

Monday, 27 February 2023

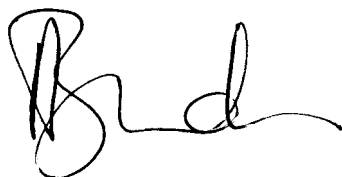
## **Meeting of the Council**

Dear Member

I am pleased to invite you to attend a meeting of Torbay Council which will be held in **The Burdette Room, Riviera International Conference Centre, Chestnut Avenue, Torquay, TQ2 5LZ** on **Tuesday, 7 March 2023** commencing at **5.30 pm**

The items to be discussed at this meeting are attached.

Yours sincerely,



Anne-Marie Bond  
Chief Executive

(All members are summoned to attend the meeting of the Council in accordance with the requirements of the Local Government Act 1972 and Standing Orders A5.)

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## **Together Torbay will thrive**

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**June Gurry, Town Hall, Castle Circus, Torquay, TQ1 3DR**

Email: [governance.support@torbay.gov.uk](mailto:governance.support@torbay.gov.uk) - [www.torbay.gov.uk](http://www.torbay.gov.uk)

# Meeting of the Council Agenda

1. **Opening of meeting**

2. **Apologies for absence**

3. **Minutes**

(Pages 5 - 10)

To confirm as a correct record the minutes of the meeting of the Council held on 8 December 2023.

4. **Declarations of interests**

(a) To receive declarations of non pecuniary interests in respect of items on this agenda

**For reference:** Having declared their non pecuniary interest members may remain in the meeting and speak and, vote on the matter in question. A completed disclosure of interests form should be returned to the Clerk before the conclusion of the meeting.

(b) To receive declarations of disclosable pecuniary interests in respect of items on this agenda

**For reference:** Where a Member has a disclosable pecuniary interest he/she must leave the meeting during consideration of the item. However, the Member may remain in the meeting to make representations, answer questions or give evidence if the public have a right to do so, but having done so the Member must then immediately leave the meeting, may not vote and must not improperly seek to influence the outcome of the matter. A completed disclosure of interests form should be returned to the Clerk before the conclusion of the meeting.

**(Please Note:** If Members and Officers wish to seek advice on any potential interests they may have, they should contact Governance Support or Legal Services prior to the meeting.)

5. **Communications**

To receive any communications or announcements from the Civic Mayor, the Leader of the Council, the Overview and Scrutiny Co-ordinator, the Council's representative on the Heart of the South West Joint Committee or the Chief Executive.

6. **Petitions**

To receive the following petitions and any oral representations from the public in accordance with Standing Order A23:

(a) Petition to Stop Torbay Ring Road Closure

(Page 11)

(b) Petition to make Broadsands Beach dog friendly all year round

(Page 12)

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|-----|--|-------------------|
| 7.  | <b>Members' questions</b><br>To respond to the submitted questions asked under Standing Order A12.   | (Pages 13 - 16)   |
| 8.  | <b>Notice of Motion - Keep Vapes 'Out of Sight' of Children</b><br>To consider the attached motion, notice of which has been given in accordance with Standing Order A13 by the members indicated.                                   | (Pages 17 - 18)   |
| 9.  | <b>Revenue Budget 2023/2024</b><br>To consider the recommendations of the Cabinet on the Revenue Budget proposals for 2023/2024 and the Chief Finance Officer's Report.  | (Pages 19 - 88)   |
| 10. | <b>Capital Plan 2023/2024</b><br>To consider the recommendation of the Cabinet on the Capital Plan for 2023/2024.  | (Pages 89 - 114)  |
| 11. | <b>Capital Strategy 2023/2024</b><br>To consider the recommendation of the Cabinet on the Capital Strategy for 2023/2024.  | (Pages 115 - 142) |
| 12. | <b>Treasury Management Strategy 2023/24 including adoption of the CIPFA Code of Practice: Treasury Management in the Public Services</b><br>To consider a report on the Treasury Management Strategy for 2023/2024.                  | (Pages 143 - 198) |
| 13. | <b>Review of Reserves 2023/2024</b><br>To consider the recommendation of the Cabinet on the Review of Reserves for 2023/2024.  | (Pages 199 - 212) |
| 14. | <b>Council Tax 2023/2024</b><br>To consider a report on the setting of the Council Tax for 2023/2024.  | (Pages 213 - 218) |
| 15. | <b>Housing Strategy 2023 -2030</b><br>To consider the recommendation of the Cabinet in respect of the Housing Strategy 2023-2030.  | (Pages 219 - 268) |
| 16. | <b>Domestic Abuse and Sexual Violence Strategy</b><br>To consider the recommendation of the Cabinet in respect of the Domestic Abuse and Sexual Violence Strategy.   | (Pages 269 - 305) |
| 17. | <b>Application to re-designate a Torquay Neighbourhood Forum</b><br>To consider the recommendation of the Cabinet in respect of the application to re-designate a Torquay Neighbourhood Forum.                                       | (Pages 306 - 348) |
| 18. | <b>Torbay Council Annual Pay Policy Statement and Review of Pensions Discretions</b><br>To consider the recommendation of the Cabinet in respect of Torbay Council's Annual Pay Policy Statement and Review of Pensions Discretions. | (Pages 349 - 377) |

**19. Statutory Officer Appointment**

To confirm the Statutory Officer appointment of the Chief Finance Officer – Malcolm Coe.

**20. Civic Mayor and Deputy Civic Mayor Elect**

In accordance with the Council's Standing Order (A9.1) to consider selecting the Civic Mayor-Elect and Deputy Civic Mayor-Elect for the 2023/2024 Municipal Year.

**Meeting Attendance**

Please note that whilst the Council is no longer implementing Covid-19 secure arrangements attendees are encouraged to sit with space in between other people. Windows will be kept open to ensure good ventilation and therefore attendees are recommended to wear suitable clothing.

If you have symptoms, including runny nose, sore throat, fever, new continuous cough and loss of taste and smell please do not come to the meeting.

**Live Streaming**

To encourage more people to engage in our public meetings the Council is trialling live streaming our Council meetings on our YouTube channel in addition to recording the meetings and publishing the recording on our website. To watch the meeting live please visit <https://www.youtube.com/user/torbaycouncil>.



### **Minutes of the Council** **(Council decisions shown in bold text)**

**8 December 2022**

**-: Present :-**

**The Worshipful The Mayor of Torbay (Councillor Mandy Darling) (In the Chair)**  
**Deputy Civic Mayor of Torbay (Councillor Brown)**

Councillors Atiya-Alla, Barrand, Brooks, Bye, Carter, Cowell, Steve Darling, Douglas-Dunbar, Dudley, Ellery, Foster, Hill, Johns, Law, Barbara Lewis, Chris Lewis, Long, Loxton, Manning, Mills, Morey, O'Dwyer, Pentney, Stockman, Sykes, David Thomas and Jacqueline Thomas

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#### **51 Opening of meeting**

The meeting was opened with a prayer.

#### **52 Apologies for absence**

Apologies for absence were received from Councillors Amil, Barnby, Dart, Howgate, Kavanagh, Kennedy and John Thomas.

#### **53 Minutes**

The Worshipful the Mayor of Torbay proposed and Councillor Brown seconded a motion, which was agreed by the Council as set out below:

**that the Minutes of the meeting of the Council held on 13 October 2022 and the Minutes of the Extraordinary meeting of the Council held on 27 October 2022 be confirmed as a correct record and signed by the Worshipful the Mayor of Torbay.**

#### **54 Communications**

The Worshipful the Mayor of Torbay and the Chief Executive presented long service certificates to both councillors and officers. The following councillors and officers received certificates in recognition of their dedication to public service in Torbay:

Councillor Carter  
Councillor Steve Darling  
Councillor Hill

Councillor Manning  
Councillor Morey  
Councillor David Thomas

**Officers:**

Joanne Adkins  
Lindsay Amioti  
Jon Bell  
Robert Boswell  
Jill Brooker  
Tracy Brooks  
Teresa Buckley  
Janice Davies  
Julie Dearson  
Emma Dudley  
June Gurry  
Mandy Guy

Natalie Johns  
Nikki Passmore  
Kathryn Phillips  
Gina Powell  
Sarah Ridalls  
Debbie Roache  
Sharon Simpson  
Kate Spencer  
Denise Thomas  
Mary Walker  
Catherine Williams  
Robert Williams

The Worshipful the Mayor of Torbay provided an update on:

- a) her attendance at a number of Remembrance services held in Torquay and Paignton;
- b) the recent Civic coffee morning which raised funds for the Civic Mayoral charities;
- c) Civic Mayoral visits to clinics and hospitals to thank those working within the health service and social care; and
- d) the forthcoming Civic Carol concert due to be held on 9 December 2022 and encouraged members to attend.

The Leader of the Council advised that the recent meeting of the Heart of the South West Joint Committee held on 2 December 2022 was not quorate and had been adjourned.

With the agreement of The Worshipful the Mayor of Torbay, the Leader of the Council requested the following Cabinet Members to provide communications on his behalf.

The Cabinet Member for Infrastructure, Environment and Culture referred to a number of achievements and improvements to services provided by SWISCo, which were highlighted at a recent all councillor visit to SWISCo. The Cabinet Member also referred to the new garden waste collection service which was working well since its introduction.

The Cabinet Member for Economic Regeneration, Tourism and Housing provided an update on the progress of a number of projects including Torre Marine, St Kildas, Debenhams, Crossways and Tweenaway Cross.

The Cabinet Member for Children's Services referred to Children's Services Learning Academy being shortlisted as one of four national finalists at the recent Children and

Young People Now awards for workforce development and congratulated those involved.

The Chief Executive led a minute's silence for Margaret Smith, a serving member of staff, who had sadly passed away.

## **55 Petitions**

In accordance with Standing Order A23, the Council received a petition requesting the Council to provide double yellow lines on the junction of Barnfield Road and Marldon Road, Paignton (approximately 118 signatures).

At the invitation of the Worshipful of the Mayor of Torbay, Councillor Douglas-Dunbar, as ward councillor, addressed the Council in relation to the petition on behalf of the residents.

The Chief Executive advised that the petition would be referred to the Director of Place for consideration in consultation with the Cabinet Member for Infrastructure, Environment and Culture.

## **56 Members' questions**

Members received a paper detailing questions, notice of which had been given in accordance with Standing Order A13. The paper also contained the answers to the questions which had been prepared by Councillors Atiya-Alla, Carter, Cowell and Morey, and was circulated prior to the meeting.

Supplementary questions were put and answered by Councillors Atiya-Alla, Carter, Cowell and Morey, arising from their responses to the questions in respect of questions 1, 3, 4, 5, 6, 7, 8 and 9.

## **57 Proposed Council Tax Support Scheme 2023/24**

The Council considered the submitted report on a review of the current local Council Tax Support Scheme for 2023/24. Members noted that the Local Government Finance Act 2012 required local authorities to review their local schemes annually. The Council had a statutory duty to provide a local Council Tax Support Scheme for working-aged households. In addition, pension age households were subject to statutory provisions determined nationally, which had been incorporated within the Council's scheme.

Councillor Cowell proposed and Councillor Steve Darling seconded a motion, which was agreed (unanimously) by the Council as set out below:

- 1. that the Council Tax Support Scheme for 2023/24 be approved;**
- 2. that Council notes the scheme for 2023/2024 includes the standard annual uprating of the personal allowances and premiums. These values consider the statutory inflationary**

increase in personal allowances used to calculate entitlement to Council Tax Support. These allowances represent a households basic living needs;

3. that Personal Allowances and Premiums, used to calculate Council Tax Support, are uprated from 1 April 2023 in line with the prescribed Pensioner scheme and national working-age benefits, which are both set by the Government; and
4. that the Director of Finance be given delegated authority, in consultation with the Cabinet Member for Equality & Diversity and Corporate and Community Services, to make any further adjustments required to the Exceptional Hardship Policy and fund.

## **58 Council Tax Base 2023/2024**

Members considered the submitted report which set out the Council tax base for council tax purposes for 2023/24.

Councillor Cowell proposed and Councillor Steve Darling seconded a motion, which was agreed by the Council as set out below:

1. that the calculation of the Torbay Council Tax Base for the year 2023/24 be approved as shown in Appendix 1 to the submitted report;
2. that the calculation of the Brixham Town Council Tax Base for the year 2023/24 be approved as shown in Appendix 2 to the submitted report;
3. that, in accordance with the Local Authorities (Calculation of Tax base) (England) Regulations 2012, the amount calculated by Torbay Council as its Council Tax base for the year 2023/24 should be 46,620.10;
4. that, in accordance with the Local Authorities (Calculation of Tax base) (England) Regulations 2012, the amount calculated by Torbay Council as the Council Tax base for Brixham Town Council for the year 2023/24 should be 6,211.39;
5. that, in principle, from April 2024 subject to the relevant legislation being in place, Council adopts a 100% Council Tax premium in respect of second homes;
6. that, in principle, from April 2024 subject to the relevant legislation being in place, Council adopts a 100% Council Tax premium in respect of empty premises that have been left

**unoccupied and substantially unfurnished for a period of between 1 and 2 years; and**

- 7. that a consultation is undertaken early in 2023 to consider a change to the threshold (currently 70%) in calculating the Council's Council Tax Support Scheme to be applicable from April 2024 with a report to be brought back to Cabinet.**

## **59 Torbay Economic Growth Strategy**

The Council considered the recommendations of the Cabinet on the proposed Torbay Economic Growth Strategy 2022 - 2030 (as set out in the submitted report). It was noted the Strategy provided strategic direction for the Council and its partners in respect of the economic development of Torbay. Torbay's economy continued to fall behind the UK average and the new Strategy set the framework and key actions to transform the economy.

Councillor Long proposed and Councillor Cowell seconded a motion, which was agreed (unanimously) by the Council as set out below:

- 1. that the Torbay Economic Growth Strategy be approved, as set out in the submitted report; and**
- 2. that subject to 1 above the Torbay Economic Growth Strategy Action Plan be presented to a subsequent Cabinet meeting for approval.**

## **60 Standing Order D11 (in relation to Overview and Scrutiny) - Call-in and Urgency**

Members noted the submitted report setting out the following executive decisions taken to which the call-in procedure did not apply:

Governance Oversight of Capital Spend;  
Investment Zones in England – Expression of Interest; and  
Torquay Town Deal – Land Assembly.

## **61 Composition and Constitution of the Cabinet and Record of Delegations of Executive Functions**

At the invitation of The Worshipful the Mayor of Torbay, the Leader of the Council updated the Council on a change he had made to the Cabinet, namely the inclusion of Equality & Diversity within the Cabinet Member for Corporate and Community Service's portfolio. The Leader of the Council advised that he would provide an update at the next Cabinet meeting.

The Worshipful The Mayor of Torbay

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## **Petition to Stop Torbay Ring Road Closure – Council 7 March 2023**

### **1968 Signatures**

We the undersigned petition the council to Work with developers to urgently reconsider the proposed 4 month road closure of the Torbay Ring Road. Commit to preventing surrounding, minor roads being used inappropriately for diversions or motorists trying to avoid the roadworks, i.e. residential roads of Goodrington and Whiterock, and single track country lanes used to access Galmpton, Stoke Gabriel and Aish from Totnes and Kennels Road. Goodrington and Whiterock, and single track country lanes used to access Galmpton, Stoke Gabriel and Aish from Totnes and Kennels Road.

## **Petition to make Broadsands Beach dog friendly all year round – Council 7 March 2023**

### **70 Signatures**

We the undersigned petition the council to make Broadsands Beach dog friendly all year round. Alternatively, only have a dog ban in place during the summer holidays (approximately 6 weeks of the year), during the hours of 10am - 6pm. This is in line with many dog bans in East Devon and Cornwall.

The current dog ban prevents dog owners from using Broadsands Beach for 5 months of the year. Other than during the summer holidays, during the banned period (1st May - 30th September), this beach is quiet. This is highly frustrating for dog owners who wish to use the beach all year round and results in a loss of income for the 2 local businesses based at Broadsands.



# Agenda Item 7

Meeting of the Council, Tuesday, 7 March 2023

## Questions Under Standing Order A12

A member may only submit three questions for consideration at each Council Meeting. Each member will present their first question in turn, when all the first questions have been dealt with the second and third questions may be asked in turn. The time for member's questions will be limited to a total of 30 minutes.

