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Date: Wednesday, 21 February 2018

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Dear Member

**COUNCIL - THURSDAY, 22 FEBRUARY 2018**

I am now able to enclose, for consideration at the Thursday, 22 February 2018 meeting of the Council, the following reports that were unavailable when the agenda was printed.

<b>Agenda No</b>	<b>Item</b>	<b>Page</b>
a)	<b>Notice of Motion - Plastic Free Torbay</b>	(Page 206)
12.	<b>Recommendations of Investment Committee - Review of Investment Fund Strategy</b>	(Pages 207 - 216)
13.	<b>Council Tax 2018/2019</b>	(Pages 217 - 222)

Yours sincerely

June Gurry  
Clerk

## Revised Notice of Motion – 22 February 2018

(revisions shown in bold text)

### Plastic Free Torbay

Torbay is an important UNESCO **accredited Global Geopark**~~World Heritage site~~. The sea has shaped our communities and history and is a vital contributor to our economy and premier tourism offer.

This Council notes that in 2016 the Ellen MacArthur Foundation estimated that by weight, there could be more plastic in our oceans than fish as soon as 2050. Columbia University has estimated that plastic can last for up to 600 years in our environment, often finding its way into marine life thus affecting the food chain, and the water we eventually drink.

Torbay Council also congratulates the Herald Express newspaper and 'Devon Live' for launching a campaign with 'Surfers Against Sewage' (SAS) to encourage 125 communities to become plastic free by 2020.

Following the public outcry on this issue after the BBC 'Blue Planet II' programme, this Council resolves to provide leadership on this issue by:

- 1) Instigating a council-led Plastic Free Torbay Task Force that involves all sections of the local community to be in place by July 2018. This task force will create an action plan that works towards moving away from the unnecessary single use plastics in Torbay and campaign to reduce and discourage single use plastics from retail premises;
- 2) Start phasing out the use of unnecessary 'single use plastic' products such as bottles, cups, cutlery and drinking straws in all Council buildings and at all Council events by July 2020;
- 3) Installing a free drinking water fountain in Paignton Library;
- 4) Increasing the amount of plastic that can be recycled through doorstep recycling and instigating a strategy to reduce the amount of litter on Torbay's streets;
- 5) Working with local businesses and the Tourism Sector to participate in this initiative; and
- 6) Sign up to the Herald Express and SAS campaign for Torbay to become a Plastic Free community by 2020.

Proposer: Councillor Long

Seconder: Councillor Carter



**Meeting:** Council

**Date:** 22 February 2018

**Wards Affected:** All Wards

**Report Title:** Review of Torbay Investment and Regeneration Fund Strategy

**Is the decision a key decision?** No

**When does the decision need to be implemented?** As soon as possible

**Executive Lead Contact Details:** Elected Mayor Oliver, Executive Lead for Assets, Finance, Governance and Corporate Services, Economic Regeneration and Transformation, (01803) 207001, [mayor@torbay.gov.uk](mailto:mayor@torbay.gov.uk)

**Supporting Officer Contact Details:** Anne-Marie Bond, Director of Corporate Services and Operations, [anne-marie.bond@torbay.gov.uk](mailto:anne-marie.bond@torbay.gov.uk), (01803) 207015

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## 1. Proposal and Introduction

- 1.1 At the meeting of the Investment Committee held on 23 January 2018, the Committee resolved “that, in light of the pending announcement of the Government in respect of out of area investments, the Director of Corporate Services and Operations be requested to review the remit of the Investment Committee to include oversight of all projects and consideration of regeneration investments.”
- 1.2 The Director of Corporate Services and Operations has undertaken a review of the Investment Fund Strategy to ensure that it is a high level strategy, includes regeneration proposals, as well as proposing that an operational policy is developed alongside setting out the practical implementation of the Strategy. The revised Investment and Regeneration Fund Strategy was reviewed by the Investment Committee on 20 February 2018 and they recommended the Elected Mayor/Council approve the revised Investment and Regeneration Fund Strategy as set out at Appendix 1 to this report.
- 1.3 The Elected Mayor has reviewed the revised Investment and Regeneration Fund Strategy and is proposing that the Council approves the document set out at Appendix 1 to this report. This will enable both income generating investments and local regeneration investments in Torbay to be made within the Investment and Regeneration Fund, a Fund which enables the Council to borrow up to £200m to spend on investments to generate income for the Council and enable the Council to bring forward regeneration opportunities where no other funding streams are available. It is intended, in exceptional circumstances and with the agreement of the Head of Finance following consideration of the overall financial position of the Council, that surplus income generated through the regeneration investments made using the Fund will be used to offset any loss making regeneration investments that

will have a wider economic benefit to Torbay both in terms of job creation and increase in business rates income for the Council.

