



July September 2016

DRAFT – Efficiency Plan

Meeting Delivering the Ambition, Meeting the Challenge

1 Introduction

Torbay Council's Efficiency Plan has been written in response to the Government's offer of a guaranteed funding envelope for the four year period from April 2016. It sets out how the Council will achieve a sustainable position over the next four years and provides an overview of the existing agreed policies, strategies and plans which, together, are being used to ensure that the Council meets its ambitions for a prosperous and healthy Torbay.

The Council has a stability of direction given that the Corporate Plan covers the period up to the Council elections in May 2019 with the Medium Term Resource Plan and the Transformation Programme providing further detail around the future delivery of services.

2 Corporate Plan

<http://www.torbay.gov.uk/index/yourcouncil/performance/2910-corporate-planfinal.pdf>

To create a Council fit for the challenges of the future there is a focus on creating a prosperous and healthy Torbay.

The Council will look to secure investment in support of the right infrastructure for economic growth whilst working in partnership with important sectors and businesses such as 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 such as tSpace and Together 4 Torbay \(T4T\).](#)

Torbay's economic prosperity is dependent on a healthy workforce with economic prosperity itself helping to create healthy communities. The Council will protect its natural environment and encourage its communities to make the most of it attractive and safe open spaces. The Council will take an integrated approach 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 recognises that it must develop new ways of working and take the opportunity to do things differently. 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-and-play ourits 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

<http://www.torbay.gov.uk/index/yourcouncil/financialservices/budget/mtrp15.doc>

Torbay Council's current Medium Term Resource Plan covers the period until the end of 2019/2020. Having taken into account the income and expenditure estimates based on the assumptions in the Plan, the table below summarises the pressures faced by the Council and as of April 2016 identifies an estimated funding gap of £18.5 million over the Plan period was identified.

As a result of the financial position in the current financial year in both children's and adults social care and the likely ongoing impact of these pressures on the Council's future year budget position it is expected that the current budget "gap" to be met by 2019/2020 is larger than stated in the Medium Term Resource Plan.

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

The additional income and the level of reductions that the Council will need to achieve by 2019/2020 is £21.5 million.

Revenue Budget	2015/16 Restated * £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
Estimated Sources of Finance (Revenue Support Grant, Business Rate Retention, Council Tax & Collection Fund) **	(110,920)	(109,056)	(105,784)	(105,291)	(105,238)
Net Expenditure budget					
Net expenditure base budget b/f	116,975	110,920	109,056	105,784	105,291
In year movements e.g. pressures, investments and funding changes	5,354	7,419	5,239	4,921	3,900
Adult Social Care 2% Council tax	0	1,089	1,104	1,125	1,148
Less service savings/income	(12,975)	(8,806)	0	0	0
Less 2015/16 One Off expenditure	0	0	(2,790)	0	0
Add 2015/16 savings delayed until 2016/17 – Adult Social Care	1,566	(1,566)	0	0	0
<u>In-year social care pressures</u>			<u>3,000</u>		
Total Net Expenditure budget	110,920	109,056	112,609 115,609	111,830	110,339
Savings required <u>in year</u> to balance budget			(6,825) (9,825)	(6,539)	(5,101)
Total Net expenditure budget after savings	110,920	109,056	105,784	105,291	105,238
Total Savings to be identified for the period of the Plan 2017/18 to 2019/20					(18,465) (21,465)

* Technical change to presentation from 2016/17. Income from Devon Business Rate Retention Pool no longer classified as sources of finance income but service income. Section 31 New Burdens Grant – Business Rates, no longer classified as service income but sources of finance income.

** 2016/17 Revenue Budget identified a funding gap £12.4m this includes the deferred Adult Social Care saving of £1.6m. The balance of £10.8m is reflected as: Service Savings £8.8m, additional source of funding including council tax and NNDR of £1.3m, £0.7m of savings through changing inflation assumptions on both income and expenditure.

For scenario planning purposes, officers have assumed a Council Tax increase of 1.99% per annum for each year of its Medium Term Resource Plan as well as taking advantage of the ability to raise Council Tax by 2% in order to fund adult social care. Any rise in Council Tax would need to be agreed by the Council each year.

Table last updated 19 April 2016

There continues to be an immense challenge to prepare and deliver robust budgets year-on-year which provides the statutory services of the Council as well as those discretionary services which are valued by the community. Over 60% of the Council's net budget is allocated to adult and children's social care and 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.

However, the findings from two external inspection processes¹ need to be remembered: Torbay Children's Services is well resourced; and Torbay Council is a viable organisation moving forward provided that tough financial decisions are made at pace.

Income

As at April 2016, the Government had confirmed its intention to allow councils to keep 100% of National Non-Domestic Rates (NNDR) income "by the end of the parliament". When that change occurs, it will be fiscally neutral with the current Revenue Support Grant being removed completely (it stood at £27million in 2015/2016), other grant funding is being reduced and more responsibilities are being passed to the Council. Based on these proposed changes, Torbay Council assumes that it will be primarily reliant on

¹ Ofsted Inspection of Services for children in need of help and protection, children looked after and care leavers (January 2016) and LGA Corporate Peer Challenge (December 2015)

Council Tax and NNDR income for its funding, meaning that there is a strong incentive for the Council to plan for and achieve tax base 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 also 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

There is a continuing financial impact of the service pressures within Children's Services. The service spends more than its statistical neighbours and a reduction in spend is fundamental to the Council achieving 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 total financial pool for health and care with a Risk Share Agreement in operation 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.

