



October 2016

Efficiency Plan

Delivering the Ambition, Meeting the Challenge

1 Introduction

Torbay Council's Efficiency Plan seeks to secure the Government's offer of guaranteed funding for the four year period from April 2016. It sets out how the Council will seek to achieve a sustainable position and provides an overview of agreed policies, strategies and emerging plans which, together, will ensure that the Council contributes towards a prosperous and healthy Torbay.

The Council has an approved Corporate Plan which covers the period up to the Council elections in May 2019. The Medium Term Resource Plan and the Transformation Programme provides further detail around the future delivery of services.

2 Corporate Plan

www.torbay.gov.uk/corporate-plan

In order to address the financial challenges over the next few years Torbay Council needs to think of new ways of working. We need to look at how other areas, both locally and nationally, have addressed similar challenges and take the opportunity to do things differently.

The Council will secure investment to support the right infrastructure for economic growth and work in partnership with important sectors and local businesses such as the hi tech industries. It will continue to encourage people to start new businesses and accelerate their growth. Working with schools, businesses and other partners, the Council will ensure young people are supported to build their careers within Torbay. This will build on initiatives already in place to support innovation and apprenticeships.

The Council wishes to protect its natural environment and will encourage its communities to make the most of its attractive and safe open spaces.

The Council will take an integrated approach to the delivery of social care with its partners to ensure that intervention and prevention programmes are successful, with the ultimate aim of reducing demand for more costly services.

The Council will base everything it does on three main principles:

- Use reducing resources to best effect
- Reduce demand through prevention and innovation
- Take an integrated and joined up approach

The Council will work to maximise efficiencies, ensuring that every pound and every hour of work is well spent. Statutory services will be well defined and managed by a level of risk. Whilst some discretionary services may be stopped, others will be provided differently with greater community support and through more integrated working with our partners, such as Devon Building Control Partnership. The Council will identify new ways to generate income from its existing resources.

Building on the Council's current approaches of working together, demand for services will be reduced through multi-agency teams working within communities to deliver joined-up services. The Council will create environments and integrated services with individuals and communities being supported to prevent and delay the onset of disability and illness and where people can live independently.

The creation of the Integrated Care Organisation and the Torbay Public Services Trust allows for agencies to pool budgets as well as attracting external investment. The Council's arms length trading company, the TDA, will allow a dynamic and flexible approach to economic development, housing and skills development. The Council will work with other local authorities and partner organisations to seek out further opportunities to deliver services together.

Torbay Council has, along with the other 16 local authorities in the Heart of the South West Devolution Partnership, agreed "in principle" to form a Combined Authority which will enable the Council to play its part in a devolution deal with Government for Devon and Somerset. The delivery of the Partnership's Prospectus for Productivity will provide further opportunities for regeneration and investment leading to economic growth for Torbay and the region as a whole.

3 Medium Term Resource Plan

www.torbay.gov.uk/mtrp15.doc

As a result of financial pressures in both Children's and Adult Social Care it is expected that the current budget "gap" will be greater than that stated in the April 2016 Medium Term Resource Plan.

The following table summarises the pressures currently faced by the Council and the income and expenditure assumptions outlined in the Medium Term Resources Plan.

| Revenue Budget | 2015/16 Restated £'000 | 2016/17 £'000 | 2017/18 £'000 | 2018/19 £'000 | 2019/20 £'000 |
|--|------------------------------|------------------|------------------|------------------|------------------|
| Estimated Net Sources of Finance (Revenue Support Grant, Business Rate Retention, Council Tax & Collection Fund) | (110,920) | (109,056) | (105,784) | (105,291) | (105,238) |
| Estimated Net Expenditure | | | | | |
| Net expenditure base budget brought forward | 116,975 | 110,920 | 109,056 | 105,784 | 105,291 |
| Forecast cost pressures | 5,354 | 8,508 | 6,553 | 6,046 | 5,048 |
| Efficiency savings and new income | (12,975) | (8,806) | 0 | 0 | 0 |
| Add 2015/16 savings delayed until 2016/17 – Adult Social Care | 1,566 | (1,566) | 0 | 0 | 0 |
| Forecast Net Expenditure | 110,920 | 109,056 | 115,609 | 111,830 | 110,339 |
| Savings required <u>in year</u> to balance budget | | | (9,825) | (6,539) | (5,101) |
| Total Savings to be identified for the period of the Plan 2017/18 to 2019/20 | | | | | (21,465) |