- 1.4 The Investment and Regeneration Fund Strategy is a Policy Framework document which requires full Council approval. Normally revised Policy Framework documents are published for consultation for six weeks during which time the Overview and Scrutiny Board are able to respond. The final version is then presented to the Policy Development and Decision Group (Joint Operations Team) for them to recommend the final version to the Elected Mayor/Council. In order to implement the revised Strategy as soon as possible to enable the Council to maximise regeneration investment opportunities within Torbay, the Overview and Scrutiny Co-ordinator and Elected Mayor have waived the requirements of the Standing Orders in relation to Budget and Policy Framework (in accordance with Standing Order F4.12) to enable the Strategy to be submitted straight to Council on 22 February 2018.

## **2. Reason for Proposal**

- 2.1 To respond to the request of the Investment Committee to review the Investment Fund Strategy to include regeneration investment opportunities.

## **3. Recommendation(s) / Proposed Decision**

- 3.1 That the Council be recommended to approve the high level Investment and Regeneration Fund Strategy set out at Appendix 1 to the submitted report.
- 3.2 That the Director of Corporate Services and Operations, in consultation with the Elected Mayor, Head of Finance and Chairman of the Investment Committee, be given delegated authority to approve the Investment and Regeneration Fund Strategy Operational Policy (this document will not form part of the Council's Policy Framework as it is an operational policy).
- 3.3 That Council be recommended that the Investment Committee be renamed to Investment and Regeneration Committee.

## **Appendices**

Appendix 1: Revised Investment and Regeneration Fund Strategy

## **Background Documents**

Torbay Investment Fund Strategy



# Fit for the future

**creating a prosperous and healthy Torbay**

February 2018

## Investment and Regeneration Fund Strategy

Version 9

# Investment and Regeneration Fund Strategy

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## 1. Background

As part of its efficiency plan and transformation programme the Council needs to increase its future local taxbase income (Council tax and NNDR) by investing capital resources within Torbay to stimulate growth. Capital resources could be a combination of asset purchase, co investment in projects or capital loans. The Council also seeks to contribute to regeneration within Torbay so as to support the local economy and the associated positive impacts upon deprivation.

As clarification the following descriptions have been used:

“Investments – Yield”. These are investments or loans where the objective is to increase rental income to the Council.

“Investments – Taxbase”. These are investments or loans where the objective is to increase NNDR or Council tax income to the Council.

“Investments – Loans or Co Investment”. These are loans to business for capital expenditure where the objective is to increase rental income to the Council or to increase NNDR or Council tax income to the Council. Co Investment is where Council with another investor provides finance or jointly invests.

“Property Purchase” – property to include purchase of land and/or buildings.

“Regeneration Investment” – These are investments or loans where the objective is to support regeneration projects within Torbay.

This Policy Framework document sets out the strategy for the management of the Investment and Regeneration Fund. The strategy reflects a suitable balance between the risks inherent in the types of investments to be made and the financial rewards or wider regeneration outcomes obtainable whilst limiting risks appropriately, and has regard to the Statutory Guidance issued by the Ministry of Housing, Communities and Local Government (MHCLG). In addition, the portfolio of investments should be diversified in order to spread risks via a balanced portfolio, such diversification principally being across geographical location and the use type of investments held. Existing investments that fall within the broad remit of the Investment and Regeneration Fund Strategy shall be included in the portfolio to assist in creating a balanced portfolio, as well as other suitable assets held by the Council.

Proposals to the Investment Committee can be made by the Elected Mayor, wider Members or Officers. Proposals will then be developed by Officers in consultation with the Elected Mayor and Chairman of the Investment Committee.

## 2. Objective – Investment and Regeneration Fund

To make investments for the benefit, improvement or development of the area, through a balanced investment of acquisition, retention and management of good quality investments.