### First Round

Question (1) from Councillor Johns to the Cabinet Member for Infrastructure, Environment and Culture (Councillor Morey)	With regards to the three consultations undertaken with the traders and the public last year on the pedestrianisation of Torbay Road what channels did the council use to raise the profile of the consultations with the public so they could have their say?			
Question (2) from Councillor Bye to the Cabinet Member for Infrastructure, Environment and Culture (Councillor Morey)	Why was there an extensive consultation regarding the closure of Brixham Road if there is no alternative to closing the road to allow development to take place, why wasn't the decision to close the road made in public by the Cabinet when it could have been incorporated into the December Cabinet meeting and who, exactly, made the decision to close Brixham Road?			
Question (3) from Councillor David Thomas to the Cabinet Member for Economic Regeneration, Housing and Tourism (Councillor Long)	Can the Cabinet Member for Economic Regeneration, Housing and Tourism please confirm the current position regarding the preferred bidder at Living Coasts?			
Question (4) from Councillor Foster to the Cabinet Member for Infrastructure, Environment and Culture (Councillor Morey)	Following my question to Council in December 2022, would the Cabinet Member for Infrastructure, Environment and Culture give me an update of the spending of the Extra £600,000 (£570,000 plus £30,000) that was added to Torbay Council Highways budget for 2022 – 2023 since his answer in December?			
Question (5) from Councillor O'Dwyer to the Cabinet Member for Finance (Councillor Cowell)	Please provide the total spend on Council and Wholly Owned Company employees earning £50,000 up to £100,000 and employees earning £100,000 and above:			
		2021/22	2022/2023	Projected 2023/24
	Council Employees £50,000 - £100,000			
	Wholly Owned Company			

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	Employees £50,000 - £100,000			
	Council Employees £100,000 and above			
	Wholly Owned Company Employees £100,000 and above			
Question (6) from Councillor Jackie Thomas to the Cabinet Member Infrastructure, Environment and Culture (Councillor Morey)	Could the Cabinet Member for Infrastructure, Environment and Culture please inform me, how much the Council spent thus far on the Torbay Road pedestrianisation scheme. Please include officer time, consultation, road signage/markings, street furniture, barriers, etc.			
Question (7) from Councillor Pentney to the Leader of the Council (Councillor Steve Darling)	It is great news that Torbay Council have been shortlisted by the Local Government Chronicle for Most Improved Council of the Year. How can Torbay become stronger, fairer and safer by building on these foundations?			
Question (8) from Councillor Dudley to the Cabinet Member for Infrastructure, Environment and Culture (Councillor Morey)	Section 215 under the Town and Country Planning Act gives councils the power to take steps requiring land to be cleaned up when its condition adversely affects the amenity of the area. What activity has occurred in recent weeks to use such powers?			
Question (9) from Councillor Atiya-Alla to the Cabinet Member for Equality & Diversity and Corporate and Community Services (Councillor Carter)	The Conservative Government are introducing the need for photographic voter ID at the next set of local elections. How is Torbay Council seeking to alert the public to this significant change in the ability of residents being able to have their democratic say?			
Question (10) from Councillor Douglas- Dunbar to the Cabinet Member for Equality & Diversity and Corporate and Community Services (Councillor Carter)	Nearby residents regularly raise concerns with local ward councillors about the management of Paignton Cemetery. How can we as a local authority facilitate a meaningful dialogue between Westerleigh who manage this green space and local residents?			

## Second Round

Question (11) from Councillor Johns to the Cabinet Member for Adults and Public Health (Councillor Stockman)	What assistance is Torbay Council providing for a swift and safe discharge of people who have been in hospital and need extra care, such as a care home?
Question (12) from Councillor Bye to the Cabinet Member for Economic Regeneration, Housing and Tourism (Councillor Long)	<p>Torbay Council notes our failed bid for Levelling Up Funding. 100 plus projects were however successful in obtaining in excess of £2.1 Billion Levelling Up Funding in total.</p> <p>Levelling Up Funds were available according to the relevant government website under three separate headings or themes; Developing Better Transport Links; Revitalising Towns and Cities specifically "regeneration in town centres (to) unlock thousands of new homes"; and Restoring Local Heritage.</p> <p>Again, from the government website "The Levelling Up Fund is designed to invest in infrastructure that improves everyday life across the UK. The fund will support town centre and high street regeneration, local transport projects, and cultural and heritage assets." All successful bids have been clearly listed under one of these three "themes" or headings.</p> <p>Could the Cabinet Member for Economic Regeneration, Housing and Tourism please advise which of these three headings or themes the Torbay "fish &amp; chips" bid for funding for the Brixham Fish Quay and Photonics business centre at Long Road came under?</p>
Question (13) from Councillor David Thomas to the Cabinet Member for Economic Regeneration, Housing and Tourism (Councillor Long)	Having given previous assurances can the Cabinet Member for Economic Regeneration, Housing and Tourism please confirm the start date for the Strand Regeneration project, together with the current situation at Debenhams - is it time for a rethink given the current plans for Debenhams are simply not viable?
Question (14) from Councillor O'Dwyer to the Cabinet Member for Equality & Diversity and Corporate and Community Services (Councillor Carter)	Looking at the Council and it's wholly owned subsidiary companies please could you provide the gender pay gap and gender employment statistics for all of those businesses.
Question (15) from Councillor Pentney to the Cabinet Member for Economic Regeneration, Housing and Tourism (Councillor Long)	Many residents were pleased to see works commence at Lymington Coach Station to regenerate the coach station offer and develop new employment opportunities at this site. The local community is now concerned that activity has ceased. What assurances can be given that works will recommence for this regeneration please?

Question (16) from Councillor Dudley to the Cabinet Member for Children's Services (Councillor Law)	It is great news that Children's Services have applied for registered status with the Restorative Justice Council. What will this mean for our children and their families in Torbay?
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### Third Round

Question (17) from Councillor O'Dwyer to the Cabinet Member Infrastructure, Environment and Culture (Councillor Morey)	For this and the last five financial years how many new affordable homes have been completed in the Local Authority area, against our annual target of 180 per annum, along with a comparison of our physical neighbouring authorities and how many flats during this time has the authority itself or our housing companies and the registered provider subsidiary Torvista fully built to this point and also purchased for sole use as general needs affordable housing in this period.
Question (18) from Councillor Johns to the Cabinet Member for Adults and Public Health (Councillor Stockman)	According to a recent LG Inform analysis, places like Kensington and Chelsea have 2,088 residents per NHS dentist. Torbay has less than half the number of dentists with 4,808 residents per NHS dentist. How are we championing the need for more dentists in Torbay to serve our communities?
Question (19) from Councillor Pentney to the Cabinet Member for Adults and Public Health (Councillor Stockman)	Over this Winter, Torbay Hospital has featured in the national media in respect of the number of ambulances queuing outside of it. This is probably the most visible way the public can see the strains on our health service. Can the Cabinet member for Social Care advise us how we as a local authority sought to support this essential service during what has been a very tough winter?

### Council

7 March 2023

### Keep Vapes ‘Out of Sight’ of Children

This Council notes with concern;

- The increased use of vaping products by children in the UK. Recent data from the ASH Smokefree GB Youth Survey 2022 found that the prevalence of vaping amongst 11-18 year olds is increasing – from 4% in 2021 to 8.6% in 2022 – and a significant number of children buy these vaping products directly from newsagents or supermarkets;
- There has been an increase in the number of local authorities who have recently had to take enforcement activity against shops illegally selling vaping products to youngsters;
- The marketing of certain vaping products – with bright coloured packaging and flavours such as bubblegum – undoubtedly appeal to children; and
- The significant increase in availability of disposable and single-use vaping products which are cheaper and easier for children to access.

This Council acknowledges the role vaping products play in aiding adults to stop smoking, and that vaping products carry a small fraction of the risk, and exposure to toxins, that are associated with cigarettes. However vaping is not risk free; particularly for those who have never smoked. Vaping products contain nicotine and research shows that most children who use them have never smoked.

This Council recognises the Local Government Association has raised concerns about the sale of vaping products to children and calls for vaping products to be regulated in a similar way as tobacco products, with plain packaging and a requirement for products to be kept out of sight behind shop counters.

Council resolves to bring a report to Licensing Committee and the Health and Wellbeing Board detailing enforcement activity and strategy within Torbay related to the illegal sale of vaping products to children and exploring opportunities for engagement with local schools to inform young people of the potential dangers of vaping.

In the meantime, Council calls for the Chief Executive to write to Stephen Barclay MP, Secretary of State for Health and Social Care, to express the Council’s demand for the greater regulation of vaping products including:

- Vaping products being in plain packaging and kept out of sight behind the counter;
- Mandatory age-of-sale signage on vaping products (this is currently voluntary); and

- A ban on free samples of vaping products being given out to people of any age.

Proposer Councillor Law  
Secunder Councillor Stockman

**Meeting:** Cabinet  
Council

**Date:** 23 February 2023  
**Date:** 7 March 2023

**Wards affected:** All

**Report Title:** Revenue Budget 2023/2024

**When does the decision need to be implemented?**

Immediately

**Cabinet Member Contact Details:** Darren Cowell, Cabinet Lead for Finance

[darren.cowell@torbay.gov.uk](mailto:darren.cowell@torbay.gov.uk)

**Director/Divisional Director Contact Details:** Martin Phillips, Director of Finance,

[martin.phillips@torbay.gov.uk](mailto:martin.phillips@torbay.gov.uk)

## 1. Purpose of Report

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- 1.1 The Council has a statutory responsibility to set a budget each year. By setting and approving the net revenue budget for 2023/24 and the budget allocations proposed, the budget will be used to achieve a range of objectives across several plans within the Council. This will meet the ambitions expressed within the Community and Corporate Plan and other related strategies.
- 1.2 In accordance with the Council's Constitution, members will consider the Cabinet's recommended budget proposals at the meeting of the Council being held on 7 March 2023 and are asked to either adopt the Cabinet's proposals or put forward notice of motion to amend the budget (in accordance with Standing Order A13.4).
- 1.3 Within the budget setting process, the Chief Finance Officer must statutorily provide advice as to the robustness of the budget and this report sets out this opinion.

## 2. Reason for Proposal and its benefits

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- 2.1 The Council has a statutory responsibility to set a revenue budget each year.

### 3. Recommendation(s) / Proposed Decision - Partnership's Budget Proposal

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- 3.1 That for 2023/24 net revenue expenditure of **£131.0m** resulting in a Council Tax requirement of **£82.7m** for 2023/24 (a 4.99% increase in Council Tax, of which 2% is for Adult Social Care) be approved.
- 3.2 That the proposed Fees and Charges for 2023/24 be approved.
- 3.3 That, in accordance with the requirement of the Local Government Act 2003, the advice given by the Chief Finance Officer with respect to the robustness of the budget estimates and the adequacy of the Council's reserves (as set out in the report) be noted.
- 3.4 That it be noted that the Brixham Town Council precept for 2023/24 of £394,372 will be included as part of the Torbay Council budget for Council Tax setting purposes.
- 3.5 That the Chief Executive, in consultation with the Director of Children's Services, Chief Finance Officer, Cabinet Member for Children's Services and Cabinet Member for Finance, be authorised to approve the "safety value" agreement in relation to the Higher Needs Block deficit, subject to an offer of an agreement being made by the Department for Education.

### Background Information

- 4.1 The Partnership has published its budget proposals, and these are available to all Members of the Council. All Members have available copies of the supporting information which has been published alongside the proposals:
  - Chief Financial Officer's Report
  - Revenue Budget Digest 2023/24
  - Fees and Charges 2023/24
  - Review of Reserves 2023/24
  - Capital Strategy 2023/24
  - Capital Plan 2023/24
  - Treasury Management Strategy 2023/24

### 5. Robustness of the budget estimates

- 5.1 Key to budget setting is the robustness of the budget proposals, which is linked to both service demands, and the risks associated with those services. Several assumptions have been made in the development of the budget for 2023/24 to mitigate against the risks. Several specific risks and their mitigation are shown below:



<b>Risk</b>	<b>Risk Rating</b>	<b>Mitigation</b>
Economic impact of COVID and cost of living.	Medium	<p>The inclusion in the 2023/24 budget of an allocation for cost-of-living issues on the demand for council services.</p> <p>Use of Torbay Support Fund comprising both council and central government funding to support residents.</p>
Performance of Subsidiary Companies	Medium	<p>Council oversight as owner over its companies including attendance at Board meetings and review of performance.</p> <p>Council approval required for reserve matters and for investment/borrowing proposals.</p>
Inability to deliver a balanced budget over the next three financial years	Medium	<p>Work on future years' financial position is ongoing led by the Chief Executive and Chief Finance Officer.</p>
Identified budget reductions for 2023/24 are not achieved	Low	<p>Monthly monitoring of current year financial position by Senior Leadership Team including a "savings tracker".</p> <p>Contingency budget in 2023/24 revenue budget.</p> <p>Directors, Divisional Directors and all managers have a responsibility to ensure they maintain spend within their approved budget allocation.</p> <p>The Council also has in place a series of regular revenue and capital monitoring reports, which are presented to the Overview and Scrutiny Board and the Council which review the budget on a quarterly basis throughout the financial year, which mitigates against the risk of inadequate financial control.</p>
Overspend against the proposed 2023/24 Children's Services budget	Medium	<p>The Director of Children's Services (DCS) has a sufficiency strategy with several work streams that has been established and is being implemented, supported by a range of monitoring and performance arrangements. The Sufficiency Strategy has been updated.</p> <p>50% of the 2023/24 increase in Social Care grant has been allocated to this service.</p>
Overspend against the proposed 2023/24 Adult Social Care budget	Low	<p>Agreement in place in which Council pays a fixed payment with no exposure to any over or under spends.</p> <p>50% of the increase in Social Care grant has been allocated to this service. In addition there are additional service specific grants from central government; Discharge Fund and Fair Cost of Care and Improvement Grant.</p>

<b>Risk</b>	<b>Risk Rating</b>	<b>Mitigation</b>
Volatility of NNDR Income	Medium	Provision for appeals and non-collection is included in 2023/24 NNDR income estimate.
Insufficient income generated	Medium	Annual cycle for budgeting.  Prudent view taken of income streams in 2023/24 and a contingency held in respect of low rent levels because of Covid-19.
Insufficient investment fund income	Medium	Prudent view taken of income streams in 2023/24 and the Investment Fund reserve maintained.
Collectability of council tax and NNDR	Medium	Council Tax Support and other forms of support via the Torbay Support Fund is available.  Provision for appeals and non-collection of NNDR is included in 2023/24 NNDR income estimate.
Insufficient reserve levels because of a significant budget variance or unforeseen event.	Medium	Review of Reserves report presented to the Council.  £5.7m balance in the General Fund balance  £3m target balance held in CSR Reserve
Exposure to changes in interest rates	Medium	Treasury Management Strategy to be approved by the Council. All historic borrowing currently on fixed rate deals. Interest rate rises could increase the future costs of council borrowing.
Inflationary pressures	High	Budget build has included estimates of inflation where applicable. Inflationary pressures are currently high (January CPI was 10.1%).  Pay award and impact of living wage not nationally finalised for 2023/24. A 4% pay award has been estimated.  Capital Plan has a number of projects where there has been cost inflation and or supply chain issues that will result in project cost increases.
Income linked to major prudential borrowing schemes not achieved at forecast levels.	Medium	Approval by Council supported by a detailed business case.  Income streams reviewed as part of budget monitoring  Mitigation in schemes, such as a “pre let” required.

5.2 In accordance with the requirement of the Local Government Act 2003, the Chief Financial Officer must report to the Council on “the robustness of the estimates made for the purposes of the (budget) calculations” and the “adequacy of the proposed financial reserves”.

5.3 Taking account of the financial risks facing the Council and the mitigations outlined in paragraph 5.1 above, the **Chief Financial Officer’s Statement** is as follows:

**“I have taken into account information, risks and assurances from the Leader of the Council, the Cabinet and Council Directors in forming my opinion. My opinion is that the 2023/24 budget is based on robust budget estimates.**

This opinion is supported by the current financial position for childrens social care, the two year extension to the agreement for adult social care and the level of Council reserves.

The key risks are outlined in the table above. In particular for 2023/24 I would highlight to Members the ongoing uncertainty caused by higher cost inflation on both revenue and capital spend”.

5.4 In relation to reserve levels, the **Chief Finance Officer** statement in the 2023/24 review of reserves report is:

5.5 **“I am satisfied that the Council’s General Fund and Earmarked Reserves, including Insurance Reserves, are adequate for the Council’s Financial Plans for 2023/24 to meet any known or predicted liabilities over the period in which the liabilities are expected to become due for payment.**

5.6 I fully support ensuring that a prudent level for the General Fund reserve at 5% of the Council’s net revenue budget remains an objective.

