

Draft Efficiency Plan

Report to the Council

September 2016



1. Background

- 1.1 Torbay Council published its draft Efficiency Plan for engagement on 2 August 2016. At that time, the Council's Overview and Scrutiny Board asked that its Priorities and Resources Review Panel meet to discuss the draft Plan to enable feedback to be provided to the Council. The Board's Tourism Task-and-Finish Group also reviewed elements of the draft Efficiency and those views are incorporated into this report.

2. Introduction

- 2.1 The Priorities and Resources Review Panel met on 8 August 2016 and, at that meeting, the Director of Transformation explained that the Efficiency Plan had been prepared taking account of the guidance issued by the LGA and CIPFA. The Plan provided a synopsis of both the Corporate Plan and the Medium Term Resource Plan and then set out details of the Council's Transformation Programme.
- 2.2 It was explained that the Transformation Programme would 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 would provide best value for money whilst creating a financially sustainable Local Authority. It would also assist in delivering an engaged and empowered workforce.
- 2.3 The Panel noted that the Programme was built of a wide range of projects focused around the ambitions, targeted actions and principles within the Corporate Plan with many of the projects already identified within the Corporate Plan Delivery Plans. The Efficiency Plan identified a current list of projects with indicative financial benefits. Further projects would be added to the Programme over time.
- 2.4 Business Cases for each project were in the process of being prepared and would be subject to individual decision making processes as appropriate.

3. Transformation Projects

- 3.1 The Panel gave consideration to a number of projects within the Transformation Programme and reviewed the Business Cases for those projects as they stood at that point in time. Executive Leads were invited to discuss the projects with the Panel.

Assets

- 3.2 This transformation project seeks to optimise revenue income and increase the Council's commercialism including increasing income through consolidated beach assets and growth. It seeks to identify opportunities to drive revenue benefits for the Council linked to a new Tourism Strategy. The project will consider all assets (not covered by other transformation projects) in respect of opportunities for future revenue generation and disposal.

- 3.3 The Tourism Task-and-Finish Group were broadly supportive of the business case although they felt that there needed to be a better understanding of whether the focus was on increase revenue or better use of capital assets. The Group also highlighted that none of the transformation projects should be progressed in isolation and that the various business cases needed to be “joined-up”. In this instance, there should be clear links with the business cases for Events and Cultural Activities, Sports and Leisure and Flowerbeds and Public Open Spaces.

Housing Growth

- 3.4 The Review Panel received the business case prepared by Savills on the option of the creation of a local authority company to support the investment in and development of new housing and to generate income for the Council.
- 3.5 The Panel was broadly supportive of the proposals but it was recognised that further information was required. Assurances were provided that further information would be shared as it became available in the lead up to the proposals being considered at future meetings of the Council.

Masterplans

- 3.6 The Masterplans (alongside the Torbay Local Plan and Economic Strategy) aim to support the regeneration of Torquay and Paignton town centres as a focus for urban renewal and new development. They promote an ambitious approach to new jobs and homes in town centres, increasing footfall and spend and increasing visitor numbers.
- 3.7 In addition, the delivery of the Council’s agreed Masterplan programme is expected to bring financial benefits to the Council of capital receipts from the disposal of properties no longer required or fit for purpose, improved revenue from car parking as a consequence of higher footfall, increased business rate income, New Homes Bonus and an uplift in Council property values.
- 3.8 The priority sites which have been identified are:
- Town Hall car park, Torquay
 - Temperance Street, Torquay
 - Improvements to the Harbour environment
 - Victoria Centre, Paignton
 - Crossways, Paignton

- 3.9 The Review Panel sought assurance on whether there was capacity within the Council and TDA to deliver the Masterplans at the pace required. It was reported that a Masterplan Programme Manager had now been appointed but that, in order to maintain the pace, there needed to be a corporate willingness to commit to a focused number of projects. To that end, the Panel sought further assurances about how the plans for Crossways in Paignton would be progressed.