There continues to be an immense challenge to prepare and deliver robust budgets year-on-year which provide the statutory services of the Council as well as those discretionary services which are valued by the community. Given Torbay's demographics, over 60% of the Council's net budget is allocated to adult and children's social care. The estimated budget gap needs to be set in the context that the Council faces rising costs, in particular to meet the needs of an increasingly elderly and frail population as well as additional pressures within Children's Services. Nevertheless, the Council has found savings and income of £62 million over the past six years to achieve a balanced budget.

Income

The Government has confirmed its intention to remove the Revenue Support Grant (RSG) and allow councils to keep 100% of National Non-Domestic Rates (NNDR) income "by the end of the parliament".

The Efficiency Plan assumes that this change, and any change in the interim will be fiscally neutral when it occurs.

The proposed change means that there is a strong incentive for the Council to plan for and achieve economic and NNDR growth.

The Council will maximise the use of the grants currently available to it and will explore all other opportunities for further grant funding such as Social Investment Bonds and Local Sustainable Transport Grants.

The Council receives approximately £20 million from fees and charges and other sources of income. The Plan assumes a 3% inflationary increase in these fees and charges over the Plan period. However, consideration will be given to all options for income generation whilst taking account of issues such as subsidies to encourage usage and the impact of charges on residents.

Expenditure

The Council is experiencing cost pressures within Children's Services due to the high level of demand and the service is currently in intervention. The service spends more than its statistical neighbours due to that demand and a reduction is required if the Council is to achieve a balanced budget over the next four years.

For Adult Social Services, the Council is integrated with the NHS at provider level via an Integrated Care Organisation. The Council is part of a Risk Share Agreement with Torbay and South Devon NHS Foundation Trust and the South Devon and Torbay Clinical Commissioning Group. The Council bears a 9% risk share of the total financial position of the Foundation Trust and the Council is therefore exposed to the severe budgetary pressures within the NHS.

In addition to the expected increase in the elderly population of Torbay, it is predicted that there will be general growth in the population by 300 households per year.

4 Transformation Programme

Achievements so far

As an organisation, Torbay Council has experienced significant change in recent years. Transformation has been seen as "business as usual" with changes in service delivery such as:

- **Creation of an Integrated Care Organisation:** The NHS reforms and the need for health trusts to become foundation trusts has led to a solution whereby the acute Foundation Trust has acquired the Community Trust, creating a vertically integrated care organisation which provides community and acute care as well as adult social care. Torbay and South Devon has been recognised as a Pioneer for integrated health and social care.
- **Centralisation of the Connections service:** A centralised Connections service in Paignton Library and Information Centre will provide a community hub for residents alongside services provided by the Council's partners. A range of contact methods will continue including the Council's website and Call Centre with the facility to submit information in support of different application processes in secure document boxes in Torquay and Brixham Libraries.
- **Improved recycling opportunities and the creation of Energy from Waste plant:** The establishment of the Council's joint venture company, TOR2, ensured that improved recycling options were available

to the community. The Council has worked with Devon County Council and Plymouth City Council to create an Energy from Waste facility.

- Replacement of street lanterns with LEDs: Prudential borrowing has been used to replace existing street lanterns with LEDs which provides a cost saving and reduces the Council's carbon emissions.
- Continued investment and regeneration: The landmark development on the site of the former Palm Court Hotel has been completed along with the restoration of Torquay Promenade and Banjo. Torre Abbey has undergone Phase 2 of its restoration and development continues at White Rock Business Park. The South Devon Highway (built in partnership with Devon County Council) has opened and improved Torbay's transport links.
- Joint approaches to complex issues: Over recent years the Council has worked with a range of statutory and non-statutory partners to find innovative solutions to complex problems such as modern slavery, poor quality private rented housing and online safety.