5.7 The adequacy of the Council’s reserves can be supported if the following actions are undertaken:

- a) That the Council maintains the focus on social care, both adults and children’s, as the biggest financial risks to the Council to deliver the identified improvements supported by a robust financial recovery plan and the sufficiency strategy;
- b) That the Council maintains its focus on the recovery plan for reducing the deficit on the Higher Needs Block and continues the safety value programme with DfE; and
- c) That the Council urgently assesses the financial viability of the projects with its capital plan.

## **6. Key Risks to the Council**

6.1 There are three fundamental risks that the Council needs to continue to address:

### **6.2 Dedicated Schools Block Deficit**

6.3 As previously outlined there is an ongoing overspend on the Higher Needs Block in the Dedicated Schools Grant where funding in the ring-fenced grant does not cover the cost and demand for the service. Within the Higher Needs Block of the Dedicated Schools Grant, it is projected that there will be a cumulative deficit on this Block at the end of

2022/23 of £12m. Under a “statutory override”, that is in place until March 2026, this deficit will be accounted as an “un useable” reserve pending future funding being identified.

- 6.4 There is a fundamental financial risk to the Council and schools associated with the increasing cumulative deficit on the Higher Needs Block that is part of the ring-fenced Dedicated Schools Grant which ultimately will have to be funded. If there is a risk that the Council will have to fund this deficit, then there would be a fundamental financial impact on the Council of the £12m cumulative deficit being required to be funded as well as any future year deficits.
- 6.5 The Council is in ongoing discussion with Department for Education (DfE) as part of the “safety value” programme. Under this programme, if agreed, the Council must submit, and then achieve, a deficit recovery plan. If this plan is achieved, then DfE will provide funding for the accumulated deficit. It is therefore essential that even if a “safety value” isn’t agreed that the recovery plan is implemented successfully, and the projected funding reductions achieved.
- 6.6 The Council is therefore being recommended to authorise the Chief Executive, in consultation with the Director of Children’s Services, Chief Finance Officer, Cabinet Member for Children’s Services and Cabinet Member for Finance, to approve any “safety value” agreement with Department of Education in relation to the Higher Needs Block.

#### **6.7 Integrated Adult Social Care Agreement**

- 6.8 The Council’s integrated arrangement for adult social care with the NHS has been in place since 2005. There is a funding agreement in place until March 2025 which requires a one-year notice period. Whilst both partners fully support the integrated arrangements and would wish them to continue, if the agreement were to end, the financial impact on the Council would be fundamental as the levels of spend on ASC under the fully integrated system are significantly higher than the funding the Council provides.
- 6.9 Over several years, the Council should be able to reduce this spend, however if the contract ended the initial financial impact on the Council would be significant as the existing packages of care for residents would need to be continued. As a guide the initial funding gap would be between £10m and £20m.

#### **6.10 Capital Plan**

- 6.11 A risk that has arisen in the past year linked to the economic conditions and high inflation is the impact on the Council’s capital plan. A combination of higher construction costs, contractor instability and higher borrowing costs make capital projects harder to be financially viable. This may result in the significant redesign of projects or the pausing or stopping of projects. Alternatively, the Council could approve additional funding for a project but at an ongoing revenue cost for the principal and interest costs. As a result, if schemes change or are stopped, expenditure incurred as capital may not now have an asset to which

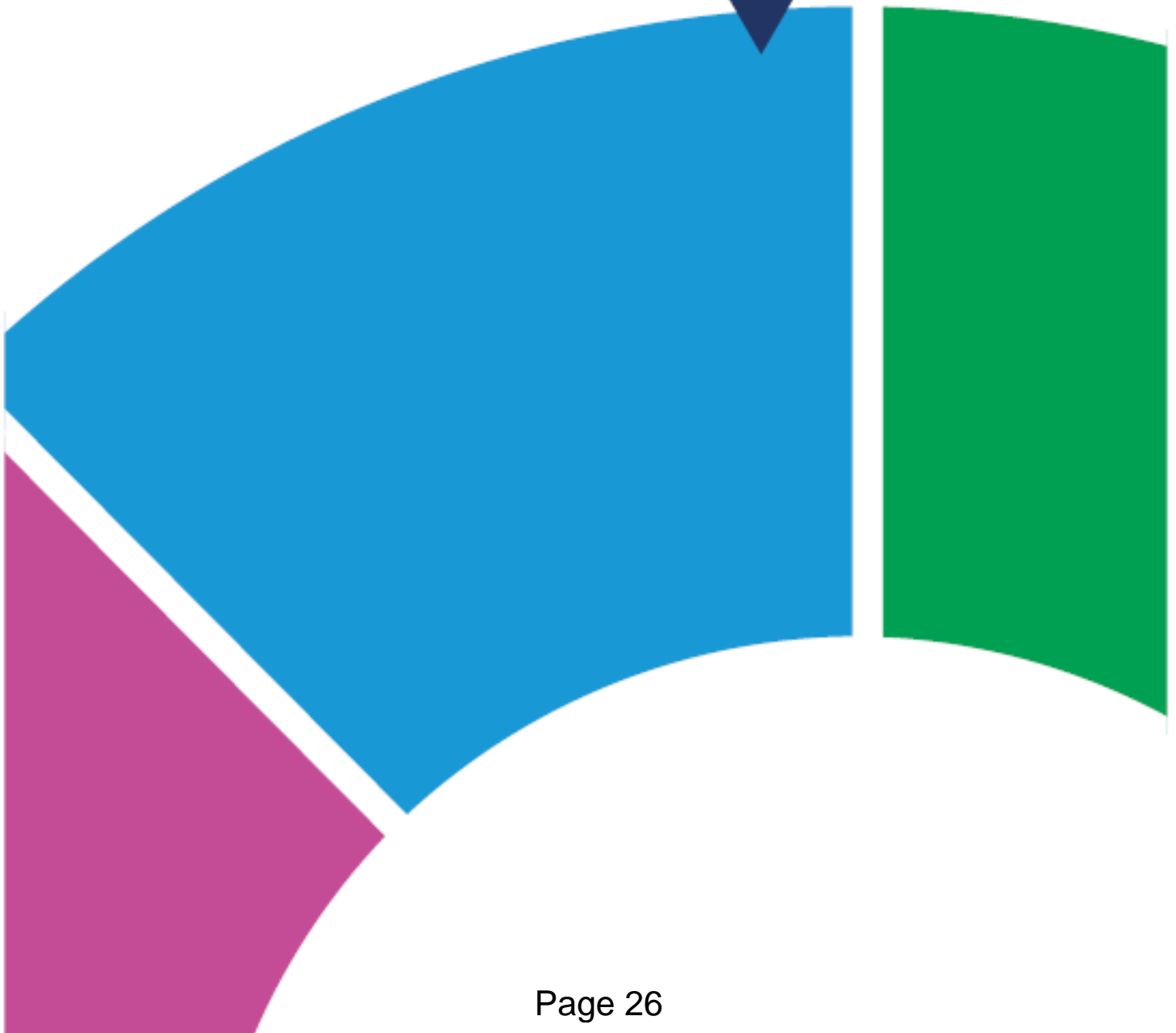
these costs are attributable. They would therefore become abortive costs which would need to be charged to the revenue budget.

- 6.12 Linked to the issues on the viability of capital projects, if a scheme is unable to continue this may require the repayment of grants to the funding bodies with the costs incurred to date being abortive and a council cost. The Council's capital plan does rely on significant levels of central government funding such as Town Deal, Future High Streets Fund and Land Release Fund. Most grants have conditions on the purpose for the spend and the timing of that spend.

# Chief Finance Officer's Report

23 February 2023

## Budget 2023-2024



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## Introduction

1. This report by the Council's Chief Finance Officer provides further information to support the Partnership's budget for 2023/24.
2. This report aims to provide further information and an overview of several key factors, including several "technical" finance issues that have influenced the 2023/24 budget as well as raising issues for future financial years.

## Budget Overview

3. These budget proposals are presented in the light of financial uncertainty from the current economic conditions including inflation (January 2023 10.1%) which is significantly impacting on the cost of council services and will continue to impact on our residents with the consequential effect on the demand for council services and council income levels.
4. The impact on the Council's income, expenditure and funding is outlined in the Medium-Term Resource Plan and the 2023/24 budget proposals. Clearly the financial impact on 2023/24 and future years can only be an estimate and officers will continue to update estimates and will continue to aim to mitigate as far as possible any financial impacts.
5. The current inflationary pressures on services and providers are the highest they have been for many years. There has been high utility and fuel inflation, higher levels of CPI inflation (10.1% in January 2023), a pay award with an average impact of 6% on the 22/23 pay costs and increases in the Living Wage. The latest Bank of England forecast is for inflation rates to reduce from current levels but will average over 5% in 24/25 before returning to 2%. The cost of inflation for 23/24 and the re setting of budgets for the higher than budgeted inflation from 2022/23 is £8m.
6. 2019/20 was the final year of the last multi-year funding settlement. As context, Torbay's Revenue Support Grant was reduced from £42m in 2013/14 to £6m in 2019/20. Since then, the council has had four years of one year funding announcements which makes longer term financial planning problematic.
7. The Final 2023/24 Local Government Finance Settlement was announced on the 6 February 2023 and was like the previous three years, i.e., a one year only "roll over" settlement, with the Revenue Support Grant inflated, additional grant allocations for social care and a repeat of the 2022/23 one off "Services grant" allocation but at a significantly reduced level.
8. The Final Local Government Finance Settlement for Torbay was almost identical to the draft settlement issued in December 2022. The only new announcement was the release by the Department of Levelling Up, Housing and Communities of an NNDR levy contingency they had held relation to 2022/23. Torbay's share of this 2022/23 allocation was £0.3m.



9. Although the Department for Levelling Up, Housing and Communities (DLUHC) provided a Policy Statement in December 2022 with some comments in relation to 2024/25 (i.e., another rollover year), there is considerable funding uncertainty from 2025/26 onwards. In addition, DLUHC have further delayed the introduction of a new funding formula and a revised National Non-Domestic Rates (NNDR) system to “the next parliament”.
10. In the Autumn Statement 2022 central government announced the delay to the adult social care reforms (fair cost of care and income thresholds for cost of care) from October 2023 to October 2025. This delay in the reforms (and their cost) allowed both DLUHC and the Department for Health and Social Care (DHSC) to allocate more funds than expected for social care in 2023/24.
11. The Council's financial planning for 2023/24 started in March 2022 and as for 2022/23, the Partnership's provisional budget proposals were released after the Provisional 2023/24 Local Government Finance Settlement given the extent of the uncertainty in what it would contain. The Partnerships proposals were published on 10 January 2023, enabling a period for consultation and scrutiny of the proposals.
12. It is proposed by the Partnership that the Council increases its Council Tax requirement by 2.99%.
13. In addition, it is proposed to increase Council tax specifically for Adult Social Care by a further 2% in 2023/24.
14. Members of the Overview and Scrutiny Board (through the Priorities and Resources Review Panel) have examined the proposals in detail and stakeholders and residents will have the opportunity to make representations on the proposals through the consultation. The Partnership have reviewed the responses received and the final budget proposals have been drawn up after consideration of the responses.
15. The net budget has increased by £0.4m since the draft budget in January to reflect several changes the Partnership now proposing following the consultation process. These are outlined in the Budget Overview document and have been primarily funded from the final estimate of NNDR income for 2023/24. There have also been a number of “housekeeping” adjustment of budgets between services.
16. This report supports the Revenue Budget 2023/24. Other budget related reports will be presented to Council in March 2023 which are relevant to the Council's overall financial position, namely:
  - a. 2023/24 Capital Strategy and Capital Receipts Strategy,
  - b. 2023/24 Treasury Management Strategy, including Investment Policy and Minimum Revenue Provision Policy,
  - c. 2023/24 Review of Reserves,

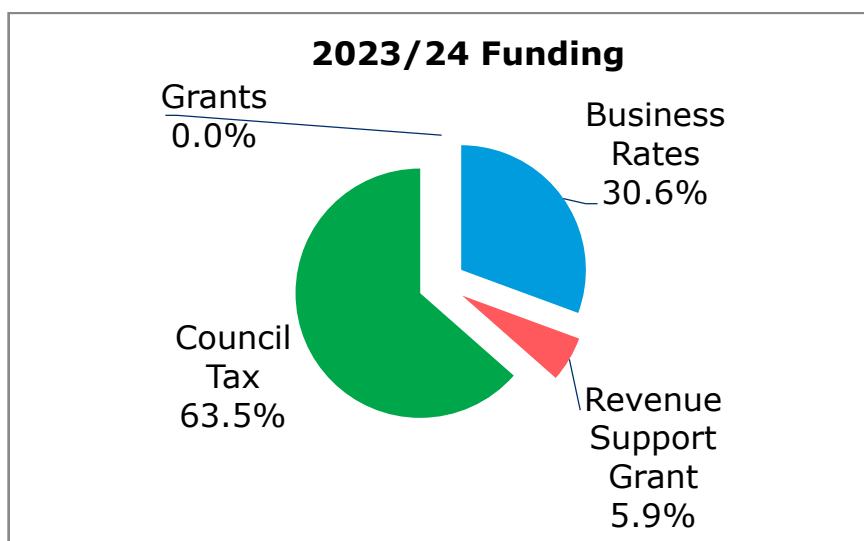
17. Also relevant are:

- d. Medium Term Resource Plan (on website),
- e. Corporate Asset Management Plan,
- f. 2022/23 Revenue and Capital Budget Monitoring Reports.

18. Budget Digest pages, Fees and Charges and budget proposals sheets are available separately along with any relevant equalities impact assessments.

19. A summary of the Council's 2023/24 budget is as follows:

<b>Partnership's Budget Proposal 2023/24</b>	<b>£'000</b>	<b>£'000</b>
Net Revenue Expenditure	131.0	
Total Net Revenue Expenditure		<b>131.0</b>
<b>Funded By:</b>		
Business Rate Retention Scheme	40.1	
Revenue Support Grant	7.7	
New Homes Bonus Grant and other grants	0	<b>47.8</b>
Council Tax Requirement	82.7	
Collection Fund Surplus/(Deficit)	0.5	<b>83.2</b>
<b>Total Income</b>		<b>131.0</b>



20. A summary of the proposed 2023/24 budget by Service area is shown in the table below.

22/23 £m	Directorate/Service	Expenditure £m	Income £m	Net £m
43.8	Adult Services	70.4	(21.6)	48.8
2.3	Community and Customer Services	45.1	(41.9)	3.2
-	<i>Housing benefit included in Customer Services</i>	36.1	(36.1)	0
46.1	Sub Total – Adult Services	115.5	(63.5)	52.0
45.8	Children's Services	118.2	(67.7)	50.5
-	<i>Dedicated Schools Grant included in Children's Services. 2023/24</i>	50.8	(50.8)	0
9.8	Public Health	10.7	(0.3)	10.4
6.5	Corporate Services	9.1	(1.1)	8.0
3.4	Chief Executive's Unit	5.2	(1.2)	4.0
9.9	Sub Total – Corporate Services	14.3	(2.3)	12.0
(7.7)	Finance	33.5	(46.0)	(12.5)
(4.6)	Investment Properties	10.0	(14.1)	(4.1)
21.1	Place Services	47.6	(24.9)	22.7
120.4	TOTAL	349.8	(218.8)	131.0
	Sources of Funding			
78.1	Council Tax			82.7
0.1	Collection Fund Surplus/(Deficit)			0.5
6.8	Revenue Support Grant (RSG)			7.7
35.2	Business Rates (NNDR)			40.1
0.2	Other Grants			0
120.4	TOTAL			131.0

## Cost of Living and COVID-19

21. The financial impact of Covid-19 has reduced during the 2022/23 financial year and will continue to change but has been in effect superseded by the cost of living and inflationary issues for our residents.

22. There is no ongoing central government support for COVID, however central government are continuing to provide funding for support schemes such as in 2023/24 there will be an extension to the Household Support Scheme and a new, one off, Council Tax Support Fund for which Torbay's allocation is £0.3m.
23. DLUHC has allowed any Collection Fund deficit in 2020/21 to be spread over three financial years from 2021/22. The Council allocated funds to cover this cost as part of its 2020/21 outturn so this cost in 2023/24 is funded.
24. In 2020/21 with high levels of cases and lockdowns the Council experienced a cash reduction of 2% in collection of Council Tax compared to pre COVID levels. This has improved since however current collection rates are still below pre COVID levels. The ongoing negative impact on the collectability of Council Tax in 2023/24 due to the economic conditions has been estimated at 1% i.e., £0.7m.
25. The level of homelessness and the need for temporary accommodation was particularly impacted by COVID and now is being impacted by the pressures on the cost of living. Current levels of demand and costs are still double compared to pre COVID. The draft budget includes £0.5m to support investment in the council's housing functions and staffing.
26. The Council has allocated £0.5m in 2023/24 to meet the cost impact on its services from the pressures on the cost-of-living.
27. The Council will also allocate £0.5m from its reserves on a one-off basis to provide a council tax bill reduction to working age council tax support scheme claimants. This allocation combined with the new national council tax support scheme should see reductions of up to £100 on the council tax bills for working age Council Tax Support claimants.
28. The Council has also allocated funding to provide packages of support including a new exceptional circumstances fund, financial support for the mental health helpline and a thank you payment to fostering families.