The improvement or development of the area will not be constrained by the strict boundaries of Torbay as there is an evidence base that demonstrates that investment within the South West Local Enterprise Partnership (LEP) Zone area has a positive impact on Torbay's economy. LEPs were established around functional economic boundaries which reflects both labour market and wider economic interdependence. This can be evidenced through the Heart of the South West Strategic Economic Plan (see <http://heartofswlep.co.uk/wp-content/uploads/2016/09/SEP-Final-draft-31-03-14-website-1.pdf> ) and the Torbay Economic Strategy (see <http://www.torbay.gov.uk/DemocraticServices/documents/s35783/Torbay%20Economic%20Strategy.pdf> ). However opportunities in any geographic location will be considered where it can be demonstrated that there are multiple benefits, including the improvement or development of Torbay, and this will not prevent the Council investing in national opportunities which have both a sufficient yield and a multiple benefit by the Council or through a wholly owned company of the Council, if supported by the Monitoring Officer and the Head of Finance.

## 3. Scope

The maximum total level of investment shall be £200m for the Investment and Regeneration Fund.

## 4. Strategy

This Policy Framework sets out that decisions to allocate monies in accordance with this policy are not Executive decisions, and the Council has previously delegated this to the Investment Committee who shall make all decisions up to £25m in respect of all proposals. The maximum individual investment to be approved by Investment Committee shall be £25m including any estimated purchasing costs, however Full Council approval is not restricted in terms of value.

The Strategy envisages proposals in two categories:

1. investment opportunities that deliver both a financial return to the Council and a benefit, improvement or development of the area – ‘Investment Opportunities,’
2. regeneration investment opportunities that deliver significant regeneration benefits to the area – ‘Regeneration Investment Opportunities.’

The Committee will be held in two distinct parts, dealing with Investment and Regeneration opportunities separately.

### 4.1 Investment Opportunities

To make investments for the benefit, improvement or development of the area, through a balanced investment of acquisition, retention and management of good quality investments, whilst also delivering an income return to the Council.

Achieving a spread of risk across a greater number of investments and by acquiring them across the range of different property asset classes, namely retail, leisure, office and industrial, is to be desired, however it

has to be recognised that opportunities to do this may not arise, and ultimately if individual business cases are robust, groupings in any individual property class should not pose any increased risk to the Council.

The principle of being relatively risk-averse whilst maximizing the return to the Council will be taken in respect of investment opportunities.

The investment portfolio will include acquiring some properties to hold and some properties to dispose of depending on the anticipated lifespan of the asset, so as to ensure that the Council has a rolling stock of investments in order to achieve maximum benefit for the Council.

Minimum Yield Required for investment opportunities (before costs)	2% above estimated borrowing costs (interest and MRP or if capital loan prevailing borrowing rates + 2%)
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Traditionally the highest returns come from the office and industrial sub-sectors. Currently offices can provide an income return of 5.5% in quality in-town areas and between 7.5% and 8.5% for reasonable quality offices in regional and sub-regional centres. Industrial income yields can range from 6.0% up to 7.5% for acceptable quality assets. The retail sub-sector for prime retail property is lower than comparable office/industrial assets with typical yields ranging between 5% and 7% for high quality in-town properties. On this evidence it is likely that predominantly office and industrial/warehouse will be targeted for acquisition with a lesser emphasis on retail. Leisure and mixed use investments will also be eligible under the strategy.

Residential property tends to be management intensive and requires specialist expertise, and the Council has established its Housing Company in this respect. It is therefore proposed that this sector is excluded from this element of the Investment and Regeneration Fund strategy.

Torbay would be the preferred location for fresh acquisitions of investment properties, so that reinvestment is directly retained within the local economy and any additional capital expenditure is made in the local area. However, there is a finite and limited supply of property within the local area, and of that supply only a small proportion may be available for purchase at any time that meet the requirements of the Investment and Regeneration Fund. The wider South West Local Enterprise Partnership area should also be considered for fresh acquisitions as there is an evidence base that demonstrates that investment in this area has a positive impact on Torbay’s economy. However opportunities in any geographic location will be considered where it can be demonstrated that there is a benefit to, or improvement or development of Torbay. This will not prevent the Council investing in national opportunities which have a sufficient yield by the Council or through a wholly owned company of the Council, if supported by the Monitoring Officer and the Head of Finance.