Moving Forward

Torbay Council has established a Transformation Programme which will transform the way the Council delivers services and strengthen the way it engages with customers and partners to improve outcomes for its communities. The Programme (which requires funding for the next three years) will provide best value for money whilst working to create a financially sustainable Local Authority. It will also assist in delivering an engaged and empowered workforce.

The Council is also in the process of reforming a Strategic Partnership which will enable the Council to work more effectively with its key partners.

The Transformation Programme is built of a wide range of projects which will meet both the ambitions of the Corporate Plan and the challenges articulated in the Medium Term Resource Plan. It will remain an iterative process and will, inevitably, be subject to regular change.

The Council's principles will underpin each project as the authority looks to maximise its income and reduce its expenditure. The Corporate Plan identifies five areas where it will target its actions with many projects which make up the Transformation Programme sitting within these areas. Corporately, the Council will also deliver projects which will maximise income from investments and services and maximise the amount of local taxation collected while reducing the costs of services through partnership arrangements.

Set out in Appendix 1 are the Transformation projects as at October 2016. The savings or income identified will be realised over a three year period. Business Cases for each of the projects are currently being developed and the tables in the Appendix show both the minimum and maximum financial benefit currently expected where these are currently detailed within a Business Case. The Council is also exploring other ways of increasing its income or reducing its expenditure in addition to the Transformation Programme and these proposals are referred to in Appendix 1.

5 Conclusion

This Efficiency Plan has been prepared in response to the Government's offer of a Multi-Year Funding Settlement for Councils. The primary benefit of the Government's offer is that it will assist in the delivery of further savings and income opportunities through the ability to plan ahead with greater certainty.

Due to the challenges, within adult and children's social care especially, there is a forecast funding gap presently.

Members and officers recognise that the Transformation Programme alone will not be enough to meet the financial challenge. Even with the additional income and savings proposals identified, there remains a shortfall of approximately £5 million between Council funding and estimated expenditure by 2019/2020.

The Council is therefore working with partners locally and nationally (including CIPFA, LGA and Peer Councils) to identify additional measures to bridge the funding gap.

In the interim the Council continues to deliver its Corporate Plan objectives, of 'a prosperous and healthy Torbay', and maintain the required pace and scale of change.

The draft of this Efficiency Plan was approved by the Council at its meeting held on 22 September 2016.

Gordon Oliver
Elected Mayor of Torbay
on behalf of Torbay Council

Steve Parrock
Chief Executive

Appendix 1

Corporate Plan Theme: Protecting all children and giving them the best start in life

The Council will focus on reducing demand and establishing a stable financial position at a reduced level within Children's Services. The Council and Torbay and South Devon NHS Foundation Trust are actively working together to improve the quality and safety of care and are assessing the benefits and risks of integrating the provision of children's social services within the Integrated Care Organisation. South Devon and Torbay Clinical Commissioning Group continue to be involved in this work to ensure that the service is developed to deliver high quality care for the population.

The broader ambitions to improve the economy will impact positively on improving the life chances of children and families.

An alternative delivery model for Youth Services in Torbay will be implemented which will protect and develop provision for young people. A new strategy for schools and education will be agreed to ensure good outcomes and take account of the Government policy which sets out a changed role of local authorities and schools.

The Council will review how it can best fulfil its responsibilities in relation to providing information, advice and guidance services and home-to-school transport.

Current transformation projects within this theme are shown below:

| | Minimum Financial Benefit | Maximum Financial Benefit | Other Benefits and Description |
|--|---------------------------|---------------------------|---|
| Transforming Schools and Education | £250,000 | £500,000 | |
| Reviewing costs of children looked after | 0 | £2,000,000 | A fundamental review of Torbay's population of Children Looked After is underway. |
| Creating the Torbay Public Services Trust | 0 | £730,000 | |
| Creating the Torbay Youth Trust | £86,000 | £146,000 | |
| Establishing longer term savings from within Children's Services | tbc | tbc | Benchmarking and reviewing all departments within Children's Services to see if they can be delivered in a more efficient way |
| Reviewing the future delivery of Children's Safeguarding | tbc | tbc | Establishing whether Children's Safeguarding services can be delivered via the Integrated Care Organisation or a separate Trust |