## Capital Plan 2023/24

29. As required by the Council's Constitution the draft Capital Plan for 2023/24 has been published which is line with the latest budget monitoring report (quarter 3 2022/23). As the Council has a rolling four-year Capital Plan that is reported quarterly, the Capital Plan for 2023/4 is a "subset" of the four-year plan based on the latest monitoring information.
30. The level of cost inflation on construction contracts is significant - on some projects there has been a 100% increase in costs. This pressure combined with a significant increase in the costs of future borrowing will inevitably require the original business case of all capital projects to be reassessed to ensure financial viability.

31. In the 2022/23 budget the council established a capital contingency fund that was subsequently increased to £12m to enable four capital projects to proceed. The additional ongoing revenue costs is estimated at £0.6m which has been included in the 2023/24 base budget.

## Spending Round 2021 and Local Government Finance Settlement 2023/24

33. The Chancellor announced a three-year Spending Review in October 2021. This announced the total allocations for government departments. For local government the allocation of total to councils is determined in the Local Government Finance Settlement (LGFS).
34. In the Spending Review the total for local government increased by £1.6 billion for 2022/23. For 2023/24 the Review stated that this would be at the same “cash” level as 2022/23. The absence of any additional funding in the Spending Review for 2023/24 was a significant concern as this does not provide funding for any demand or cost growth in services.
35. The Chancellor in his Autumn Statement in 2022 committed to stay within these spending totals established in the Spending Review. The LGFS did increase council tax flexibilities and provided for an inflationary increase in NNDR and Revenue Support grant income. More detail on social care is in the relevant sections in this report.
36. The 2023/24 settlement is fundamentally a one year “roll over” from 2022/23. The Council’s core funding of Council tax will increase by 2.99% and other core funding is a range of nil (e.g. no inflation on IBCF) to 10.1% for inflation (e.g. on the RSG). Other service grants in 2022/23 were also rolled over into 2023/24. The 2023/24 Public Health grant allocations have not yet been announced.
37. The referendum limit for council tax rises was set at 3%. In addition, the flexibility for Councils to raise council tax by a further 2% specifically for adult social care was confirmed for 2023/24 and 2024/25. These council tax increases are “assumed” as part of the increase in councils’ “core spending power” often quoted by DLUHC.
38. As part of this settlement several grants were “rolled into” others such as into the Revenue Support grant and Social Care Grant. The Lower Tier Services grant was re distributed to favour district councils which means the council’s allocation of this grant is now nil.
39. The Social Care grant was retained and is now increased by £5.4m (including the value of a rolled in grant). This additional funding will be used to support provider and other demand and inflationary costs in Children’s Services and Adult Social Care.
40. In 2022/23 a new “one off” Services Grant of £2.2m was announced. This grant has been announced for a second year but is now at a significantly lower level of £1.3m.

It is predicted that for 2024/25 this grant will be reduced further by DLUHC, in order to fund other grant allocations.

## Inflationary Pressures

41. The single biggest cost pressure in the proposed 2023/23 budget is the impact of inflation on the council's costs. The inflation levels are currently significantly above the forecasts prevailing when the 2022/23 budget was set. Therefore the 2023/24 budget must provide for the ongoing shortfall on the actual 2022/23 inflation compared to budget and for 2023/24, where the Bank of England forecasts are for a CPI inflation rate of 5% at the end of 2023 before returning to the 2% target level.
42. The estimated cost of this is £8m which includes the pay award detailed below. This however this is still an area of uncertainty as the future costs of, say, utilities are still volatile, and pay is a significant national issue with a further increase in the living wage proposed for 2023/24.
43. The higher Bank of England rates and economic conditions has also increased interest rates on both borrowing and investments. For the Council all of its historic borrowing is on fixed rates over a flat maturity profile so there are not any pressures on existing debt. However, the cost of new borrowing will be higher which will impact on the business case viability for capital projects. Conversely the council is now earning higher investment returns on its cash balances which has been included in the 2023/24 budget.

## Dedicated Schools Grant

44. As part of the Spending Round additional funding was announced for the Dedicated Schools Grant – for both Schools and High Needs. Torbay's 2023/24 allocation of these additional funds was provisionally allocated in December 2022 with an overall increase in cash terms of £3.169m (3.45%) in the Schools Block and £2.247m (9.21%) in High Needs Block. Within the average overall increase, the amount individual schools will receive will vary depending on the impact of the changes in the formula and pupil numbers to their allocations. Although the additional funding for Torbay is clearly welcome, a deficit budget will still be required for 2023/24 as demand within High Needs continues. The expectation is that there will be additional funding in 2024/25 which should continue to enable the budget to move closer to a balanced position.
45. The Council will, as usual, direct the entire grant received in respect of Dedicated Schools Funding through to those areas defined in the School Finance Regulations. The value of the Dedicated Schools Grant (DSG) before academy school recoupment is £133m. For 2023/24 it is estimated that approximately £50.8m will be retained in the Council's budget for expenditure related to its (maintained) schools and other residual functions including education for High Needs.

46. The DSG and the schools funding formula is moving towards a full introduction of a new national school funding formula. The Education, Skills and Funding Agency (ESFA) expect this to be implemented by the 2027/28 financial year but are hoping to be able to implement sooner if possible. Movement of funding between the separate blocks of the DSG is now limited and is expected to cease altogether for the schools' block with the introduction of the national school funding formula.
47. The key financial pressure within the DSG is in the High Needs block. The pressures on the High Needs Block arise from the level of demand and referrals from schools and other agencies for support to pupils with additional needs. In previous years, in recognition of this pressure, Schools Forum has historically agreed to move 0.5% out of the Schools Block to help fund the increased demand within the High Needs Block. Schools Forum has not agreed to this virement for 2022/23 or 2023/24. The overspend on the DSG in 2022/23 is estimated to be £2.7m, resulting in a cumulative forecast deficit of £11.7m.
48. This rising deficit is a key issue for the school community and the Council. The level of the deficit as at end of March 2023 is forecast to be more than the Council's general fund reserve by more than £6m.
49. Until the High Needs Block achieves financial balance in the longer term, the DSG reserve will be used to fund the cumulative deficit as a "negative reserve". Under legislation, now extended until the end of 2025/26, this reserve can be re-classified on the Council's balance sheet as a usable reserve. However, holding a negative reserve or even reclassifying it is not a sustainable solution.
50. The Council is now part of the Safety Valve programme with the Department for Education (DFE). In this arrangement if the council and its partners can produce and achieve a deficit recovery plan that leads to a balanced higher needs block within a determined period (anticipated to be 3 years), DFE will consider funding all or some of the deficit. This process is still under negotiation with an agreement hoped for by end of March 2023.
51. To support the improvements required in the deficit recovery plan the Council will allocate £0.3 in its base budget to provide funding to achieve the actions outlined in the recovery plan.

## Adult Social Care

52. The Council's budget proposals for 2023/24 includes the contract sum (£55.4m) agreed with the Integrated Care Organisation (ICO) and the Integrated Care Board (ICB) to continue the highly regarded system of integrated health and adult social care within Torbay. 2023/24 is the first year of a two-year extension to the existing three-year arrangement. This extension to £55.4m from the base contract fee of £47m is funded within the 2023/24 budget.
53. Any funds raised by the 2023/24 Council tax precept of 2% (approx. £1.5m) will be used for adult social care.



54. The Government intended to introduce major changes to Adult Social care – Fair Cost of Care for providers and an income threshold for clients paying for the costs of care. These reforms were supposed to be from October 2023 but have now been delayed to October 2025 at the earliest.
55. Central Government has decided to reallocate a significant amount of funding that would have been used to fund these reforms to Councils in 2023/24 and 2024/25 to help meet current cost and demand pressures in social care. The funding of the reforms if introduced in October 2025 will be an issue for the next Spending Review.
56. As a consequence, there are two grants specific for adult social care for 2023/24.
  - a. An allocation of £1.9m for Fair Cost of Care and Improvement Grant. This will be ring fenced to adult social care with conditions, which are yet to be announced.
  - b. An allocation of £1.2m for a Discharge Fund. This will be ring fenced to adult social care with conditions, which are yet to be announced (due mid-January). The ICB will also receive a similar amount as the national allocation was split 50/50 between health and local government.
57. The Social care grant increase which is for adults and childrens social care has been increased (after a grant adjustment) to £5m for 23/24. These have been allocated 50/50 between the two services to meet cost and inflationary pressures.

## Children's Services

58. As a result of the significant improvements in this service – now rated Good by Ofsted - along with additional investment the service is far more financially stable than in previous years.
59. However, the service is vulnerable to changes in demand for services in particular residential care where a relatively small change in numbers could have a significant financial impact.
60. Budget monitoring in 2022/23 is predicting an overspend for that service in the region of £2m. Therefore £2.5m of the social care grant increase has been allocated to this service for service demand in addition to inflationary increases in pay and provider costs.
61. Within the 2023/24 budget there is an allocation of £200k to fund the costs of the schools PFI contract compared to the funding available.

## SWISCo

62. The budget proposals include an inflationary increase in the SWISCo budget to provide for both 2022/23 and 2023/24 inflation pressures. Apart from a saving proposal in relation to the efficiency of the service in relation to staffing and the recent IT and equipment investment there are no changes proposed to service levels.



## Estimation of Council Tax Surplus/Deficit

63. The Council makes an estimate of the surplus or deficit on the Collection Fund at year end from under or overachieving the estimated council tax collection rate.
64. COVID-19 has had a significant ongoing impact on the collection of council tax. The 2022/23 position is like 2021/22 but lower than pre COVID levels. Consequently, the Council will recognise a net surplus in 2023/24 of £1.0m.
65. As the Council sets a collection rate within its tax base equivalent to the amount collected in the 12 months of the financial year, any surplus primarily represents the collection of sums due in respect of previous years. This indicates a level of success in collecting old year debts and raises the overall, longer term, collection rate well above the “in year” rate. The Council has assumed a 96% in year collection rate however a value equivalent to 1% will continue to be held in contingency for potential losses in 2023/24.
66. The ongoing economic impact on Torbay residents linked to “cost of living” pressures including fuel and utility costs could result in more Torbay residents facing financial hardship which the Council will continue to be mindful of.
67. As a local precepting authority, as defined in the Local Government Finance Act 2012, Brixham Town Council will not be required to fund any deficit, nor will they be entitled to a share of any surplus on the collection fund.

## National Non-Domestic Rates

68. The Council’s NNDR income in 2022/23 comprises three parts: a 49% share of NNDR income, a “s31” grant to reflect the loss of NNDR income to the council from central government changes to the NNDR (e.g., Small Business Rate Relief) and a Top Up grant that reflects the difference in the Council’s assessed “need” for funding compared to its actual ability to raise NNDR income (as set in 2013).
69. Since the introduction of the Business Rates Retention Scheme in April 2013, the Council is also required to declare a surplus or deficit for NNDR in a similar way as set out above for council tax. The forecasting of NNDR has involved a wide range of complex variables and influences such as from reliefs and is an area which causes complications for medium term financial planning.
70. The Council had a NNDR funding baseline established in 2013. Each year as part of the funding settlement DLUHC assumes a level of growth in business rates for councils which may be more or less than the actual NNDR income for a council.
71. For 2023 there has been a national Revaluation (of rateable values) which resulted in a 3.4% overall increase in Torbay’s rateable values compared to 2017. Within that increase (on average) retail sector values reduced by 1% while the industry sector values increased by 28%.

72. DLUHC have announced a NNDR multiplier freeze for 2023/24 and a range of ongoing reliefs. Councils will be compensated for lost income from this freeze by means of a 6.4% increase on its NNDR “top up” allocation and on its notional baseline NNDR income, and an assumed 3.7% increase on its NNDR income linked to the national change after the 2023 Revaluation. This equates, in theory, to the 10.1% increase in September CPI which is the baseline for multiplier increases.
73. The Council along with other Devon Councils will continue with a NNDR pool for 2023/24 with an estimated gain to Torbay of £1.0m. The future of pools and the resulting financial gains are not certain under any new NNDR system when introduced.
74. Due to the significant uncertainty around the impact of the current economic conditions of business’ ability to trade and therefore pay NNDR, the council will continue to budget for a contingency for non-collection.

## Council Tax and Referendum Limits

75. To control the level by which local authorities can increase Council Tax, the Government has set limits at which point a referendum would be required. This was increased to 3% or over for 2023/24. The Partnership’s budget proposal is for a 2.99% increase in this element. In addition, DLUHC have offered upper tier Councils the flexibility to increase council tax by a further 2% for Adult Social care and the budget proposals include an additional 2% for this specific purpose.
76. The Council Tax bill sent out to residents is made up of three main component parts, namely Torbay Council (including Brixham Town Council), Devon and Cornwall Police Authority and Devon and Somerset Fire and Rescue Authority. Once these have been declared they will be included in the Council Tax setting report which will be presented to the Council in March 2023.
77. The Secretary of State will consider the three component parts, not the overall bill, and, if any one of the three organisations were capped, Council would have to re-bill.
78. In 2022/23, Torbay had the second lowest Band D Council Tax in Devon at £2,028.41 including the Fire and Police precepts but excluding parish and town council precepts. A summary of some other Devon Councils’ Band D rates for 22/23 are as follows:

	<b>Torbay (Unitary council)</b>	<b>Plymouth (Unitary council)</b>	<b>Exeter (City Council)</b>	<b>South Hams (District Council)</b>	<b>Teign- bridge (District Council)</b>
District Council	-	-	170.05	180.42	185.17
Devon County	-	-	1,556.46	1,556.46	1,556.46
Total	1,690.06	1,669.88	1,726.51	1,736.88	1,741.63
Fire & Police	338.35	338.35	338.35	338.35	338.35
Band D (excluding parish precepts)	2,028.41	2,008.23	2,064.86	2,075.23	2,079.98
		(1.0%)	+1.8%	+ 2.3%	+ 2.5%

Table last updated 23/12/2022

79. The differential between Torbay and the other Councils increases when Town and parish precepts are added. As a guide the 2021/22 precept for Brixham Town Council was £61.37.

## Pay and Pensions

80. The 2022/23 pay award for staff (fixed increase of £1,925) has been agreed. The 2023/24 budget assumes a 4% pay award for 2023/24 while a contingency will be held for any impact of the living wage.
81. From April 2022 there was a 1.25% increase in the Council's employer national insurance contributions which has been provided for. This was subsequently reversed from November 2022 and DLUHC have reduced the councils 2023/24 funding to remove the gain from this tax reversal.
82. In 2022 there was the triennial valuation of the Devon County Pension Fund to ensure that employer contribution rates are set for the following three financial years to meet the long-term employee pension benefits requirements. This from 2023/24, for three years, resulted in an increase in Torbay's "primary" rate to 18.4% (from 16.7%), this increase has however been offset by a reduction in the Council's "secondary" rate (i.e., deficit) lump sum payment to nil.
83. In addition to the cost of living increases the council is finding it increasingly hard to attract and retain suitably experienced staff due in part to increase competition for these staff. As a result, the council is increasingly needing to pay market supplements to both recruit and retain staff. £0.5m for these additional costs has been included in the 2023/24 budget.

## Reserve Levels

84. The Council's general fund reserve of £5.7m as at the end of 2022/23. The Partnership have been supportive by increasing this balance in 2020/21 to a level that was close to 5% of the Councils net budget. Based on a budget of £131.0m for 2023/24 the target reserve level would be £6.6m.
85. Achieving a general fund level of 5% is prudent for the Council, as recognised nationally, including by CIPFA. As a guide in 2004/05 the level was 2%, in 2010/11 level was 3% and in 2019/20 the level was 4%.
86. The 2023/24 budget proposals do not include any use of any earmarked reserves to fund "base budget" costs to achieve a balance.
87. The Council continues to have the option, to give reserve levels a "boost", to swop revenue and reserve funded capital expenditure for prudential borrowing up to £3m which will need to be funded from future revenue budgets. At this stage this option is not being proposed.

