

# Torbay Council

## LGA Remote Corporate Health Check

### Feedback report

11<sup>th</sup>, 12<sup>th</sup> and 17<sup>th</sup> May 2021



## Introduction

When the COVID-19 pandemic emerged and lockdown began in March 2020, the LGA suspended the physical delivery of all peer challenge work including the core offer of a corporate peer challenge.

To continue to support councils during this unprecedented period, the LGA rapidly refocused their support and adopted a new remote approach, focusing on supporting the recovery and renewal of local government and its communities. This new approach does not replace the LGA Corporate Peer Challenge offer.

On 11<sup>th</sup>, 12<sup>th</sup> and 17<sup>th</sup> May 2021 Torbay Council undertook an LGA Remote Corporate Health check (RCHC). At the council's request, in order to provide the greatest added value from a set of external peer perspectives, the team focused on issues of ambition and aspiration; governance, performance and risk; council redesign; finance; and strategic partnership and the team comprised the following participants:

- Rob Walsh, Chief Executive of North East Lincolnshire Council
- Councillor Gerald Vernon-Jackson, Leader of Portsmouth City Council
- Chris Bowron, LGA Peer Challenge Manager

## Executive summary

This is a really exciting time for Torbay, with a focus on transformational changes in the council and 'a once in a lifetime opportunity' in the regeneration of Torbay as a place. The authority is undoubtedly making good progress and there is much to be proud of around this.

The ambition of the council's political and managerial leadership is huge, however there are challenges in the delivery of this with limited capacity. There therefore needs to be an absolute focus, politically and managerially, on an agreed set of real priorities for the council.

The Administration's underlying principles around engaging, enabling and empowering communities are well understood across the organisation and there is real commitment to applying them. The 'Torbay Together' local strategic partnership has been re-established as a forum that engages across Torbay and its key sectors. This comes at a key time, with many people highlighting the need for Torbay to understand better and articulate what makes it special and unique. The council is also engaging more effectively regionally and nationally.

Positive progress is being seen in relation to children's services but the rigorous attention that the service has received to date needs to be maintained.

The authority is facing a £14m funding gap across the three years to 2024/25. There are plans to develop a three-year rolling programme to address this and the council has identified eight 'big ticket items' to focus on. The crucial step that needs to be taken now is translating the intention into a clear plan and set of actions.

The Chief Executive was recently appointed on a permanent basis and this has been universally welcomed. She has been integral to a range of key 'building blocks' being put in place relating to the corporate functioning of the organisation and good progress is being made with, and through, the implementation of these. There is widespread recognition that the authority is 'on a journey' though and there is still a good way to go. The Council

Redesign Programme seeks to deliver a renewed focus on the authority's priorities and support the rethinking of services and the improvement of outcomes for local people. The council is positively taking its staff with it in relation to the changes that emanate from this.

## Recommendations

The following are the recommendations made by the peer team, listed in the order that the elements they relate to appear in the main body of the report:

- That the council ensures it plays a key role as part of Torbay Together in taking forward the findings from the 'Thinking Places' work defining a vision of an ambitious and exciting future for Torbay
- That rigorous focus is maintained in order to continue the positive progress being made in relation to children's services
- That the ambitions and intentions around the 'big ticket items' identified as central to addressing the council's funding gap translate into a clear plan and set of actions
- That real focus is applied to both the 'Higher Needs Block' within the Dedicated Schools Grant and ensuring a smooth transition to a new set of contractual arrangements around the Integrated Care Organisation
- That there is dialogue across the political and managerial leadership around a focus on, and the delivery of, an agreed set of real priorities for the council
- That the council ensures the 'building blocks' being put in place, and which are integral to the effective corporate functioning of the organisation, are recognised by all managers as representing the 'day job' rather than an additional set of demands

## Feedback on the core themes of the health check

This is a time of significant ambition and opportunity for Torbay. The council's stated ambitions are for Torbay and its residents to thrive and for it to be a place where the tide on poverty has been turned and inequalities have been tackled; where children and older people have high aspirations; and where there are quality jobs, good pay and affordable housing for residents.

The ambition includes the regeneration of the town centres of Torquay, Paignton and Brixham under what was described as "a once in a lifetime opportunity" for Torbay due to the significant sources of one-off funding that have been successfully bid for. The desire is to establish Torbay as the premier resort in the UK, with a vibrant arts and cultural offer for residents and visitors to enjoy; where the built and natural environment are celebrated; and a place fulfilling its part in addressing the climate change emergency.

These ambitions are encapsulated by the four visions within the Community and Corporate Plan:

- Thriving People

- Thriving Economy
- Tackling Climate Change
- Council Fit for the Future

The council is half-way through an Administrative cycle and the Administration's underlying principles around engaging, enabling and empowering communities are well understood across the organisation and there is real commitment to applying them.