TOR2 Service Contract Changes – Waste

- 3.10 This transformation project seeks to make service contract changes in the TOR2 contract in respect of waste. It includes sub-projects around the cycle of waste collections, bulky waste, food waste, non-household waste and the re-classification of self catering accommodation.

- 3.11 The Panel felt that changes in the cycle of waste collections would not be politically acceptable and that a decision should be made by the Council on any such change. The Panel supported the other initiatives whilst recognising that these alone would not create the level of savings that the Council was looking to achieve.

Review of the Joint Venture Company Contract with TOR2 Ltd

- 3.12 The project seeks to review the Council's current Joint Venture Company arrangements to ensure that they remain fit for purpose ahead of the current contract with TOR2 coming to an end. The Panel felt that a Task-and-Finish Group should be established to work alongside the transformation project to monitor progress once the external support required is in place. This Task-and-Finish Group would also monitor progress in relation to the waste transformation project.

Children's Services Financial Plan

- 3.13 The Director of Children's Services provided an update to the Panel on the Children's Services Financial Plan. He reported that as at the end of Quarter 1 of the 2016/2017 financial year, Children's Services was projecting an overspend of around £1.3 million. Although actions have been taken to address this pressure, consideration challenges remain both in-year and over the remainder of the Financial Plan period.

- 3.14 The reduction in Children's Services spend is predicated on three primary elements:

- Bringing the population of Children Looked After (and the associated placement costs) in line with statistical comparators by 2018/2019
- Reducing dependant on high cost residential and independent foster care placement, whenever this best meets the need of the child
- Reducing staffing costs in both social care and non social care

- 3.15 The Director of Children's Services would be completing a detailed analysis of the Children Looked After population and their projected exits from care over the current and subsequent years by early September and would report back to the Overview and Scrutiny Board.

Transfer of Children's Services into the Integrated Care Organisation

- 3.16 The Panel also considered a further transformation project around the potential transfer of a range of Children's Services to the Integrated Care Organisation. The timescales for this project had been revised to acknowledge the outcome of the Ofsted inspection and the associated appointment of the DfE Commissioner. The DfE had appointed external consultants (Mutual Ventures) to work with the Council and ICO to reconfigure the project plan during September 2016. It was expected that the earliest likely transfer would be between December 2017 and April 2018.

Integrating Adult Health and Social Care

- 3.17 The Director of Adult Services reminded the Panel that the creation the ICO and the associated pooled budget provide a five year profile of income and expenditure on health and adult social care based on the movement of:

- acute services to community services
- bed-based care to home-based care; and

- treatment of conditions and illness to prevention and wellbeing.

3.18 The main risks to this transformation project are the delivery of the new model of care by the ICO and the ability of the transformation to be contained within the assumed levels of expenditure. Containing expenditure during 2016/2017 within the limits is looking extremely challenging for the NHS side of the business. The Council will continue to work with the NHS as part of the wider Sustainability and Transformation Plan to ensure that the health and care system can be managed within the resources available.

4. Efficiency Plan

4.1 Having considered eight of the projects within the Transformation Programme, the Overview and Scrutiny Board reviewed the draft Efficiency Plan. The Board are clear that savings from transformation need to be brought forward as early as possible and therefore the business cases need to be developed and decisions brought forward at the pace required. The Board recognise that these will be difficult decisions to make.

4.2 The Board will expect its Priorities and Resources Review Panel to be able to review, challenge and debate the detail of the proposals through its meetings in November 2016.

4.3 The Board reiterate that over 60% of the Council's net budget is allocated to adult and children's social care and, therefore, it is critical that the transformation projects in these areas deliver the maximum benefits within the Plan period.

5. Recommendations

5.1 The Efficiency Plan should be accepted as the three year plan towards Torbay Council meeting the funding gap shown within the Medium Term Resource Plan (as amended). The Overview and Scrutiny Board has previously identified many of the issues within the Efficiency Plan as items to be explored and it expects to be able to consider the details of these proposals during its review of Priorities and Resources in November. The Mayor and Executive is therefore requested to bring forward its proposals as a matter of urgency to enable the Council to start making difficult decisions in order to set balanced budgets moving forward.