## CIPFA Financial Resilience Index

88. To provide more information and transparency on Councils' financial position, CIPFA issued a "Financial Resilience Index" to provide information.
89. The Index shows the assessment (based on 2021/22 data) of Torbay's position is that the "Indicators of Financial Stress" rank Torbay as a "higher risk" Council but not at the highest level. Factors that show a higher risk assessment are in relation to children's' social care where the Council's percentage of its budget expended on this service is high, despite the service improvements that have been achieved. Other factors showing a higher level of risk are the overall level of interest payable and total debt compared to budget which is directly linked to the council's historic investment in commercial property and its regeneration projects. Other indicators show a low or medium risk.

## Longer Term Future Council Funding

90. The Medium-Term Resource Plan was updated at the end of April 2022 to include the impact of COVID-19 and the delays in the implementation of the new funding formula and revised NNDR retention system. The three-year 2021 Spending Review announced in October 2021 was followed up by one-year Local Government Financial Settlements for both 2022/23 and 2023/24 which does not help with longer term financial certainly over future funding.
91. In a DLUHC Policy Statement issued in December 2022, some funding principles for 2024/25 have been set out, which implies that 2024/25 will be another roll over year with some inflation allocated. There will also be higher social care and adult social care grant allocations in 2024/25 compared to 2023/24.
92. DLUHC are expecting that the introduction of the Extended Producer Responsibility legislation from 2024/25 will result in a significant new income stream for councils, however as yet the detail of this is not known.
93. DLUHC's aim of implementing a new funding formula and a revised business rates retention system (both last updated in 2013) has been delayed and are now stated to occur "in the new parliament."
94. As an initial guide, based on the April 2022 position and prior to more detailed work being undertaken post 2023/24 budget setting to update for the impact of the local government finance settlement and inflation, it is estimated that for 2024/25 and 2025/26 the Council will require in the region of over £12m of efficiencies, income, or reductions, to achieve a balanced budget. The significant financial risks are linked to the Council's three-year agreement with the ICO for adult social care will need to be renegotiated for 2025/26 and the future costs and funding of the ASC reforms now due October 2025.

# Cabinet's Response to Consultation

February 2023

## Budget 2023-2024

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# Statement from the Leader and Deputy Leader of the Council

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In accordance with the Council's Constitution, the Cabinet is proposing a balanced Revenue Budget of £131 million for 2023/2024 and a 2023/2024 Capital Plan of £90 million for the Council's consideration.

As we said when we launched the consultation, at the front of our minds in proposing this budget is the need for the Council to serve its communities and to make Torbay a good place to live, learn, work and enjoy life. We want to deliver cost-effective services which will help Torbay and its residents to thrive.

We'd like to thank all of those who provided feedback to the draft proposals either through completing our questionnaire, participating in our Ask Us Facebook Live session or by responding and commenting to our social media posts. We'd also like to thank the Overview and Scrutiny Board for its time in reviewing our proposals.

It was pleasing to see that the community supported the majority of the proposals put forward, but we have considered all the responses and suggestions and have made some changes to our proposals in response to these.

Our budget proposals are more wide-ranging than the sixteen proposals for efficiencies, income generation and service change. Our revenue budget of £131 million and our capital plan of £90 million for next year will all be used to deliver our ambition of a thriving Torbay.

The financial management of the organisation over recent years has meant that this budget contains no reductions in services. Our investment into Children's Services is paying dividends with recognition that we are now achieving good outcomes for our children and young people. Our improvement journey continues, with a concentrated focus on services for children and young people with special educational needs and/or disabilities. The creation of Family Hubs in each of our towns will make it easier for families to access the services they need.

In adult social care, we have a long and proud history of integration which continues with the Torbay and South Devon NHS Foundation Trust delivering the service on our behalf. The extension to the contract provides the Council with a fixed cost for these integrated arrangements for a further two years.

With our partners we continue to be at the forefront of innovation, focusing on a co-designed asset-based approach. A radically re-designed front door is being delivered by the Community and Voluntary Sector through the Community Helpline. This is reducing the number of people who need statutory services, whilst improving services for those who do need them.

Our proposals include the appointment of an Inclusion Officer. They will have a role which takes in the full breadth of inclusion, not just the issues identified in the Torbay Racism Review. They



will work to ensure that we embed what has been started on turning the tide on poverty in Torbay, making sure that all parts of the community have access to the opportunities and advantages that are available.

We will continue to promote wellbeing and good mental health. To this end, sport and physical activity is vital. Our initial proposals included an additional £25,000 for Torbay on the Move. This brings the funding for this initiative to £75,000. We are concerned that the Government has failed to acknowledge that swimming pools and leisure centres should be deemed as eligible for extra support from the Energy and Trade Intensive Industries scheme. Therefore we are proposing that the Council step in to give £12,000 per year to both Swim Torquay and Admiral Swimming Pool. We recognise that this is short term support and will be working with them towards a sustainable future.

We are making positive strides in addressing the housing crisis within Torbay. The draft budget includes funding for both housing and temporary accommodation. We are now proposing that a £3 million borrowing facility is included within our capital plan for next year. We know that there are organisations such as YES Brixham and Growing Homes Torbay who are working to create affordable community housing and it is hoped that this loan facility will enable them to progress their plans.

We are committed to improving our economy and one of our ambitions is to be the UK's premier tourist resort. We recognise that, in the current economic climate, the increased sponsorship target we had proposed for the Air Show may not be met. We are recommending that this proposal is removed from the budget and that further funding be identified to support the 2023 English Riviera Air Show.

Funding has been allocated towards implementing our Economic Strategy, in particular supporting the improvement in skills in the local area. We are also recommending that the proposal for TDA to fund the borrowing costs of some regeneration schemes is not taken forward. This will enable TDA to appropriately fund its work on economic development.

We welcomed the views put forward by the community on how the £100,000 identified for initiatives to keep the Bay clean, tidy and attractive should be spent. We will be working with partners over the coming weeks to prepare for the coming summer season and will take these views into account.

We are also proposing that a further £100,000 is allocated to introduce of a new role within the Council to act as a force of positive change in our town centres. We will consider how this type of role operates in other areas and, working alongside stakeholders, bring about our ambition of vibrant town centres across the Bay. This work will run alongside what we are already doing with the Police and Office of the Police and Crime Commissioner as a multi-agency response to the substance misuse and anti-social behaviour challenges in Castle Circus and town centre areas of Torquay.

Our capital plan includes several schemes which will help meet this ambition and these projects will start to take shape in the coming financial year. We share the frustration of the community



that some of these schemes have been slow to get off the ground. However, like councils across the country, the increases in inflation have had a knock-on effect on construction costs and we have had to ensure that each scheme was affordable before being started. As part of the announcements on local government funding, a contingency held for National Non-Domestic Rates has been released with the Council receiving £274,000. It is proposed that this is held in a Capital Projects Contingency Fund to mitigate the ongoing national risks of increased capital costs.

The Council's Carbon Neutral Action Plan continues to be delivered with the projects that are being put in place, funded by the investment which was identified in the current year's budget. These projects will not only help us to tackle climate change but they will create savings for our future budgets.

The improvements that we are making to our planning service will be supplemented by additional funding of £50,000 so that we can place more focus on enforcement and heritage issues.

Our aim of creating a Council fit for the future has openness and transparency at its heart. We will continue to provide our One Torbay updates in community magazines across Torbay, widening the audience as far as we can. Our Cabinet, Council and Planning Committee meetings will be live streamed and promoted more widely.

We recognise that by raising Council Tax by 4.99% this year this may add additional pressure on some household budgets. We are therefore, in addition to the 2023/24 government funded council tax support scheme of £25, allocating a reduction of up to £75 for each working age household in receipt of Council Tax Support. At the same time, we are consulting on changes to the level of Council Tax Support – reducing the amount that working age households will need to pay from 1 April 2024.

As we said when we published our budget proposals, it is disappointing that the Government has failed to address the national funding pressures which are facing adult social care. Council tax is also now the main source of funding our place-based services. The Government, in setting our spending levels, assumes that we will increase council tax by the full amount allowed.

We hope that the Council will approve this budget so that we can continue to deliver our ambition of a thriving Torbay, turning the tide on poverty and build a stronger, safer, fairer Torbay.



Councillor Steve Darling  
Leader of Torbay



Councillor Darren Cowell  
Council Deputy Leader and Cabinet  
Member for Finance

# Introduction

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This document and the papers which support it set out the Cabinet's final proposals for the Revenue and Capital Budgets for 2023/2024.

The Cabinet published its draft budget proposals in January 2023 for consultation. During the consultation period, feedback was gathered through an online questionnaire and discussion forum as well as from Torbay Council's social media channels (including responses to the Ask Us Facebook Live panel held in January 2023).

The feedback has included the views of the Council's Overview and Scrutiny Board which were set out in its report to the Cabinet and is available at [www.torbay.gov.uk/scrutiny](http://www.torbay.gov.uk/scrutiny)

The results of the consultation have been published and the budget proposals issued in January 2023 have been updated and republished. All these documents are available at [www.torbay.gov.uk/budget-202324](http://www.torbay.gov.uk/budget-202324)

This report reflects the feedback received and outlines the changes that have been made to the Cabinet's proposals as a result. It also reflects the further Government announcements on local authority spending which have been received since the draft budget proposals were published.

Alongside this document several others will be published and will be available on the Council's website ([www.torbay.gov.uk/budget-202324](http://www.torbay.gov.uk/budget-202324)) and are listed below:

- **Torbay Council – Revenue Budget Digest 2023/24**  
This provides a description of what each Council service does and how much it is proposed that they will spend next year including how much income they will receive.
- **Chief Finance Officer's Report**  
This provides a more detailed narrative in relation to the 2023/24 Council budget.
- **Fees and Charges**  
The amount that the Council proposes to charge for its services over the next year.
- **Capital Plan 2023/24**  
This explains which capital schemes the Council plans to fund over the coming year.
- **Reserves**  
The current and forecast position on the use of the Council's reserves.

Other documents, which will be updated and published on the Council's website, will include the Capital Strategy, and the Treasury Management Plan.

The Cabinet's final budget proposals will be considered at the meeting of the Council being held on 7 March 2023 when the budget will be decided (by a simple majority vote) and the Council Tax levels will be set. This will include the precepts from the Devon and Somerset Fire and Rescue Authority, the Devon and Cornwall Police and Crime Commissioner and Brixham Town Council, with an overall Council Tax for Torbay being set.

Details of the meetings when the budget proposals will be discussed are available on the Council's website: [www.torbay.gov.uk/meetings-and-decisions](http://www.torbay.gov.uk/meetings-and-decisions)

# Revenue Budget 2023/2024

## Proposed Changes to the 2023/2024 Revenue Budget

Since the Cabinet's budget proposals were issued in January 2023, we have continued to review the assumptions upon which we based our proposals. In addition, further updates have been received on funding levels including on the amount of National Non-Domestic Rates (Business Rates) income that we will receive in the next financial year.

We have also considered the views of the wider community and those of the Council's Overview and Scrutiny Board which have been provided during the consultation period.

A summary of the changes in income and expenditure since the initial proposals were published is set out in Table 1. This includes changes to our original proposals as well proposals to meet emerging pressures within the Council's services.

Description	Reduction in Expenditure/ Higher Income £k	Increase in Expenditure/ Lower Income £k	Commentary
Reduced costs associated with English Riviera Air Show		50	Whilst we will continue to seek sponsorship for the Air Show, it is recognised that, in the current economic climate, the target proposed may not be met and additional money will be included in the budget.
TDA capital commitment		200	Taking account of the views of the Overview and Scrutiny Board, this proposal will not be taken forward in light of the work of TDA in delivering the Torbay Economic Growth Strategy.
Community swimming pools		24	£12,000 grant per annum for both Admiral Swimming Pool and Swim Torquay towards their ongoing costs.
Town centre improvements		100	Introduction of a new role within the Council focussed on developing action plans, sourcing funding and working alongside stakeholders to help achieve the Council's strategic ambitions for our town centres.
Enforcement and heritage		50	Additional resources to support the Planning Service especially around enforcement and heritage works.
Sub total	0	424	

Increased National Non-Domestic Rate income and final Services Grant	424		Our level of NNDR income has now been forecast as higher than previously assumed.
Net Change in Budget		0	

**Table 1: Summary of changes in income and expenditure**

## Revenue Budget 2023/2024

The Council is being asked to approve the Cabinet's proposal for the total net revenue budget for 2023/2024 and the budget that will be required to be funded from Council Tax.

The Council is also being presented with the allocation of the 2023/2024 revenue budget to individual services as identified in the Budget Digest which has been circulated separately. The allocation of budget to services is a key part of the Council's financial control arrangements. The Financial Regulations in the Constitution govern any subsequent in-year budget changes. The approval of fees and charges for 2023/2024, in addition to supporting the achievement of budgeted income, provides clarity to services and service users. The Officer Scheme of Delegation governs any subsequent in-year changes to fees and charges.

A summary of this information is shown in the Table 2.

Service	Expenditure £m	Income £m	Net £m
Adult Services	70.4	(21.6)	48.8
Community and Customer Services	45.1	(41.9)	3.2
<i>Housing Benefit included in Customer Services</i>	<i>36.1</i>	<i>(36.1)</i>	<i>0</i>
<b>Sub Total – Adult Services</b>	<b>115.5</b>	<b>(63.5)</b>	<b>52.0</b>
<b>Children’s Services</b>	<b>118.2</b>	<b>(67.7)</b>	<b>50.5</b>
<i>Dedicated Schools Grant including in Children’s Services</i>	<i>50.8</i>	<i>(50.8)</i>	<i>0</i>
<b>Public Health</b>	<b>10.7</b>	<b>(0.3)</b>	<b>10.4</b>
Corporate Services	9.1	(1.1)	8.0
Chief Executive’s Unit	5.2	(1.2)	4.0
<b>Sub Total – Corporate Services</b>	<b>14.3</b>	<b>(2.3)</b>	<b>12.0</b>
<b>Finance</b>	<b>33.5</b>	<b>(46.0)</b>	<b>(12.5)</b>
<b>Investment Properties</b>	<b>10.0</b>	<b>(14.1)</b>	<b>(4.1)</b>
<b>Place</b>	<b>47.6</b>	<b>(24.9)</b>	<b>22.7</b>
<b>TOTAL</b>	<b>349.8</b>	<b>(218.8)</b>	<b>131.0</b>
<b>Sources of Funding</b>			
Council Tax			82.7
Collection Fund Surplus/(Deficit)			0.5
Revenue Support Grant			7.7
Business Rates (NNDR)			40.1
Other Grants			0
<b>TOTAL</b>			<b>131.0</b>

**Table 2: Revenue Budget 2023/2024 - Summary**

The value of Council Tax after a rise in the Torbay element of the Council Tax of 2.99% and a 2% rise for adult social care is £82.7 million. This 4.99% rise will increase the Band D Council Tax in Torbay by £84.33 (of which the 2% rise for adult social care is £33.80), which equates to £1.62 per week.

When the Council formally sets the Council Tax for 2023/2024, the Council's budget must include the council tax requirement for Brixham Town Council. The value of this precept (£0.394m) will be included as part of the Torbay Council budget for Council Tax setting purposes.

## Capital Plan 2023/2024

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We explained within our consultation that, as our operational (revenue) spend remains under pressure, it is vital that we maximise the opportunities within our Capital Plan.

It is now proposed that our Capital Plan will include a £3 million capital borrowing facility for community-led affordable housing schemes which will enable local organisation to buy and improve properties for affordable housing.

Therefore, our four-year Capital Plan is now £305m with a programme of capital works of £90m in 2023/2024. It is also proposed that a Capital Projects Contingency Fund of £274,000 is established (funded from the contingency held for National Non-Domestic Rates which has been released to the Council). This will help to mitigate the ongoing national risks of increased capital costs.

Our capital plan for next year has been reviewed and milestones for each project have been published alongside what we are proposing to spend. Each capital scheme is focussed on achieving outcomes which will help us to meet our ambitions within our Community and Corporate Plan.