The Chief Executive was recently appointed on a permanent basis and this has been universally welcomed by those people we met – with real optimism around, and tremendous goodwill towards, her. She has been integral to a range of key 'building blocks' being put in place relating to the corporate functioning of the organisation, including a revised set of informal governance arrangements that facilitate engagement across the political and managerial leadership; business plans for each service plus an overall Council Business Plan; a performance and risk strategy and framework; and the Council Redesign Programme. There are also signs of the council becoming a more responsive organisation to both citizens and councillors, with the emerging customer service standards central to this.

Good progress is being made with, and through, the implementation of these key strands of how the council operates but there is also widespread recognition that the authority is on 'a journey' with them and there is still a good way to go.

The Council Redesign Programme comprises four elements:

- 'Our Communities' – reconnecting with and enabling and empowering communities
- 'Our Organisation' – putting customers at the centre of the organisation
- 'Our People' – being an organisation that the council's people are proud of
- 'Future Ways of Working' – modernising, simplifying and standardising how the council works in order to support the communities of Torbay and build a resilient council fit for the future

The programme seeks to deliver a renewed focus on the council's priorities and support the rethinking of services and the improvement of outcomes for local people. The intention is to bring a joined-up approach to change that meets the priorities in the Community and Corporate Plan and supports the delivery of the targets in the Medium-Term Resource Plan. In relation to the changes that are being delivered, the council is positively taking its staff with it. A revised internal engagement approach has been integral to this and, having been trialled during the course of last year, this has now been formally established with an underpinning internal engagement strategy.

The council is also facing outwards more, with enhanced stakeholder engagement regionally and nationally, including regional engagement around the response to the pandemic and with the Heart of the South West partnership arrangement linked to the Local Enterprise Partnership and, nationally, with central government. This has been aided by the roll out of an influencing strategy through workshops with Cabinet and the Senior Leadership Team (SLT).

Torbay's first Community Conference was held in the latter part of 2019 and four very clear messages emerged from this engagement with local people:

- There needs to be a change of culture in the council and in communities
- Trusted relationships with communities need to be built
- Communication with communities and individuals needs to improve
- Celebration of the bay and its people need to be encouraged

The Community and Corporate Plan and a community engagement and empowerment strategy have subsequently been developed and the 'Torbay Together' local strategic partnership has been re-established as a forum that engages across Torbay and its key sectors. The council, on behalf of Torbay Together, has commissioned an organisation called 'Thinking Places' to support it in defining a vision of an ambitious and exciting future for Torbay. This comes at a key time, with many people we met highlighting the need for Torbay to understand better and articulate what makes it special and unique. The outputs from the 'Thinking Places' work will be presented over the coming weeks and Torbay Together is well-placed to take this forward.

Whilst Torbay Together exists as a non-politically led forum, it is important that the democratic mandate uniquely held by the Administration of the council, and their priorities for the place, are considered in the work of Torbay Together. The dialogue taking place now between the Chair, the council Leader and the council Chief Executive to facilitate this is constructive and to be welcomed.

Positive progress by the council is being seen in relation to children's services, as reflected in a recent Ofsted 'focused visit' but rigorous attention needs to be maintained and there can be no room for complacency. The number of children looked after by the local authority remains among the highest in England, based on population, and there is still much progress that needs to be maintained if the ambitions the council has are to be fulfilled. Amongst the improvements that have been secured is reduced expenditure in key areas including out-of-borough placements. Whilst the level of agency staff employed in children's social care remains high, initiatives such as the council's Children's Services Learning Academy and the routes it offers people into social work are helping to develop capacity and make things more financially sustainable.

Whilst the council's balance sheet is seen to be the strongest anybody can remember, reflected in the increase of reserves recently, the authority is facing a £14m funding gap across the three years to 2024/25 and the challenge of this cannot be overstated. There are plans around developing a three-year rolling programme to address this gap and, as an initial step, the council has identified eight 'big ticket items' within the revenue budget to focus on. This includes adult social care; children's services; the Collection Fund; and increased income. It also includes SWISCo, a recently established wholly owned company of the council delivering a range of street scene and public realm related services. The crucial step that needs to be taken now is translating the intentions around the rolling programme and the 'big ticket items' into a clear plan and set of actions.

Within the above, a key risk facing the authority comes in the form of the funding around the Integrated Care Organisation (ICO), which links adult social care and health. The contract for the ICO has less than two years to run and managing the expiration of this requires real focus and detailed understanding in order to ensure a smooth transition to a new set of

contractual arrangements that aid the financial sustainability of the council. Managing this situation is critical in order to provide certainty as to the council's future financial position.

Whilst the Dedicated Schools Grant and the 'Higher Needs Block' within it sit outside the council's revenue budget, this area also requires on-going focus and resolution in order, again, to safeguard the financial sustainability of the council.