The strategy does permit opportunities for co investment with partner organisations of good financial and reputational standing.

Only opportunities in excess of £500,000 will be considered for this element of the Investment and Regeneration Fund Strategy, given the need to consider the number of smaller investments held by the Council, in pursuance of this Strategy and the burden of administering each investment before a decision is taken.



An assessment of all risks is required in each case of fresh investment in order firstly to value it and then to check its suitability for inclusion in the portfolio. The risks fall into two categories, firstly economic and property market risks in specific property market sub-sectors and locations and secondly asset-specific risks. These can be measured and an assessment made of the likely future performance of the investment carried out based on, for example, the ranges of likely future rental growth and voids of the property and also the projected disposal price or capital value at the end of the period over which the cash flow analysis is being measured.

Minimum Revenue Provision (MRP) on all proposals will be assessed on a case by case basis by the Head of Finance in line with the Council’s MRP Policy.

The Head of Finance reserves the right to refer any proposed investment decision (irrespective of value) to the Council for consideration where he deems this is in the best interest of the Council.

4.2 Regeneration Investment Opportunities

To make investments for the benefit, improvement or development of the area, through a balanced investment of acquisition, retention and management of good quality investments, whilst delivering regeneration outcomes for Torbay, inter alia through;

- ☐ Job creation,
- ☐ Business rate growth,
- ☐ Preventing Local Market failure,
- ☐ Opportunities that have strategic importance within Torbay, such as those that will improve key locations or address issues such as deprivation and child poverty.

Minimum Yield required for Regeneration Investment opportunities (after costs)	<p>0% - cost neutral after estimated borrowing costs (interest and MRP or if capital loan prevailing borrowing rates must be equal to the income due).</p> <p>In exceptional circumstances where the regeneration benefits are significant, there may be a cost to the fund of the project, however such costs are to be met from other regeneration projects from within the Fund which provide a financial return to the overall Investment and Regeneration Fund. Such proposals will need the agreement of the Head of Finance.</p>
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In respect of Regeneration Investments, opportunities will be pursued where there is a clear business case demonstrating how it will contribute to the regeneration of Torbay. Any surplus income after operating, borrowing and MRP costs will be ring-fenced to support both wider regeneration within Torbay and any schemes in which there could be a cost to the Investment and Regeneration Fund.

Sector spread will not be applicable for Regeneration Investment opportunities, as these will be focused on delivering regeneration within Torbay, which will be site specific so as to drive economic regeneration. Only proposals within Torbay will be considered for Regeneration Investment opportunities.

The strategy for Regeneration Investment opportunities does not expressly exclude residential property, although it does envisage that any residential opportunities are more likely to come forward as part of enabling development or hybrid schemes, for wider regeneration purposes.

The Strategy does permit opportunities for co investment with partner organisations of good financial and reputational standing.

Opportunities of any value will be considered for Regeneration Investments, although consideration will always need to be given to the number of smaller investments held by the Council, in pursuance of this Strategy and the burden of administering each investment before a decision is taken.

An assessment of all risks is required in each case of fresh investment in order firstly to value it and then to check its suitability for inclusion in the portfolio. Wider risks and benefits need to be considered in respect of opportunities for Regeneration Investment. It is envisaged that an outline appraisal will be prepared for consideration. Following approval of the outline appraisal, a full appraisal will be undertaken before a decision on the opportunity is made. It is however recognised that there may be some situations in which a regeneration opportunity arises at short notice, for example through auction. In these circumstances as full an appraisal as possible will need to be undertaken, and the Committee will have to consider whether it has sufficient information upon which to make a robust decision.

MRP on all proposals will be assessed on a case by case basis by the Head of Finance in line with the Council's MRP Policy.

The Head of Finance reserves the right to refer any proposed investment decision (irrespective of value) to the Council for consideration where he deems this is in the best interest of the Council.