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For more information, please contact [consultation@torbay.gov.uk](mailto:consultation@torbay.gov.uk)

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## **Revenue and Capital Budget 2023/2024 – Report of the Overview and Scrutiny Board**

### **Report to Cabinet to be considered as part of the budget consultation**

#### **Background**

1. The Cabinet's Draft Revenue and Capital Budget proposals for 2023/2024 were published on 11 January 2023 and available on the Council's website at <https://www.torbay.gov.uk/council/finance/budget/budget-202324/>. The Revenue Budget Digest set out the proposed budget for each Council service for 2023/2024. The website also included further documents which set out: the proposals investment in services, efficiencies and income generation; proposed fees and charges and the Capital Plan Budget. The Priorities and Resources Review Panel 2023/24 was established to scrutinise the proposals and to make comments, observations and recommendations as necessary.
2. The Review Panel comprised of the Councillors on the Overview and Scrutiny Board, as they had developed a strategic and overall knowledge of the Council's revenue and capital budgets through quarterly monitoring meetings held throughout the year, namely, Councillors Barrand, Brown, Bye, Douglas-Dunbar, Dudley (who attended as a substitute for Councillor Douglas-Dunbar for the second meeting), Foster, Johns, Kennedy and Loxton.
3. The Review Panel met virtually in public on 19 and 30 January 2023 to hear evidence and on 6 February 2023 in private to agree the key findings and recommendations to the Cabinet. At its public meetings the Panel heard from the Leader and Deputy Leader of the Council and the Cabinet Members as well as from officers from the Senior Leadership Team.
4. The background papers to the Review can be found at:  
  
<https://www.torbay.gov.uk/DemocraticServices/ieListMeetings.aspx?CId=1902&Year=0>

#### **Introduction and General Acknowledgment**

5. The Panel considered all of the proposals for investment in services, efficiencies and income generation for 2023/2024 as well as the overall budgets for Children's Services, Adult Services and Public Health and the Capital Plan Budget and the findings from their meetings are set out in this report. The report was presented to the Overview and Scrutiny Board on 9

February 2023 and approved unanimously and will now be submitted to the Cabinet as part of the consultation process (to be updated after Board on 9 February).

6. Members appreciated that the current level of inflation continues to have an impact across the Council with costs increasing and were also incredibly aware of the impact that the current cost-of-living pressures were having on the residents of Torbay. The Council's aim remains to serve its communities and to make Torbay a good place to live, learn, work and enjoy life, whilst delivering cost-effective services which will help Torbay and its residents to thrive.
7. Members welcomed that the Central Government funding settlement was broadly as expected from last year's Spending Review and that there were no actual cash cuts for Local Authorities in the coming year or in 2024/2025. However, it was recognised that the Council's costs and service demands continued to rise and that there were limited additional Government grants which helped to meet this. It was acknowledged that Council Tax was now the main source of funding for Council services, but Members voiced concern that the proposed intention to increase Council Tax by a further 2.99% with an additional 2% increase for the adult social care precept to a total of 4.99% would increase the financial pressure on all Council Tax payers in the Bay, particularly those on lower incomes, especially in light of increasing energy costs.
8. Whilst not all Local Authorities had published their budget proposals yet, it was anticipated that most upper tier Local Authorities would increase their Council Tax by 4.99% given the demands around funding adult social care. It was already known that North Yorkshire and Blackburn Councils were increasing Council Tax to 4.99% but the Devon Authorities had not published their figures at the time of the review. The proposed rise in Council Tax does not reflect the levels of inflation and it was recognised that 2% of the increase would be ringfenced for adult social care (ASC). This would allow, amongst other things, for improvements to the voluntary sector support for ASC in Torbay. The reality was that costs would not fall away even if inflation decreased and that there were considerable demand pressures in Children's and Adult Social Care. Whilst it was acknowledged that some funding had been received from Central Government, it was still necessary to find further savings and efficiencies.

## **9. Thriving People - Adults and Community Services**

- 9.1 In respect of Adults and Community Services, Torbay Support Scheme Members were keen to understand the entirety of the scheme and the investment from the budget into this and explore the proposals regarding the grants to be applied over and above the contract fee to the ICO (Integrated Care Organisation).
- 9.2 Members expressed concern as to continuation of support for those who need support moving into new homes and that Central Government funding in that respect had finished. Members were reassured that the rough sleeping initiative continued although it was confirmed that no Central Government Grant streams were currently available around Housing First.

- 9.3 In relation to the Household Support Fund, Members questioned whether the £2.47 million provided by Central Government was already held on account and the following written response was provided:

“The funding for Household Support Fund (“HSF”) is pulled down through quarterly returns to DWP. At the beginning of the scheme delivery criteria are submitted to DWP and agreed to form the basis of claims through a standard proforma.

With HSF 1-3 the schemes have been announced with start and end dates with criteria and allocations announced at a later date. Based on the previous schemes this has usually been within 2 weeks of the go live date.

Funding for HSF1 (October 2021 – March 2022) & HSF2 (April 2022 – October 2022) has been received and distributed. HSF3 (October 2022 – March 2023) is ongoing. Spend data for October – December is currently being collated and will be reported to the DWP 23 January 2023”.

Following on from this Members questioned whether there were any proposed plans in place for distribution and allocation of the monies and if so, what were those plans and a written response was provided as follows:

“HSF3 will conclude at the end of March, with HSF 4 replacing this from April until September 23, there is commitment for HSF5 October to March 24. Criteria and allocations have not yet been announced by DWP. A working assumption of £1.2m and similar criteria i.e. food and fuel are being used to work up scheme options. This is also being cross referenced against other funding sources and schemes to try and provide coverage for the community ensuring a targeting of resource. Scheme options will be available for the end of January. An announcement from DWP may not be forth coming until March”.

- 9.4 In respect of the Exceptional Circumstances Fund, Members understood that one off payments would be made to care experienced young people, as well as those who live in houses of multiple occupation, but questioned what other individuals would benefit from one off payments? How far into the co-design process were we with Torbay Community Helpline and when could we expect those design proposals to be available for consideration?
- 9.5 It was reported to the Panel that an initial assessment was currently being undertaken in mapping all the support schemes available both through the Council and government unitalities and the qualifying criteria. This was also being cross referenced against the need that Officers were seeing as a part of their daily work as well as information from partners such as the Community Development Trust, Food Banks and Citizen’s Advice. This would be used as an evidence base to inform discussions with partners as part of the co-design process and identify gaps or areas of most need. The information assessment would be completed by 27 January 2023.
- 9.6 Some elements of the scheme had already been through discussions with elected members and the Senior Leadership Team (SLT) e.g. payments for

Foster Parents etc. This therefore leaves £250,000 for the Exceptional Circumstances Fund that would be considered. The scheme would be operational for April 2023.

- 9.7 The Panel wished to understand what the criteria was in respect of the application for Discretionary Housing payments to ensure a fair process behind allocation. Members welcomed the update that Discretionary Housing Payments were available for those who receive Universal Credit or Housing Benefit to pay for shortfall in rent, rent in advance, deposits and rent arrears. If people need assistance but were not on the qualifying benefits, they could apply for assistance through welfare support.

- 9.8 The Panel were provided with further written response as follows:

“The allocation from government for Discretionary Housing Payments has reduced from £625,048 in 2020- 2021 to £443,820 in 2021-2022 and £314,561 in 2022-23. Next year’s allocation has yet to be announced. When considering applications, the household’s income, expenditure and capital is considered in addition to the list below:

- Reductions in Housing Benefit or Universal Credit where the benefit cap has been applied.
- Reductions in Housing Benefit or Universal Credit for under-occupation in the social rented sector.
- Reductions in Housing Benefit or Universal Credit as a result of LHA restrictions.
- Rent officer restrictions such as local reference rent or shared room rate.
- Rent deposits and rent in advance (where the claimant is at risk of homelessness).
- Expenditure higher than income due to multiple debts and a substantial shortfall in the rent (refer to other agencies e.g. Citizens Advice Bureau for debt advice).
- Where an extra bedroom is needed due to medical reasons and it is unreasonable to expect the claimant to move home.
- Property is larger than current needs due to pregnancy. This will be considered where Housing Benefit/Universal Credit is restricted by size criteria and only within twelve weeks of the baby’s due date.
- Medical condition making it difficult to move.
- Increases in essential work related expenditure such as increased fares to work if a claimant has had to move because they could not afford to live in proximity to their work following a reduction in their LHA rates.
- Short term emergency, crisis in family etc.
- Assistance to secure a new tenancy where the decision maker considers there is an urgent/essential need to move such as at risk of homelessness.
- Assist the claimant to retain an existing tenancy.”

## **10. Thriving People - Children's Services**

- 10.1 In relation to the proposed reduction in costs associated with home to school transport, Members questioned if more savings could be made and how the reduction would be managed, and how assessment of risks and mitigations would be planned and reviewed regularly for all young people with

safeguarding highlighted as a particular area of concern. However, Members were also supportive of encouraging more independence for children and young people but within a safe environment.

- 10.2 Members were reassured that children and young people would be subject to individual assessments to make sure that they would not be put in an unsafe position. The plan going forward would be to review and work alongside work, education establishments and families and would not be purely based on finances. The focus would be around transitioning young people to adulthood and allowing them to safely move around their communities.
- 10.3 It was recognised that the home to school transport budget was very large and the proposed reduction relatively small by comparison. Members were informed that the position was being reviewed on a monthly basis and the aspiration was to keep to a base budget next year.
- 10.4 The draft budget proposals showed the £2.5 million budget for the current year against spending of £3.7 million and the Chief Finance Officer was able to explain that Torbay Council had started the year at £2.5 million but had to increase to £3.7 million to accommodate inflationary pressures, such as the rise in the cost of fuel. However, it would still be possible to make a small efficiency saving going forward which was currently projected at approximately £60,000 to £70,000.
- 10.5 Members reflected that the Council had to be very mindful of inflationary pressures whilst also considering the number of families that have found themselves homeless. There had been a 26% in year rise, which was double that which would normally be expected and also there were national pressures on home to school transport and it was recognised that this was not just a local issue.
- 10.6 Members were reassured that the focus remained on establishing monitoring arrangements for all aspects of expenditure and school transport costs were but one element of this monitoring. The aim and aspiration was to ensure that all children and young people who absolutely require transport receive the support needed. A route and branch review was being scheduled to assess the continuing need of all children and young people who were currently assessed as eligible for school transport. Members received written information that this review would consider:
- All young people currently in year 10 /11 to understand whether any will benefit from 'independent travel training opportunities' which is an initiative developed as part of our work to prepare children for young adulthood.
  - All children and young people currently in receipt of 1:1 travel. We shall consider whether there are opportunities for creating shared routes which would optimise to use of staff and vehicles.
  - All cared for children who live with Foster Carers to establish whether children's needs would be better served by their carers taking responsibility for the transport arrangements as part of their daily family life.

- All children and young people at mainstream education currently in receipt of home to school transport. We will establish whether there are opportunities for using individual travel allowances or shared arrangements.
- Shared arrangements for children and young people at specialist schools.

This work would enable officers to confidently understand current and future demand and provide the capability to project costs and savings.

10.7 In relation to the application of the Social Care Grant, Members questioned the predicted overspend of £2 million in Children's Services in 2022/2023 and how £2 million of the social care grant increase had been allocated to this service. Members also questioned confidence in the predicted overspend not increasing further due to current inflationary pressures together with increased supplier costs and were keen to understand how this would impact on the Children's Services proposed budget for 2023/2024, for example, would this result in further cuts being made elsewhere within the Service?

10.8 Members received a written response to their enquiries which confirmed that:

"Children's Services has established a good 'track record' in budget managements throughout the period of its three-year improvement work. The service has focused and will continue to do so, on all parts of the service to ensure that cost efficiency remains high on the agenda. Its work on ensuring that care solutions are used expediently and only when children need to be protected has been successful in reducing costs overall. The service is allocated a portion of the social care grant as they deliver children's statutory services. As a service we have determined that the budget needs to reflect in the service area which has the highest pressure which is the identification and delivery of good quality alternative care solutions that meet the needs of our cared for and care experienced children and young people. The service knows its care population well and is increasingly able to enable children to benefit from care arrangements with foster carers or in formal arrangements with relatives, both of which are preferable and cheaper options to high-cost residential care and mitigate any exceptional increases in supplier costs. Further, based upon its detailed and contemporary data and performance information the service can confidently predict costs associated with current and anticipated future demand for services. These current cost and future forecast data are scrutinised on a fortnightly/monthly basis by the Councils DCS, CEX, and Chief Finance Officer. Budgetary risks associated with unexpected requirements to care for children with highly complex needs in 'high cost placements' are factored into the budget planning cycle and monitored closely to mitigate their worst effects on the children's service overall budget.

We're aware that there have been challenges in this financial year due to an increase in year unit cost of individual placements or commissioned services, a lack of provision resulting in high-cost unregulated provision options required, a reduction in foster care placements and the increase in the mandatory numbers of UASC that each Local Authority is required to support.

As a service we forecast our overall spend at the start of the financial year and review in line with predictions following analysis of our previous financial positioning, this supports our ability to be as accurate in our base budget build for placements at the start of the financial year”.

## **11. Council Fit for Future**

- 11.1 Members referred to gross income from the investment programme of £14.1 million and that the net income received into the revenue budget was £4.1 million and the fact that the programme’s contingency fund was in a healthy state and that investment from income properties was performing well. On that basis Members questioned whether it was reasonable to consider this again and provide a higher net figure of over £4.1 million for the revenue budget and whether the larger sums were required for the contingency fund?
- 11.2 It was explained that a prudent approach was taken to the contingency fund and that this was the right approach since, for example, there was a risk with some investments failing during the course of the current economic crisis and the cycle of re-negotiation on leases also had an impact. By maintaining a safe level to secure contingency, less pressure would be put on the revenue budget.
- 11.3 It was also explained that such factors as lost rent; landlord work; rent free periods; empty properties; service charges and business rates, provide illustrative examples of how expenses can increase quite quickly where there is a vacant investment property.
- 11.4 Members questioned ways in which to reduce costs associated with the operation of the Town Hall and the longer term asset plan linked to Union Square and the Oldway project and whether Council operations would be re-located to those sites. It was explained that part of the Union Square proposal was for other uses, for example, health and Council services and that the suggestion in respect of Oldway was a new idea and a potential medium term proposal.
- 11.5 It was accepted that it was important for the Council to look at making best use of its assets which included consideration as to different uses and Members were informed that the Town Hall currently costs around £400,000 to £500,000 per year to run.
- 11.6 Members were informed that two feasibility studies had been carried out and part of that was to look at different uses for different sites. Oldway was not suitable for core Council services but could be considered for office-based workers.
- 11.7 In relation to Oldway Members were informed that a Project Director had been appointed to deliver the NLHF (National Lottery Heritage Fund) Resilience project, which included work packages for conservation management plans and a masterplan to explore future use options for Oldway. The Masterplan should be published around June 2023 which coincided with heritage resilience funding coming to an end. Other ideas for Oldway were to make it into a wedding venue and if that was the case the registrars could potentially relocate there but the challenge would be to move more office space into

Oldway. If the Town Hall was to be vacated, then the Council would have to explore what interest there would be in the building and for what purpose and if current offices could be relocated into Union Square which could provide a quicker solution to reduce the costs of running the Town Hall.

- 11.8 Members questioned the proposed appointment of an Inclusion Officer and where that proposal had originated. It was explained that the need was identified within the cross-party Torbay Race Review and that it was proposed for the role to hold a wider remit, concentrating both within the Council and with partners.
- 11.9 Future funding streams were also a topic of discussion in respect of the Town Deal, Future High Street Funding and Land Release Funding etc. and whether the resulting money had not been used as quickly as it might have been and whether the Council's reputation had been damaged as a result of that.
- 11.10 It was noted that the land release scheme and the flooding defences in Paignton had been the subject of review a number of times and Members were concerned that if funding was not spent in a timely manner, if it would damage the Council's future prospects of tapping into future funding available?
- 11.11 It was accepted that there was a challenge around some of these schemes and that the pace of delivery had often been held up because of issues with appointing contractors. As a result of the current market, there seemed to be a reluctance for firms to submit tenders, because there was a worry about fixed price materials increasing, which, in turn, potentially affects the viability of the project for the contractors. There were many other Local Authorities experiencing the same issues in relation to the pace of delivery and it was accepted that it was not for lack of trying, an example being the Union Square acquisition and the pressing time frame in respect of that. A figure had only been received very recently in relation to release of Levelling Up monies which represents the first stage and only 5% had been received so far. Other bids for Levelling Up Funding had been submitted but had been unsuccessful and Members felt that the reasons behind this required further investigation by Overview and Scrutiny to ensure that the Council was able to maximise its funding opportunities.
- 11.12 Members expressed concern about the proposed budget change of revenue commitment from TDA in the sum of £200,000 and questioned specifically:-
- whether other projects such as the Premier Inn, Debenhams and Crossways had been considered within that figure?
  - what the loss of £200,000 would mean in real terms to TDA?
  - What were the consequences of that reduction in terms of the Council's ambitions and regeneration of Torbay?
  - Would TDA be expected to pick up the extra cost on schemes and what would be the effect of that?
- 11.13 It was explained that part of the budget building process was to ask TDA for a £200,000 contribution towards reducing the Council's revenue budget. The



way that the budget had been worded was to construct that contribution as a contribution towards interest payments and an implication that those assets would transfer over to TDA. It was fair to say that TDA did have some misgivings about the approach but they were free to provide an alternative offer as to how they would deliver the same outcome, i.e., a net saving of £200,000 per annum. The budget papers were very specific about how that saving could be achieved, but the particulars had yet to be agreed notwithstanding what was set out in the budget proposals.

