

Meeting: Council

Date: 22 September 2016

Wards Affected: All

Report Title: Efficiency Plan

Is the decision a key decision? No

When does the decision need to be implemented? By 14 October 2016

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1. Proposal and Introduction

1.1 As part of the Local Government Finance Settlement for 2016/2017, the Government provided an offer of a four-year settlement up to 2019/2020 which was dependant on councils submitting an Efficiency Plan to the Department for Communities and Local Government (DCLG). The alternative would be an annual settlement with DCLG and HM Treasury. The Efficiency Plan needs to be submitted to the DCLG by 14 October 2016.

1.2 Given the changes in Government since the EU Referendum, it is assumed that the offer of a four-year settlement is still available and for Torbay would provide a Revenue Support Grant as follows:

2017/2018	£14.19 million
2018/2019	£10.31 million
2019/2020	£6.42 million

1.3 Very little guidance has been issued as to what constitutes an efficiency plan although the LGA and CIPFA have issued "Top Tips". That document highlights that no two efficiency plans will be the same as each local authority has its own ambitions, policies, opportunities and challenges and that each will be at a different stage in its journey to financial stability. However, it is recognised that an efficiency plan need not be any more than an abridged version of key, existing public documents already put together by the Council.

- 1.4 In terms of the ambitions of Torbay Council, these are set out in the approved Corporate Plan (including its Delivery Plans). The financial challenges faced by the Council are articulated within the Medium Term Resources Plan (the latest version of which was published in April 2016). In response to the LGA Corporate Peer Challenge, the Council has established a Transformation Programme which will respond to the ambitions and challenges of the Council.
- 1.5 The attached Efficiency Plan provides a summary of the Corporate Plan and the Medium Term Resources Plan. It then describes the high level Transformation Programme which includes a wide range of projects. The Council's principles will underpin each project as the authority looks to maximise its income and reduce its expenditure.
- 1.6 The Transformation Programme, by its very nature, is an iterative process and will inevitably be subject to regular change. The Efficiency Plan sets out the projects as they stand in July 2016. The savings or income identified will be realised over a three year period.
- 1.7 As part of the decision making process for each project within the Transformation Programme, further consultation will take place as appropriate. Likewise, there is a level of risk associated with each project. These will be assessed and mitigation actions identified ahead of decisions being taken.

2. Reason for Proposal

- 2.1 To agree an Efficiency Plan to enable the Council to take advantage of the four-year funding settlement from Government.
- 2.2 However, regardless of the four-year funding settlement, the adoption of the Efficiency Plan is recommended as it provides a clear sense of direction about how the Council will implement plans to improve outcomes to the community and to ensure that it is a sustainable local authority.

3. Recommendation(s) / Proposed Decision

- 3.1 That the Council accept the offer of a four-year settlement and the Efficiency Plan attached at Appendix 1 be approved for submission to the Secretary of State for Communities and Local Government.
- 3.2 That, should the Government's requirements and/or offer change ahead of the submission deadline, the Chief Financial Officer be authorised to amend the Efficiency Plan, in consultation with the Mayor and Group Leaders, and to determine whether or not to accept the offer and submit the amended Efficiency Plan to the Secretary of State.
- 3.3 That the Director of Transformation be requested to progress each of the projects within the Transformation Programme and that, where appropriate, entries be included within the Forward Plan to enable engagement and consultation to take place as part of the decision making process.

4. Further information

- 4.1 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, as of April 2016, an estimated funding gap of £18.5 million over the Plan period was identified.
- 4.2 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 likely that the current budget "gap" to be met by 2019/2020 is larger than stated in the Medium Term Resource Plan. The Efficiency Plan therefore identifies that the additional income and the level of reductions that the Council will need to achieve by 2019/2020 is £21.5 million.
- 4.3 Engagement with partners and the community took place during August 2016. The feedback received during the engagement period has been taken into account in preparing the Efficiency Plan at Appendix 1. The Overview and Scrutiny Board will formally consider the Plan at its meeting on 14 September 2016 and will publish its report after this date.
- 4.4 The Community Development Trust has been asked to develop a proposal for wider community engagement to ensure that all options for different ways of working can be explored as the Transformation Programme develops further.

Appendices

Appendix 1: Efficiency Plan

Background Documents

None