In addition to the expected significant increase in the elderly population of Torbay, there will also be general growth in the population by 300 households per year with the consequent pressure on services such as refuse collection, benefits, education, community facilities and transport.

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:** Adult Social Care has been delivered through an integrated "care trust" for many years. The NHS reforms and the need for health trusts to become foundation trusts has led to a solution in Torbay 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 an 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 creating a financially sustainable Local Authority. It will also assist in delivering an engaged and empowered workforce.

The Council is also in the process of forming a new 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 the following sections are the projects as they stand in July 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 which follow show both the minimum and maximum financial benefit currently expected. (It should be noted that those projects with no financial benefit shown are in the early stages of development with the benefits still to be identified.)

With this in mind, the Council is also exploring other ways of increasing its income or reducing its expenditure in the coming year. The outlines of these proposals are referred to in the sections which follow to allow for engagement with our partners and communities to commence ahead of more definitive formal proposals being published by the Mayor in November 2016 for formal consultation.

Protecting all children and giving them the best start in life

The Children's Services Financial Plan will focus on reducing demand and establishing a stable financial position at a reduced level. The integration of the Children's Services workforce into the Integrated Care Organisation will follow in future years.—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

	Minimum Financial Benefit	Maximum Financial Benefit	Other Benefits and Description
Transforming Schools and Education		£500,000	
Delivering the Children's Services Financial Plan	£2,000,000	£2,000,000	<u>A fundamental review of Torbay's population of Children Looked After is underway together with the potential for the reductions in the Children's Services Financial Plan to be delivered. Further work is needed to determine a more realistic trajectory.</u>
Creating the Torbay Public Services Trust	£730,000	£730,000	
Creating the Torbay Youth Trust	£86,000	£86,000	
Establishing longer term savings from within Children's Services			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			Establishing whether Children's Safeguarding services can be delivered via the Integrated Care Organisation or a separate Trust

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.

Current Transformation Projects

	Minimum Financial Benefit	Maximum Financial Benefit	Other Benefits and Description
Delivering the Masterplans		£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		£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		Maximising the use of our current assets to generate more income and dispose of those that are surplus
Delivering Business Rate Growth	£50,000		Maximising business growth to, in turn, maximise the amount of National Non-Domestic Rates available within Torbay.
Gaining the benefits from devolution			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			Considering the impacts on the economy of the introduction of local levies

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. Savings will be realised as the Community Development Trust becomes self-financing.~~ The Council will consider how it can make further efficiencies and changes in service to meet the reducing grant available to Public Health.

Current Transformation Projects

	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		

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 of 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.

Current Transformation Projects

	Minimum Financial Benefit	Maximum Financial Benefit	Other Benefits and Description
Transforming events and cultural activities in Torbay	£143,000		
Transforming 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		£80,000	Reviewing the enforcement pilot for littering to establish if this is effective and could be extended to other areas
Reviewing our Highways Assets		£500,000	
Transforming the provision of Public Toilets	£500,000		Continuing provision of public toilets with different options for service delivery
Reviewing our flower beds and public open spaces	£200,000		Considering how the Council and the community can improve the management of parks and open spaces.
Reviewing the TOR2 Contract		£500,000	Reviewing all services in the existing TOR2 contract to determine if services can be delivered more effectively or efficiently.
Transforming Library Services	£119,000		Considering how the Council can deliver library services in a different way.

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.](#)

Consideration will be given to reducing accommodation support for vulnerable people.

Current Transformation Projects

	Minimum Financial Benefit	Maximum Financial Benefit	Other Benefits and Description
Delivering Integrated Health and Social Care	£2,600,000		
Focusing on Housing Delivery	£900,000 £1,000,000	£1,800,000	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 will commence~~ on changes to the Council Tax Support Scheme.

Cross-Cutting and Corporate

	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		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.

5 Conclusion

The Council recognises that, as a result of the ongoing challenges the Council has in adult and children's social care, its funding gap has increased since the preparation of its Medium Term Resource Plan. It also recognises that taking the minimum financial benefit from the Transformation Programme as it currently stands will not be enough to meet challenge of the Medium Term Resource Plan. The Council will deliver its ambitions of a prosperous and healthy Torbay and will maintain the pace and scale of change to seek to maximise the financial benefits from its Transformation Programme. Alongside this, it will continue to identify further opportunities for working with others, generating income and reducing costs to ensure its viability going forward.

This Efficiency Plan has been prepared in response to the Government's offer of a Multi-Year Funding Settlement for Council. The Council believes it fulfils the requirement for accepting this deal.

The greater certainty around the Council's funding settlement will bring about opportunities for further savings through the ability to be able to plan for, and invest in, more significant changes to both service provision and the generation of sustainable income sources in future years.

The Council's Efficiency Plan is challenging and ambitious. Its delivery will improve the Council's income and make savings against its expenditure. It will be undertaken in partnership and by an engaged and empowered workforce. Ultimately it will ensure sustainable public services for the community of Torbay.

This Efficiency Plan was approved by the Council at its meeting held on 22 September 2016 and has been published on the Council's website.

Signed: _____

Gordon Oliver
Elected Mayor of Torbay
on behalf of Torbay Council

Signed: _____

Steve Parrock
Chief Executive