- 11.14 The Managing Director of TDA addressed Members and made it clear that the TDA Board understood the pressures that the Council faced and wished to support the Council in any way it could. However, whatever contribution was obtained from TDA it would have a direct reduction on what TDA could spend. Members noted that within the Torbay Economic Growth Strategy Action Plan approved by the Cabinet on 10 January 2023, there was a shortfall in budget required and in order to deliver, this Action Plan required a contribution of £256,000, so whilst some efficiency savings could be made, there would still be a direct impact. It was made clear that if the Council wished TDA to make the £200,000 contribution, TDA would do so but the impact would be that TDA would not be able to invest that corresponding figure into projects to be delivered through the Torbay Economic Growth Strategy Action Plan.
- 11.15 Members wished to have a better understanding of the impact in detail as they were concerned that if the budget changed it would follow that there would be some things that TDA would not be able to do. Members were informed that to determine the extent of that would be complicated and that TDA's budget has to follow the Council's budget and processes and so next year's budget for TDA was not agreed. Therefore, there was a strong chance that TDA would be able to put money into delivering the Action Plan but if the £200,000 contribution was required various aspects would be affected, for example, the destination management plan; co-ordinating projects and the potential not to be able to recruit vacant posts within teams in order to run work programmes.
- 11.16 Members were informed that as TDA was a wholly owned company and profit making, investing back into economic development, it was only fair that TDA be expected to make a contribution towards the Council's revenue budget. The Economic Strategy made it plain that the largest issue holding the Council back in terms of economic development was the lack of funding the Council received coupled with the rise in interest rates and inflation. Members were also asked to bear in mind that TDA's operating surplus for last year was circa £600,000 excluding TorVista Homes.
- 11.17 Members were concerned that the regeneration programme would have to be reduced if the contribution of £200,000 was taken and questioned the confidence in delivering the Capital Plan and Economic Growth Action Plan. Another concern was the current lack of capacity to deliver regeneration and that if TDA had to make a contribution of £200,000, that would have a further and detrimental impact on the Bay and its regeneration.
- 11.18 Members were informed that there was an absolute intention to deliver the Economic Strategy and that officers in particular worked very hard to achieve

this, although it was acknowledged that there was a link between capacity and funding.

## **12. Thriving Economy**

- 12.1 Members questioned how much confidence there was in securing sponsorship for the annual Air Show bearing in mind that previous attempts to secure sponsorship had not been that successful. It was explained that the opening of new hotels on Paignton Sea Front might provide fresh opportunities in that respect in addition to which the Council could engage with local businesses within the Bay who benefit from the Air Show and who might be persuaded to make a contribution towards the cost.
- 12.2 It was highlighted that the Council's reduction in funding for the Air Show occurred at the same time that costs were increasing. For example, staffing costs; aviation fuel and hiring in the different infrastructure which may be needed. It was accepted that holding such events was expensive.
- 12.3 It was estimated that the Air Show had cost in the region of £150,000 last year and yet it was proposed that the budget be reduced by £27,000. Members expressed concern that by June 2023 the Council could find itself in a position where it had to find around £100,000 to run the Air Show if other funding could not be secured. It was explained that due to the reduction in budget allocation, there was no option but to look outside the Council for sponsorship as the Council did not have the money to solely fund the Air Show. Although it was accepted that it would be challenging, there was confidence that the proposed budget saving would be deliverable. A cross party working group continued to closely monitor the position. It was explained that there was £60,000 in the Events, Culture and Heritage Budget and a contingency within that budget, which could be used as a baseline. At the same time, the Council was working alongside partners and so on a global basis there was the potential to fund £80,000 to £90,000 if required.
- 12.4 Members were concerned about potential financial liability for the Council if the 2023 Air Show had to be cancelled at short notice, due to lack of funds. It was reported that the commitment the Council had with REM as event partner was that the contract included this year and so if the 2023 Air Show was cancelled, it would have been necessary to make that decision last Autumn otherwise the Council would expose itself to a potential claim for damages against it. The main aim was to secure a good quality event and identify sponsors. The Council had also partnered with Clear Sky Publishing, which was a firm that specialise in securing sponsorship and the Council had used this firm before. Currently, consideration was being given to approaching aerospace businesses around Exeter and Somerset, but in terms of sponsorship and funding there was a need to consider what the likely gap could be this year in terms of shortfall of funds.
- 12.5 In relation to Capital Projects, Members made reference to the Budget introduction and achievements for this year and in particular the new facilities at Mayfield which were planned for 2023/2024 and were very ambitious. It was accepted that the Capital Programme was a rolling budget and therefore substantial amounts of the capital budget had been approved in previous years or had been the subject of individual decisions.

- 12.6 Members queried the work carried out at Cuthbert Mayne school over the last couple of years and the difficulties there had been with loss of contractors and delay to works, but were pleased to hear that the project works were now where they should be. Members questioned whether the figures within the budget represented additional funding or were part of the existing approved cost with works simply delayed and running over into the next year. It was confirmed that the works were ongoing works and that the completion stage would fall into 2024, this being the second phase, currently at the design stage, with the works having been spread over two years. Over the past few years Members would have seen various spend on these capital projects.
- 12.7 In relation to the Adult Services Capital Plan projects, Members were interested to know whether there was any confirmation of an end user and who would take on the management of the housing once the projects were complete. Demolition was due to begin on Crossways in January with construction on site scheduled for July 2023. It was confirmed that Torre Marine would be coming forward first and that there was an end user plan for that but Crossways was a bit more complicated because of increased costs. It was explained that there was a separate care provider for Torre Marine and an option within the existing care and support package, currently running at Hayes Road, which had the option to expand. In relation to Crossways, this was a two part project with the demolition contractor having already been selected. Currently work was being carried out to remove asbestos from the site and once full demolition is underway, the Council would look for a contractor for the build phase. At that point there would be a better understanding in respect of the cost for that scheme. Members wished to gain reassurance that the construction of the site would take place within the next 12 months as the scheme was key to delivery of the Adult Social Care Strategy. It was confirmed that the expectation was that contractors would be on site within the next 12 months.
- 12.8 Members raised the fact that the budget plan indicated this was a £25 million scheme and asked if that was still a realistic figure for the spend and whether there would be a spend in 2023/2024. Members were informed that the entire scheme would cost more than envisaged and that was why a new decision would be required as there would be spend in 2023/2024. Crossways was complex, with multiple contractors on site and funded from a range of sources such as the Future High Streets' Fund and Homes England for example. In terms of direct Council funding this would be taken from social care which was a lower figure than quoted in the plan.
- 12.9 Members were reassured that, in a matter of weeks, the Crossways site would be clear and as the building industry settles this year, there was confidence that the project would be completed and that the Council would be working with Homes England to see if funding could be increased. There may also be scope to receive some Levelling Up Funding that may or may not be available. Members were informed that the project would be well underway during the course of this year.
- 12.10 In relation to temporary accommodation and emergency homes a total spend of £10 million had been agreed with initial planned expenditure of £5 million for 2023/2024. Members questioned whether this was a fair split in terms of

allocation of funding between the financial years and when the first property would be inhabited. It was reported that progress was being made on two to three properties now (out of 37 properties) and that the allocated funding would effectively be used within this financial year to meet demand for those 37 properties. Members were pleased that the project was working well, with 17 properties at completion stage or under offer and various inspections taking place ahead of completion with the first occupancy likely to happen in February 2023.

- 12.11 Members questioned what allocation there was within the budget going forward to support the regeneration of the Pavilion as there was a concern over delayed progress. It was reported that there was £2 million allocated in the Capital Plan for the Pavilion project. The original project was based on a co-funded solution which involved the tenant developing a scheme alongside the Pavilion which would generate profit to go towards regeneration. However, that position had changed now because of the state of the construction market and so talks were being held with the tenant to come forward with a proposal which would put the Pavilion in a position where it could be stabilised in the short term. The difficulty was that the £2 million allocation was committed on the basis of a restoration project and if that was now not the case in terms of usage, then there was a question around whether the money was legitimately available for supporting an alternative to restoration. Members were informed that there was a further difficulty in that there was no funding in the Capital Fund now if the Town Deal funding was not available.
- 12.12 In terms of timings for the project Members acknowledged that the budget in the Capital Plan was £2 million, with £1.3 million planned expenditure for 2023/2024 to undertake feasibility work. Currently it was envisaged that contractor procurement would be complete by February 2023 with on site surveys scheduled for April 2023 and Members wished to know whether that was still the case.
- 12.13 Members were informed that contractors were on site now. The £2 million was listed in the Capital Plan because it was grant funding that sits with the Council and was given by Central Government as part of the Town Deal funding. However, if the funder's view was that it no longer applies to the original restoration scheme for the Pavilion, then the Council does have the option to put those funds towards other related schemes within the Town Investment Plan.
- 12.14 Members expressed concern that, if the work was underway and the commitment was £1.3 million towards the Pavilion initially, but that could not be spent because of the funding criteria, where would the £1.3 million be funded from for 2023/2024 in the alternative? Members were informed that there would be a discussion with the funders and if the monies were no longer eligible then the Council would have to re-visit where to find the funding. It was explained that when the Capital Plan was formed, there was a need to forecast the spend. Therefore, Members were reassured that no more than £300,000 had been spent at this stage and if funding was no longer available then it would be possible to draw back. There were regular meetings to monitor what was happening in practical terms.

- 12.15 Members questioned how much it would cost overall to put the Pavilion back in order and whether there was an end user? Members were informed that the cost would be circa £11 million. It was acknowledged that it would be better for the Pavilion to be restored so that it would be clearer for businesses to understand what they might do with it and that these difficulties were not inherent to Torbay, but that Council's nationally were having to pause their town deal projects because of the economic situation.
- 12.16 Members questioned how much confidence there was in building projects having an end user, for instance in respect of Lymington Road? There was no doubt that rental income would be useful. Members were informed that there was a strong demand in Torbay for the types of units and different types of employment space. Similar units in Paignton were let out very quickly, so confidence was high.
- 12.17 In relation to the Edginswell Station project, which had yet to commence the construction phase, Members were concerned as to whether there was some form of delay related to the budget. It was explained that there was a partnership working arrangement with Network Rail and that the project was progressing well. However, a further planning application was required which would be submitted as soon as possible and the planned completion date was during 2024.
- 12.18 It was explained that the new planning application would be in respect of a re-design to replace the ramp with a lift. Network Rail were currently undertaking exploratory works to look at ground conditions, but there was a worry that there could be an increase in cost which may be mitigated in the re-design. However, it was not a fully Council owned project and so had to go through the planning process again, therefore it was possible that there would be some slippage on completion of the project. Members were informed that it was a slightly unusual project in that the Council received a Train Station grant and Town Deal funding, following which the Council then sub-contracted Network Rail to build so that meant that Network Rail were in charge of building and were currently at the survey and design phase. The Council could expect a costing from Network Rail once that phase has been completed.
- 12.19 It was noted by Members that there were officer concerns around the lack of communication from Network Rail but this could be due to a change in personnel, although the matter had been escalated. The possibility of increased costs and a delay of 6 months was a concern and the Project Board would be preparing a separate report to Members addressing this.
- 12.20 Members questioned increased income from highways works and were interested to know whether the cost analyses on current major developments where S38 agreement applies were available for the next financial year and whether practical completion dates were available for those developments together with dates as to when payment can be expected

Members received a written response as follows:

“It is generally not possible to provide accurate cost analyses or forecasts on major development schemes with any level of confidence due to fact that the key decision as to when to bring forward a development rests with the developer and not the Council.

Fees are paid ‘up front’ at Agreement stage and are for a 2-3 year period in most cases and not on completion or in instalments. Whilst this ensures income is received by the Council at approval stage it does then leave the practical completion date in the hands of the developer and the many influencing factors that are faced by them in terms of timescale.

The levels of fees are based on a percentage of the value of the works and therefore each Agreement will generate a bespoke fee value and these values vary significantly between different developments, depending on their size and complexity, which is often unknown until the Technical approval process is undertaken following planning approval of the scheme.

In view of the timescales surpluses have traditionally been carried forward into reserves, as this takes account of the timescale of the Agreement, but also takes account of the fact that we tend to have peaks and troughs in terms of agreements coming forward. It can be the case that some financial years will generate very little income and this process is intended to overcome this by drawing back from reserves”.

- 12.21 In respect of the £100,000 investment in Torbay as a Premier Resort, Members wished to know what initiatives this money would be applied against; how it would be apportioned and on what basis. Members were informed that meetings of the pre-season workshop were planned for the first quarter of the year to review preparation for the summer season and to identify areas where investment may be required. Likely areas for investment included beach facilities (painting/signage/larger capacity bins/lighting), parks and green spaces (with potential for further hardening measures to protect spaces, temporary bins etc.) with officers making recommendations through to the Cabinet Member for Economic Regeneration, Tourism & Housing.
- 12.22 Members were keen to understand the projected savings against the loss of income generation relating to the proposed budget cut on marketing Torbay as a cruise ship destination. They were informed that the marketing of Torbay as a cruise ship destination would continue with Tor Bay Harbour Authority working alongside the English Riviera BID Company. Although this represented a £6,000 saving to the Council’s general fund, the ring-fenced harbour account would now co-finance the necessary marketing resource, with the BID company. It was acknowledged that income from cruise ship visits was variable, but an ongoing marketing commitment, albeit from a different source, should ensure that the average income and cruise visitor spend is maintained.
- 12.23 Members wished to understand whether there had been any research or engagement with the public to establish what sort of events would be popular,

well supported and would increase income in relation to culture and events and how the marketing plan had been developed for events. A written response was received as follows:

“The events plan has been developed on the basis of the Cultural Strategy, Destination Management Plan and the English Riviera Tourism BID Business Plan. The first two are Council plans and the recent agreement of the Destination Management Plan received comments from the public as part of its development and consultation phases. Events which have been developed include for instance Electric Bay and the Bay of Lights including the Illumination Trail located in Torquay and funded through the Town Deal grant. These have been very popular events in their first year, 2022, and plans are advancing to build on that first year’s success in the next twelve months. The Council has agreed to work alongside the ERTBID in the development of its events plan and in addition to these events others include the Walking Festival which is being expanded to include a second week in 2023, English Riviera Air Show, the Seafood Feast and the Agatha Christie Festival with the intention being to develop these events so that our residents and our visitors know the signature events that will take place in Torbay. Marketing is a shared activity across partners with the Council having direct responsibility only for the English Riviera Air Show. The other events being supported are either being delivered through the ERTBID or through third parties”.

### **13. Tackling Climate Change**

- 13.1 Members questioned in respect of reduced costs associated with the disposal of residual waste and particularly how the Council engaged with the public to encourage further improvement in recycling rates and how realistic the reduction target was when the figures suggested a 39.8% recycling rate as of January 2023, with the Waste Strategy proposing a target of 50% by March 2023?

Members received the following written response:

“From June 2022 Recycling collections began to stabilise and currently over 98% of households are collected on time, this has led to the public having a greater degree of confidence in the service and generally being more receptive to positive recycling messages.

The Right Stuff Right Box Campaign was rolled out between July and October 2022 and introduced the Blue Bag for paper to all households in the Bay. Not only did this campaign raise the profile of the recycling message for the first time since Covid it also led to a huge reduction in contaminated boxes and therefore a more efficient collection service.

The Kerbside Garden Waste collection service was introduced in October 2022 and even during the winter months has already seen nearly 4,000 garden waste bins being collected every two weeks diverting garden waste from the HWRC and saving the travel to the site or from the residual waste stream.

Torbay Council, via SWISCo now delivers and efficiently operates every best practice method of recycling collection and from an operational and infrastructure point of view can cope with a recycling rate that exceeds 50%.