## 5. Financial Assumptions

	<b>Investment - Yield</b>	<b>Investment - Taxbase</b>	<b>Investment-loans &amp; co investment</b>	<b>Regeneration Investment Opportunities</b>
MRP (Minimum Revenue Provision)	50 years land and 40 years buildings or life of asset	50 years land and 40 years buildings or life of asset	As applicable	Life of asset
Interest Costs used in appraisal	New Borrowing Rates	New Borrowing Rates	New Borrowing Rates	New Borrowing rates
SDLT & other purchase costs	Part of purchase price	Part of purchase price	-	Part of purchase price
*Fund Management Costs & ongoing client costs	0.25% of purchase price	0.25% of purchase price	0.25% of loan or investment	To be determined dependent upon project under consideration
“Green Book” Financial profile over life of asset (IRR)	Yes	Yes	Yes	Yes

\*Normally for each investment an annual payment of 0.25% of the purchase price or loan or investment, subject to a case by case evaluation and decision by the Head of Finance, will be held in a central fund to cover the following:

- ☐ external advice for future investments;
- ☐ known or expected one off future costs, such as costs associated with future negotiation or renegotiation of leases;
- ☐ bad debt provision;
- ☐ irrecoverable estate costs;
- ☐ management of assets; and
- ☐ maintenance or redevelopment costs associated with future leases.

## 6. Oversight

Following a decision to proceed with a proposal, whether an Investment proposal or a Regeneration Investment proposal, the Investment Committee will maintain an oversight of their progress, in the context of;

1. the overall fund;
2. Individual proposals for the Investment and Regeneration Fund, and
3. Individual proposals for Regeneration Investment opportunities, including monitoring their delivery and regeneration benefits (including existing investments that fall within the broad remit of the Investment Strategy which shall be included in this oversight, as well as other suitable assets held by the Council).



**Meeting:** Council

**Date:** 22 February 2018

**Wards Affected:** All Wards in Torbay

**Report Title:** Council Tax 2018/19

**Is the decision a key decision?** Yes

**When does the decision need to be implemented?** The Council has a statutory obligation to set a Council Tax Requirement and a Council Tax for the Torbay area, including the demands of the precepting bodies, for 2018/19 before 11th March in the preceding financial year.

**Executive Lead Contact Details:** Gordon Oliver, Elected Mayor and Executive Lead for Assets, Finance, Governance and Corporate Services, Economic Regeneration and Transformation, 01803 207001, [mayor@torbay.gov.uk](mailto:mayor@torbay.gov.uk)

**Supporting Officer Contact Details:** Martin Phillips, Chief Financial Officer, 01803 207285, [Martin.phillips@torbay.gov.uk](mailto:Martin.phillips@torbay.gov.uk)

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## 1. Purpose and Introduction

- 1.1 The purpose of this technical report is to enable the Council to calculate and set the Council Tax for 2018/19.

## 2. Proposed Decision

- 2.1 That the Council is recommended to note:
- 2.2 That in December 2017 the Council calculated the Council Tax Base for 2018/19:-
- a) For the whole Council area as 44,865.89, [Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act")]; and
  - b) For dwellings in the Brixham Town Council area as 6,004.42 to which a Parish precept relates.
- 2.3 That the Police and Crime Commissioner for Devon and Cornwall and the Devon and Somerset Fire and Rescue Authority have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area as indicated in the table in paragraph 2.6 below.

That the Council is recommended to approve:

- 2.4 The Council Tax requirement for the Council's own purposes for 2018/19 (excluding Brixham Town Council) of £65,477,400.
- 2.5 That the following amounts be calculated for the year 2018/19 in accordance with Chapter Three of the Act:
- £289,723,252 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account the precept issued to it by Brixham Town Council.
  - (£223,965,000) being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
  - £65,758,252 being the amount by which the aggregate at 2.5(a) above exceeds the aggregate at 2.5(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax Requirement for the year (item R in the formula in Section 31B of the Act).
  - £1,465.66 being the amount at 2.5(c) above (Item R), all divided by Item T (2.2(a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
  - £280,852 being the aggregate amount of all special items (Brixham Town Council) referred to in Section 34(1) of the Act.
  - £1,459.40 being the amount at 2.5(d) above less the result given by dividing the amount at 2.5(e) above by Item T (2.2(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates.
- 2.6 That the Council, in accordance with Chapter Three of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the tables below as the amounts of Council Tax for 2018/19 for each part of its area and for each of the categories of dwellings.