Corporate Plan Theme: Working towards a more prosperous Torbay

Although there remains uncertainty around National Non Domestic Rates (NNDR), the tax base will be increased through economic growth. Alongside this, the rapid delivery of Masterplan projects will create vibrant and attractive town centres whilst also increasing the tax base through the creation of new homes and increased commercial space. The use of Council assets for development will be maximised in order to increase revenue to the Council.

The configuration of services will continue to be reviewed to ensure that they are as efficient as possible, with consideration being given to options such as shared services with other organisations. Management costs will also be kept under review and additional income opportunities identified.

The Council will review how it can reduce its costs associated to the repair, maintenance and disposal of its assets and its other obligations such as flood protection. It will also be reviewing how it can reduce the costs associated with regeneration.

The current Transformation Projects within this theme are shown below:

| | Minimum Financial Benefit | Maximum Financial Benefit | Other Benefits and Description |
|---|---------------------------|---------------------------|---|
| Delivering the Masterplans | 0 | £250,000 | Enhancing Torquay and Paignton while improving the retail and tourism offers. Providing a wider mix of town centre uses, reviewing traffic flows and improving public spaces. |
| Reviewing our parking services and the creation of a Parking Strategy | 0 | £150,000 | Creating a parking strategy which provides a fair and consistent approach to the way we manage parking |
| Maximising the use of our assets | £500,000 | tbc | Maximising the use of our current assets to generate more income and dispose of those that are surplus |
| Delivering Business Rate Growth | £50,000 | tbc | Maximising business growth to maximise the amount of National Non-Domestic Rates available within Torbay. |
| Gaining the benefits from devolution | tbc | tbc | Working with partners across Devon and Somerset to maximise the benefits to Torbay of devolution to the Heart of the South West. |
| Exploring options for local levies | tbc | tbc | Considering the impacts on the economy of the introduction of local levies |

Corporate Plan Theme: Promoting healthy lifestyles across Torbay

Preventive work with vulnerable people and those with complex needs features as a theme in Torbay's Joint Health and Wellbeing Plan, focussing on the cross cutting issues which deliver a "Healthy Torbay". There will be an increase in the pace of working with partner organisations and the voluntary and community sector to deliver services differently, providing better outcomes at lower cost as well as working within objectives of the Sustainability and Transformation Plan on overarching preventative strategies across Devon.

The Council will look to secure savings through maximising community resilience. The Council will consider how it can make further efficiencies and changes in service to meet the reducing grant available to Public Health.

The current Transformation Projects within this theme are shown below:

| | Minimum Financial Benefit | Maximum Financial Benefit | Other Benefits and Description |
|--|---------------------------|---------------------------|--------------------------------|
| Transforming public health, including preventing ill-health for vulnerable people and those with complex needs | £150,000 | £500,000 | |
| Working in partnership with the voluntary sector to deliver services | £56,000 | tbc | |

Corporate Plan Theme: Ensuring Torbay remains an attractive and safe place to live and visit

The way in which key community assets such as Torre Abbey, Palace Theatre, libraries and sports facilities operate will be transformed. The provision of public toilets will be reviewed in order to meet the needs of residents and visitors whilst reducing the cost of the service.

The configuration of services will continue to be reviewed to ensure that they are as efficient as possible with consideration being given to options such as shared services with other organisations. Management costs will also be kept under review.

The Council will review how it can reduce the costs associated with the management of its wider estate. The Council will maximise the use sponsorship and grant funding opportunities to provide some recreation and landscape services.

Previous investments in LED street lighting and the Energy from Waste plant will create savings and income from new initiatives such as the Observation Wheel will be improved.