The council's ambitions around both the place agenda and changing the way the organisation operates are extensive, however everyone we spoke to was aware that there is limited capacity. This is, after all, an organisation where resources have significantly diminished over the last ten years. These ambitions come on top of the council continuing to have to contend with the pandemic, including the social and economic impacts of that, and 'business as usual'. It is therefore imperative that the council ensures it manages its capacity carefully if it is to deliver to best effect in the areas of greatest importance. There are a number of considerations in relation to capacity, as follows:

- Firstly, a small proportion of elected members are absorbing a disproportionate amount of capacity amongst officers on what we understand to be ward-based and day-to-day service issues. This situation needs to be openly acknowledged as unsustainable and the emerging solutions implemented.
- Secondly, essentially something needs to change, involving either revising the council's ambitions and priorities or identifying additional capacity to deliver them – however, in the context of the future funding gap, identifying additional capacity will be challenging. The revised set of informal governance arrangements to facilitate engagement are enabling a more mature dialogue between the political and managerial leadership and this is to be welcomed but it needs to move up a level. People have been very candid with us during our work and there needs to be a similarly open and straightforward dialogue across the political and managerial leadership around a focus on, and the delivery of, an agreed set of real priorities for the council.

Central to this is how the opportunity that exists now to invest more in Torbay, due to the availability of one-off funding such as the Towns Fund and the Future High Street Fund, is taken forward. There are clear political realities and imperatives here, centred on delivering the things that will make the greatest difference in the eyes of the electorate. For some, this is seen to be about operational matters around the street scene and public realm whilst for others it is strategic in terms of demonstrating the ability of the council to make a difference and delivering what people want. The situation is more complex than a dialogue and narrative around 'operational' and 'strategic' allows for. Clarity needs to be developed around what the related proposed investment in Torbay is going to entail and when the impacts will be seen. Once this has been agreed, confidence needs to be instilled in elected members that the related priorities will be delivered and, in turn, they need to be consistent around them and provide the space for officers to focus on delivering them.

- Thirdly, there is a need for greater mutual understanding between officers and elected members of their respective challenges and considerations. Thinking is emerging around some 'Top Team' development activity and we see this as having a valuable role to play. Linked to this, we see benefit in further clarification around the revised set of informal governance arrangements in order to provide greater clarity

regarding when 'operational' matters are under discussion and when the focus is on the more 'strategic'.

In this work considering and refining aspects of the revised informal governance arrangements, we would encourage the council to ensure it is maximising opportunities for cross-party involvement given the capacity that exists there to contribute ideas, thinking and effort. Alongside this, the changed ways of working that have been brought about by the pandemic have disrupted normal ways of operating right across the elected membership of councils and, as 'normality' starts to return, so too will councillors be enabled to re-adopt more familiar approaches.

- Finally, it is also important to ensure that a strategic focus is maintained at SLT level. Crucially this requires greater devolvement, with responsibility being held further down the organisation. Those people that we met below SLT level indicated that they are up for this opportunity and challenge.

The 'building blocks' being put in place clearly represent change and a drive to secure improvement across the council. The process by which these tools, which are integral to the effective corporate functioning of the organisation, come to be adopted and embedded will be made easier, and the elements themselves will be made much more effective, if they are seen by all managers as representing the 'day job' rather than an additional set of demands. Key elements such as performance management and risk management are clearly integral to the effectiveness of any organisation and any manager.

Within this, however, it is helpful to maintain an open and constructive dialogue around barriers and blockages that people may be experiencing in relation to further change and improvement, whether that be elements that they are struggling to be convinced by or aspects that they find themselves needing support in bringing about. There is something very healthy about creating the appropriate space and scope for people to be able to constructively challenge proposed approaches; fostering discussion and agreement over the 'non-negotiables' relative to the 'nice-to-haves'; and identifying where discretion can be applied. Enabling this acts as a way of preventing initiatives that people aren't convinced about buying into being 'killed off' through other means.

Finally, there is also real benefit to be had from the council doing more in the way of 'showcasing the good'. The authority is undoubtedly making good progress and there is much for people within it to be proud of around this. Ensuring the successes and the people and approaches behind them are profiled is morale boosting for the whole organisation as well as the individuals concerned and helps the spreading of good practice.

## Final thoughts and next steps

The LGA would like to thank the council for undertaking a Remote Corporate Health Check.

We appreciate that the senior managerial and political leadership will want to reflect on our findings and suggestions in order to determine how the organisation wishes to take things forward.

Under the umbrella of LGA sector-led improvement, there is an on-going offer of support to councils. The LGA is well placed to provide additional support, advice and guidance on a number of the areas identified for development and improvement and we would be happy to discuss this. Paul Clarke (Principal Adviser) is the main point of contact between the

authority and the Local Government Association (LGA). His e-mail address is [paul.clarke@local.gov.uk](mailto:paul.clarke@local.gov.uk).