	Valuation Band							
	A	B	C	D	E	F	G	H
Ratio of each band to Band D	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9
	£	£	£	£	£	£	£	£
<i>Torbay Council – excluding Adult Social Care</i>	902.36	1,052.75	1,203.14	1,353.54	1,654.33	1,955.11	2,255.90	2,707.08
<i>Torbay Council – Adult Social Care “precept” since 2016/17</i>	70.57	82.34	94.10	105.86	129.38	152.91	176.43	211.72

Torbay Council	972.93	1,135.09	1,297.24	1,459.40	1,783.71	2,108.02	2,432.33	2,918.80
Police and Crime Commissioner	125.52	146.44	167.36	188.28	230.12	271.96	313.80	376.56
Devon and Somerset Fire and Rescue Authority	56.01	65.34	74.68	84.01	102.68	121.35	140.02	168.02
Aggregate of Council Tax Requirements ex. Town Council	1,154.46	1,346.87	1,539.28	1,731.69	2,116.51	2,501.33	2,886.15	3,463.38
Brixham Town Council	31.18	36.38	41.57	46.77	57.16	67.56	77.95	93.54
Aggregate of Council Tax Requirements including Brixham Town Council	1,185.64	1,383.25	1,580.85	1,778.46	2,173.67	2,568.89	2,964.10	3,556.92

- 2.7 That the Council's basic amount of Council Tax for 2018/19 is not excessive in accordance with principles approved under Section 52ZB Local Government Finance Act 1992. (see paragraph 5.9).

### **3. Reason for Decision**

- 3.1 The Council has a statutory obligation to set a Council Tax Requirement and a Council Tax for the Torbay area, including the demands of the precepting bodies, for 2018/19 before 11th March in the preceding financial year. By approving proposed decisions the Council will meet that requirement.

### **4 Summary**

- 4.1 Members should note that due to the complexity of setting the council tax level in accordance with statute it is not possible to simplify this report.
- 4.2 The Council is required, in accordance with the Local Government Finance Act 1992, as amended by the Localism Act 2011, to set an amount of Council Tax for each of the eight Valuation Bands for the coming financial year before 11th March. This is a matter of calculation only but in accordance with Section 67 of the Act has to be set by the Council.
- 4.3 The Council approved the statutory Tax Base for Torbay at its meeting in December 2017 as 44,865.89 for the year 2018/19, and approved the 2018/19 Tax Base for Brixham Town Council as 6,004.42. When the "Council Tax Requirements" of the Police and Crime Commissioner for Devon and Cornwall, the Devon and Somerset

Fire and Rescue Authority and Torbay Council (including Brixham Town Council) are determined, it remains only to make the statutory “basic tax” calculations in accordance with the Local Government Finance Act 1992, as amended by the Localism Act 2011, and “set” the tax for the eight Valuation Bands A to H ranging from 6/9ths to 18/9ths of the basic amount – “Band D”.

4.4 The precept levels of other precepting bodies have been received. These are detailed below:

4.5 Brixham Town Council

Brixham Town Council are due to meet on 22nd February 2018 to ratify their precept at £280,852. This results in a Band D Council Tax for 2018/19 of £46.77, (£43.04 2017/18), which is an increase of 8.67%.

4.6 Police and Crime Commissioner (PCC) for Devon & Cornwall

The Police and Crime Commissioner for Devon and Cornwall met on 2nd February 2018 and set a precept (for Torbay) at £8,447,350. This results in a Band D Council Tax for 2018/19 of £188.28, (£176.28 2017/18), an increase of 6.81%.

4.7 Devon and Somerset Fire and Rescue Authority

Devon and Somerset Fire and Rescue Authority met on 16th February 2018 and set their precept at £3,769,183. This results in a Band D Council Tax for 2018/19 of £84.01, (£81.57 2017/18), an increase of 2.99%.

4.8 If the formal Council Tax Resolutions within 2.6 above are approved, the total basic amount “Band D” of Council Tax will be as follows:

	2017/18 £	2018/19 £	2017/18 % Change
Torbay Council	1,376.93	1,459.40	5.99%
Police and Crime Commissioner	176.28	188.28	6.81%
Devon and Somerset Fire and Rescue Authority	81.57	84.01	2.99%
Sub-Total	1,634.78	1,731.69	5.93%
Brixham Town Council (only payable by Brixham residents)	43.04	46.77	8.67%
Total	1,677.82	1,778.46	6.00%

## 5 Supporting Information

5.1 The Mayor presented the 2018/19 revenue budget proposal to Council on 1<sup>st</sup> February which was adjourned to the 8<sup>th</sup> February 2018. The approved 2018/19 net revenue budget was £112.006m.