The current Transformation Projects within this theme are shown below:

| | Minimum Financial Benefit | Maximum Financial Benefit | Other Benefits and Description |
|--|---------------------------|---------------------------|---|
| Reviewing events and cultural activities in Torbay | £143,000 | tbc | |
| Reviewing Sports and Leisure in Torbay | £271,000 | £469,000 | Considering whether sports and leisure services can be delivered in a different way (including a review of grants to outside organisations) |
| Extending the role of Enforcement Officers | 0 | £80,000 | Reviewing the enforcement pilot for littering to establish if this is effective and whether it can be extended to other areas |
| Reviewing our Highways Assets | 0 | £500,000 | |
| Reviewing the provision of Public Toilets | £500,000 | tbc | Continuing provision of public toilets with different options for service delivery |
| Reviewing our flower beds and public open spaces | £200,000 | tbc | Considering how the Council and the community can improve the management of parks and open spaces. |
| Reviewing the TOR2 Contract | 0 | £500,000 | Reviewing all services in the existing TOR2 contract to determine if services can be delivered more effectively or efficiently. |
| Reviewing Library Services | £119,000 | tbc | Considering how the Council can deliver library services in a different way. |

Corporate Plan Theme: Protecting and supporting vulnerable adults

The Council will continue to work with the Integrated Care Organisation and the Clinical Commissioning Group to implement a new model of care with the aim of moving resources from urgent and emergency care settings to community and primary care settings.

Focusing on housing growth will maximise the amount of New Homes Bonus and Council Tax available to the Council. The Council aims to accelerate the Local Plan housing delivery trajectory and deliver up to 500 extra homes with the town centres of Torbay.

The current Transformation Projects within this theme are shown below:

| | Minimum Financial Benefit | Maximum Financial Benefit | Other Benefits and Description |
|--|---------------------------|---------------------------|---|
| Delivering Integrated Health and Social Care | £2,600,000 | tbc | |
| Focusing on Housing Delivery | £1,000,000 | tbc | Maximising income from housing delivery |

Cross-Cutting and Corporate

Corporately the Council will be looking to transform its services to ensure that our communities can access services as they would expect to in the 21st Century. The Council will maximise its income by providing services in the commercial sector, investing to maximise return and ensuring that it collects Council Tax and National Non-Domestic Rates effectively. The Council will make the best use of both its workforce and technology to support the delivery of front line services to its communities.

The configuration of services will continue to be reviewed to ensure that they are as efficient as possible with consideration being given to options such as shared services with other organisations.

Management costs will also be kept under review and additional income opportunities identified.

Treasury management will be used to maximise the benefits to the Council, the requirements for funding of pension enhancements is reducing and insurance reserves will be kept within the levels identified via the actuarial review.

The fees for audit services will be negotiated to ensure that value for money is being achieved whilst meeting the requirements of legislation and regulations. Consultation is underway on changes to the Council Tax Support Scheme.

The current Transformation Projects within this theme are shown below:

| | Minimum Financial Benefit | Maximum Financial Benefit | Other Benefits and Description |
|---|---------------------------|---------------------------|---|
| Transforming Customer Contact | £38,000 | | Making greater use of technology and encouraging customers to “channel shift” to improve customer contact across all Council services |
| Optimising our income | £500,000 | | Identifying opportunities to improve fees and charges arrangements and generate commercial income |
| Creating an investment portfolio | £750,000 | | Investing to generate a return on the Council’s capital. |
| Maximising our collection of Council Tax and National-Non Domestic Rates (NNDR) | £750,000 | £1,250,000 | Ensuring that discounts are applied correctly and collection rates are maximised. |
| Optimising our borrowing costs (Review of Minimum Revenue Provision) | £100,000 | £790,000 | Reviewing the amount that the Council should set aside each year to repay its borrowing |
| Reviewing our Workforce Planning | | £400,000 | Reviewing our health at work, sickness management and other terms and conditions |
| Ensuring the appropriate Corporate Support Services | | | Reviewing how the Council supports itself to deliver front-line services. |
| Improving efficiency in our decision making processes | | | Reviewing the governance arrangements within Torbay Council. |
| Digitalisation | | | Transforming the use of digital technology across the Council to enable efficiencies and more streamlined processes. |