say in the way their neighbourhoods are managed.</p>		
<p>People who are transgendered</p>	<p>The partnering with another local authority and/or the creation of town councils will give Torbay's services greater resilience.</p> <p>The principle of creating Town Councils is an important aspect of creating sustainable communities, by allowing local people a say in the way their neighbourhoods are managed.</p>		

<p>People who are in a marriage or civil partnership</p>	<p>The partnering with another local authority and/or the creation of town councils will give Torbay's services greater resilience.</p> <p>The principle of creating Town Councils is an important aspect of creating sustainable communities, by allowing local people a say in the way their neighbourhoods are managed.</p>		
<p>Women who are pregnant / on maternity leave</p>	<p>The partnering with another local authority and/or the creation of town councils will give Torbay's services greater resilience.</p> <p>The principle of creating Town Councils is an important aspect of creating sustainable communities, by allowing local people a say in the way their neighbourhoods are managed.</p>		
<p>Socio-economic impacts (Including impact on child poverty issues and deprivation)</p>	<p>The partnering with another local authority and/or the creation of town councils will give Torbay's services greater resilience.</p> <p>The principle of creating Town Councils is an important aspect of creating sustainable communities, by allowing local people a say in the way their neighbourhoods are managed.</p>		

<p>Public Health impacts (How will your proposal impact on the general health of the population of Torbay)</p>	<p>The partnering with another local authority and/or the creation of town councils will give Torbay's services greater resilience.</p> <p>The principle of creating Town Councils is an important aspect of creating sustainable communities, by allowing local people a say in the way their neighbourhoods are managed.</p>		
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<p><b>14</b></p>	<p><b>Cumulative Impacts – Council wide</b> (proposed changes elsewhere which might worsen the impacts identified above)</p>	<p>The proposals impact upon all areas of the Council.</p>	
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<p><b>15</b></p>	<p><b>Cumulative Impacts – Other public services</b> (proposed changes elsewhere which might worsen the impacts identified above)</p>	<p>The delivery of the Devon Sustainability and Transformation (STP) Plan may impact on the delivery of the proposal in relation to health and social care structures however Local Partnerships have taken the work to date on the STP into account in their detailed business cases.</p>	
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