- 5.2 This is net expenditure before the Council's general income and funding, which includes a share of the new Devon wide business rates retention pool pilot, NNDR Income, NNDR top up grant, other general grants and any collection fund surplus or deficit.
- 5.3 This results in a Council Tax requirement for the Torbay Council element of £65.477m. Including the Brixham Town Council precept the Council Tax requirement is £65.758m.
- 5.4 DCLG have confirmed that local authorities with adult social care responsibilities have been given 3% additional Council Tax flexibility for 2018/19, on top of their existing referendum threshold, on the understanding that they use all additional revenue for adult social care services. The 2018/19 revenue budget included the additional 3% precept to be spent on adult social care. This will result in a Band D precept of £41.30 and provide £1.9m to be spent on adult social care (in 2018/19) which is within the figures in para 5.3 above. The cumulative impact on council tax since the introduction of the additional precept in 2016/17 is identified separately on the face of the Council tax bills.
- 5.5 Expenditure at that level (as para 5.3) for Torbay Council will result in a Band D Council Tax for 2018/19 of £1,459.39, a 5.99% increase in the Torbay Council element of the Council tax.
- 5.6 Under section 52ZB(1) of the Local Government Finance Act 1992 ("the 1992 Act") as inserted by Schedule 5 to the Localism Act 2011, each billing authority and precepting authority must determine whether its relevant basic amount of council tax for a financial year ("the year under consideration") is excessive. If an authority's relevant basic amount of council tax is excessive a referendum must be held in relation to that amount.
- 5.7 The question whether an authority's relevant basic amount of council tax for a financial year ("the year under consideration") is excessive must be decided in accordance with a set of principles determined by the Secretary of State for the year
- 5.8 The 'Referendums Relating to Council Tax Increases (Principles) Report 2018/19' states:-
- 5.9 *For 2018-19, the relevant basic amount of council tax of an authority which belongs to the category mentioned in paragraph 2(a) is excessive if the authority's relevant basic amount of council tax for 2018-19 is 6% (comprising 3% for expenditure on adult social care and 3% for other expenditure), or more than 6%, greater than its relevant basic amount of council tax for 2017-18.*
- 5.10 For Torbay Council if the formal Council Tax Resolutions within 2.5 above are approved the change in the "relevant basic amount" (i.e. the Band D Council tax) is 5.99%. which is not excessive.
- 5.11 The gross expenditure and income figures included at 2.5 (a) and 2.5 (b) are linked to the budget digest information presented to Council in February, which are prior to any adjustments to comply with CIPFA and central government reporting requirements

## **6. Possibilities and Options**

- 6.1 Statutory requirement, there are no alternative options.

## **7. Fair Decision Making**

7.1 Statutory requirement, there are no alternative options.

## **8. Consultation**

8.1 There has been extensive consultation on the budget proposals with all Members and through the Overview and Scrutiny Board meetings held in 2017 and in January 2018 and consultation with stakeholders and residents through a series of Community Partnership meetings and Council staff.

## **9. Risks**

9.1 The Council must set the Council Tax before 11th March each year. The Collection of Council Tax income is essential to ensure the services provided by the Council and the other precepting bodies are adequately funded.

9.2 If the Council fails to set a Council Tax before 11th March, it will be in breach of its statutory obligation and subject to legal challenge.

## **Additional Information**

Council Tax referendum principles

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/670392/Draft\\_2018-19\\_principles\\_report\\_for\\_provisional\\_settlement.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/670392/Draft_2018-19_principles_report_for_provisional_settlement.pdf)

Council Taxbase 2018/19 - Report to Council 7 December 2017

<http://www.torbay.gov.uk/DemocraticServices/documents/b18767/Late%20Report%20Pack%203%20-%20circulated%20on%206%20December%202017%20Thursday%2007-Dec-2017%2017.30%20Council.pdf?T=9>

2018/19 Revenue Budget Proposals – Report to Council 1 February 2018

<http://www.torbay.gov.uk/DemocraticServices/mgChooseDocPack.aspx?ID=7454>