Behaviour change of the residents and communities of the Bay is now the sole remaining factor to see further increases in the recycling rate and SWISCo have been working in conjunction with the Council's Communications Team to plan and deliver a series of initiatives to bring about the required behaviour and attitude change in 2023, these include:

- A food waste campaign to encourage the use of the weekly collection service as well as reducing the amount of waste being thrown away. Currently, 70% of the food waste within the residual waste is avoidable and could have been used.
- A project to improve recycling for residents who live in flats, this will include new signage where necessary, new guidance and information for residents and will allow for additional recycling to be collected.
- Continue the Right Stuff Right Box message and engage with residents to reduce the number of incorrect items being left for recycling. Residents have embraced the change to the recycling collections.
- Tagging of individual boxes to celebrate good recycling and also enforce correct sorting and non-contamination from persistent offenders.
- Continuing to engage with residents at community events, school visits and other public events. These include Go Green Week at South Devon College, community partnership meetings and library drop-in sessions.
- Encouraging visitors to the recycling centre to use the right containers and expand the number of materials that can be recycled, such as hard plastics.
- The garden waste collection service, which has been requested by a lot of Torbay's residents over the years, will expand this year and help to increase the recycling rate.
- Monitoring of localised recycling rates by the Recycling Coordinators and if required follow up proactive education and engagement with target communities.

For several reasons beyond the control of Torbay Council it is unlikely that the 50% target set in 2020 will be achieved by the end of 2023, however moving forwards the Council is in the best position operationally and can be confident that with the engagement initiatives planned the sole remaining factor, human behaviour will be addressed and changed to deliver increasing recycling rates".



- 13.2 In relation to climate change 'invest to save', Members wished to understand where the evidence was to substantiate potential savings and what happened in respect of meeting borrowing costs if these savings were not achieved? Members were informed that the potential savings were based on the known costs of energy and operation of the different assets and services where savings had been identified. If the anticipated savings were not achieved, then the Council would need to review service delivery or earn further income to meet those borrowing costs.

## **14. Conclusions and Recommendations**

- 14.1 The Priorities and Resources Review Panel reflected and debated the information provided to them, both in writing and orally, following which, recommendations were formed (as set out below). On being put to the vote, the motion was declared carried unanimously (to be updated after the Overview and Scrutiny Board on 9 February 2023).
- 14.2 That the Cabinet be recommended:
- (i) that overall, the Overview and Scrutiny Board supports the proposals for the Revenue and Capital Plan Budgets for 2023/2024;
  - (ii) to further review the proposed £200,000 contribution from the TDA and the impact that this is likely to have on the delivery of the Torbay Economic Growth Strategy;
  - (iii) following the outcome of the review at recommendation (ii) the Cabinet provides the Overview and Scrutiny Board with a detailed update;
  - (iv) to clarify to the Overview and Scrutiny Board how the cost of works already undertaken to the Pavilion will be funded in the event that current funding arrangements falter;
  - (v) that in light of the ongoing pressures of funding the Air Show, the Cabinet review the costs and proposals for the Air Show for 2024 as soon as possible after the 2023 Air Show.

That the Overview and Scrutiny Board reviews the recent Levelling Up Bids and the reasons why the Council was not successful to see what lessons can be learned for future submissions.

# Draft Budget 2023/24 – Consultation Results

23 February 2023

This document can be made available in other languages and formats.  
For more information please contact [consultation@torbay.gov.uk](mailto:consultation@torbay.gov.uk)

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## Introduction and Summary

The Cabinet published draft proposals for the Council's revenue and capital budget for 2023/24 in January 2023 and an online survey was created to gather public views. The consultation opened on 11 January 2023 and closed at midnight on 12 February 2023.

There were 67 responses to the on-line survey. All percentages shown within this report use the number of people that completed the survey as the denominator. All comments within this report are shown as written by the respondent. No written representations were received.

During the course of the consultation, we also ran Facebook, Twitter and Instagram polls on some of the proposals and those results are also included within this report. A Facebook Live event was held on 26<sup>th</sup> January 2023 to share information about the proposals for the council's 2023/24 budget and answer questions.

A summary of responses to the survey are shown in the table below.

Proposal	Agree	%	Disagree	%
Home to school transport	57	85.1%	9	13.4%
Foster families payment	35	52.2%	31	46.3%
Increased income from events	63	94.0%	3	4.5%
Improving skills	50	74.6%	16	23.9%
Further sponsorship for English Riviera Air Show	61	91.0%	5	7.5%
Investment in premier resort	50	74.6%	17	25.4%
Advertising in community magazines	19	28.4%	48	71.6%
Inclusion Officer	29	43.3%	38	56.7%
Live streaming of meetings	32	47.8%	34	50.7%
Council Tax	35	52.2%	32	47.8%

# Responses to the Proposals

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## Children's Services

### Home to school Transport

Promoting individual travel to school reduces the need for transport on minibuses and taxis for identified individuals. We will also consistently review the use of single occupancy taxis. Through this, we are proposing to save £67,000 from the home to school transport budget.

Do you agree with this proposal?

	Number	%
Agree with this proposal	57	85.1%
Disagree with this proposal	9	13.4%
No response	1	1.5%
Total	67	100.0%

In response to the social media polls for this proposal there was one response in agreement with the proposal and none against it.

### Foster Families Payment

Our foster families are central to our commitment to children and young people. We are proposing to make a one-off thank you payment of £1000 per family as a mark of our appreciation. We currently have about 90 foster families.

Do you agree with this proposal?

	Number	%
Agree with this proposal	35	52.2%
Disagree with this proposal	31	46.3%
No response	1	1.5%
Total	67	100.0%

In response to the social media polls for this proposal there were 19 responses in agreement with the proposal and none against it.

## Place Services

### Increased Income from Events

We have invested in the infrastructure at the Banjo and Princess Gardens in Torquay. We are proposing to generate an increased income of £23,000 by holding more events in these spaces.

Do you agree with this proposal?

	Number	%
Agree with this proposal	63	94.0%
Disagree with this proposal	3	4.5%
No response	1	1.5%
Total	67	100.0%

In response to the social media polls for this proposal there were 21 responses in agreement with the proposal and none against it.

### Improving Skills

We are proposing to allocate £50,000 towards implementing our Economic Strategy, in particular supporting improving skills in the local area. This money will help between 40 and 60 local businesses.

Do you agree with this proposal?

	Number	%
Agree with this proposal	50	74.6%
Disagree with this proposal	16	23.9%
No response	1	1.5%
Total	67	100.0%

In response to the social media polls for this proposal there were no responses in agreement with the proposal and one against it.

## Further sponsorship for English Riviera Air Show

We are proposing to save £27,000 on the costs associated with the English Riviera Air Show by seeking further sponsorship for the event.

Do you agree with this proposal?

	Number	%
Agree with this proposal	61	91.0%
Disagree with this proposal	5	7.5%
No response	1	1.5%
Total	67	100.0%

In response to the social media polls for this proposal there were 11 responses in agreement with the proposal and one against it.

## Investment in Premier Resort

We are proposing on investing another £100,000 to keep the Bay clean, tidy and attractive as part of our aim to the premier tourist resort in the UK.

Do you agree with this proposal?

	Number	%
Agree with this proposal	50	74.6%
Disagree with this proposal	17	25.4%
No response	0	0.0%
Total	67	100.0%

In response to the social media polls for this proposal there were 12 responses in agreement with the proposal and three against it.

Respondents who agreed with the proposal to invest £100,000 to keep the Bay clean, tidy and attractive, were asked how they would like to see this investment used. There were 43 responses to this question which are categorised in the table below.

Theme	Example of responses
Appearance (16)	<p><i>"Street cleaning, improvement of hoarding to look more appealing"</i></p> <p><i>"Renewal of street furniture and deep cleaning of hard standing areas"</i></p> <p><i>"Clean the streets, fix the horrible patchwork on the pavements and roads"</i></p>
Bins / frequency of emptying (15)	<p><i>"improve worker efficiency in collecting rubbish and provide more bins in busy areas across the bay"</i></p> <p><i>"Increase public bin emptying in peak times – summer..."</i></p> <p><i>"More Recycling Bins across the Bay, encourage visitors to take their litter home with them,"</i></p>
Street cleaning / Litter (14)	<p><i>"Litter clearing from all public spaces including the beach"</i></p> <p><i>"Litter picking, but I do think some of the fast food retailers should be encouraged to litter pick regularly and not just around their establishments but to spots we regularly see their packaging discarded."</i></p> <p><i>"More street cleaning..."</i></p>
Fines / Enforcement / Responsibility (9)	<p><i>"Install high quality CCTV and fine fly tippers and those with dogs who do not clear up the mess. Employ a dog warden...."</i></p> <p><i>"Enforcement is imperative"</i></p>
Flower beds / Planting (9)	<p><i>"Make the gardens look attractive, the way that they used to be with attractive flower beds and not just grass as far as the eye can see. On Paignton sea front you have placed the stone containers that were on Torquay sea front, fill them with flowers."</i></p> <p><i>"...Ensuring flower beds in public spaces are kept tidy and plants regularly changed. More hanging baskets,"</i></p>
Other (9)	<p><i>"...free toilets"</i></p> <p><i>"More seating around the harbours."</i></p>

Grass cutting / Weeds / Verges (8)	<i>"Grass cutting, weeding on pavements and kerbs. General road cleaning." "...cut the grass verges"</i>
Beaches (4)	<i>"More beach cleans and available bin services during summer months"</i>
Town Centres (4)	<i>"Deep cleaning town centre pavements as well as prime tourist areas..."</i>
Residential / Community areas (4)	<i>"To clean up not only the seafront areas but the streets in Brixham and Furzeham where visitors do go to visit family or to B&amp;Bs as our streets are quite disgusting with weeds in the kerbs, grass not cut AND CLEARED BUT LEFT LAYING ON TOP blowing"</i>
Graffiti (4)	<i>"Grafitti removal and painting/cleaning of walls..."</i>

## Advertising in Community Magazines

Over the past two years we have placed information articles in magazines which circulate in some areas of Torbay. This has cost us £10,000 per year and means that those with no digital access can hear about the Council's news and plans.

We are proposing increasing our spend on this activity to £20,000 so that we can cover more areas of Torbay.

Do you agree with this proposal?

	Number	%
Agree with this proposal	19	28.4%
Disagree with this proposal	48	71.6%
No response	0	0.0%
Total	67	100.0%

In response to the social media polls for this proposal there were seven responses in agreement with the proposal and one against it.



Respondents who agreed with the proposal to increase advertising in community magazines, were asked in which community magazines they would like to see articles from Torbay Council.

There were eight responses to this question. Four mentioned the Brixham Signal and four mentioned the Beach Hut. Respondents also suggested:

- Similar publications to the Beach Hut
- "...Any ward publications."
- "...magazines which are distributed in areas of noticeable poverty, where perhaps people do not have internet access. I assume that most 'comfortably-off elderly people do have access or someone who keeps them informed."
- "Local newsletters produced by Community Builders and Partnerships..."

## Corporate Services

### Inclusion Officer

Following the recommendations from the Torbay Racism Review Panel, we are proposing to appoint an Inclusion Officer. They would work internally and externally to support the Council to meet its public sector equality duty. This would include implementing the Action Plan from the Torbay Racism Review. This proposal will cost £50,000.

Do you agree with this proposal?

	Number	%
Agree with this proposal	29	43.3%
Disagree with this proposal	38	56.7%
No response	0	0.0%
Total	67	100.0%

In response to the social media polls for this proposal there were six responses in agreement with the proposal and 10 against it.

## Live-streaming of Meetings

Over the past year we have run a trial live-streaming meetings of the Council, Cabinet and Planning Committee. This costs £90,000 per year and means that more residents can be involved in the decisions we make.

We are proposing to continue to live-stream these meetings as well as promote them more widely.

Do you agree with this proposal?

	Number	%
Agree with this proposal	32	47.8%
Disagree with this proposal	34	50.7%
No response	1	1.5%
Total	67	100.0%

In response to the social media polls for this proposal there were nine responses in agreement with the proposal and two against it.

## Council Tax

In 2022/2023, Torbay's Council Tax charge (excluding precepts for Devon and Cornwall Police and Crime Commissioner and Devon and Somerset Fire and Rescue Service) for an average Band D property is £1,690.06 per year.

The Government assumes that local authorities to raise Council Tax by 2.99% plus 2% for adult social care. Increases greater than this require a referendum.

We are proposing to increase the Torbay Council element of Council Tax by 2.99% plus 2% for adult social care. The reasons for this are explained in our Budget Overview.

The increase is £1.62 per week (£84.33 per year) for an average Band D property.

Do you agree with this proposal?

	Number	%
Agree with this proposal	35	52.2%
Disagree with this proposal	32	47.8%
No response	0	0.0%
Total	67	100.0%

In response to the social media polls for this proposal there were nine responses in agreement with the proposal and 14 against it.

## Comments

### Comments on Survey Responses

Respondents were asked if they wanted to provide any comments on the answers they gave in the survey. There were 40 responses which have been categorised and are shown in the table below.

Theme	Example of responses
Council Tax (15)	<p><i>"You make no allowance for the fact that inflation is on the way down. Such a big increase in council tax is not helping get the cost of living down"</i></p> <p><i>"It is despicable that the council intends to raise council tax by 4.99% especially when it will be used for things such as £50,000 for an inclusion officer yet the council never seems to spend money to fix the terrible pot holed road surfaces."</i></p> <p><i>"It would seem to be irresponsible to raise council tax during this period when every other bill is also increasing. It is likely to lead to more individuals unable to pay or seeking help to meet council tax bills which would cost the council more in the long run. Plus making it even more difficult for local people to afford to live in Torbay."</i></p>
Other (12)	<p><i>"Increased use of open spaces - Torre abbey for outdoor entertainment. Modern facilities like WeSup cafe and SUP on Torre abbey sands increased to bring in income and make the area attractive to non pensioner / younger visitors. Continue to encourage rough sleepers to move into hostels and look to move on or stop street begging especially around the Torquay harbour area."</i></p> <p><i>"We are living through an economic and social crisis and this is reflected in the need to increase the budget. What is being done to help those residents suffering during the crisis,"</i></p>
Inclusion Officer (7)	<p><i>"...£50k to employ someone to cover racial inequality under Corporate Services is extortionate. Why such a high salary? With restructuring across Council services I'm sure this role could be job-shared by 'down time' which already exists within roles which are already filled...."</i></p>

Adult Social Care (7)	<i>"The adult social care costs more and more every year. Fed up of being being squeezed for that whilst I can see the general state of the bay reduces every year. Get benefit claimants to give back where appropriate, obviously all won't be able to but some should repay debt to society."</i>
Foster Carers (6)	<i>"I am not against rewarding foster carers as such but a £1000 cash payment seems excessive and not well targeted. I would suggest a one off council tax bill reduction would be a better idea (although recognise there will need to be something in place to cover foster carers who don't live in Torbay)"</i>
Live Stream Meetings (6)	<i>"Live streaming - I agree with the principle, but I'm not sure why it costs £90k per year. Streaming services are free - both the platform and the software, such as Steamlabs, this is free software that you just download onto a PC and will interface with almost all streaming software such as Facebook, YouTube, and Twitch. You only need a one-off cost for the equipment that's being used which at most the very most will net £1k (high-end PC, high-end camera(s), high-end microphone(s) etc.) and if it's being live-streamed, there's no reason to hire out a room (which also takes away the need to have microphones)..."</i>
Waste / Value for money (6)	<i>"Given the current circumstances Torbay Council needs to focus on delivering its statutory services, and not focusing on a lot of the discretionary services - particularly spend around place making. As we have seen recently the Council are not providing value for money, nor efficient and effective delivery of the basics. The money spent on its investment portfolio is generating a diminishing income - these assets should be sold off while they are still of value."</i>
Highways (4)	<i>"It is despicable that the council intends to raise council tax by 4.99% especially when it will be used for things such as £50,000 for an inclusion officer yet the council never seems to spend money to fix the terrible pot holed road surfaces. Every year I spend hundreds of pounds on car mot's for damaged suspension components, I wish I could send the council my bills to be paid for this unnecessary damage yet you continue to waste money on hair brained ideas like the one I mentioned above, you are an absolute joke"</i>

Investment in premier resort (4)	<i>"Re keeping the bay clean for tourists. What about residents who pay all this council tax! We want to live in clean environment and need more dog/litter bins in places like Northfield rd and roads leading up to Battery Gardens etc. Also regular road and pavement sweeping in these areas. Not been done for years. The bus stop areas in Brixham parade are a disgrace."</i>
Advertising in community magazines (4)	<i>"Money should be spent on increasing IT and social media access to all rather than advertising in paper publications. Also to work with the range of new CICs, cafes, other venues to spread the word and engage. They are better placed to do so. Not just CDT..."</i>
Children's Services (3)	<i>"Before I would agree with the reduced costs associated with home to school transport under Children's Services I would want to see the full plan that would be delivered to successfully achieve this aim, given that we are talking about vulnerable children/young people. Hence the No at this time."</i>
Air Show (2)	<i>"Kill the Air Show (pollution, duplication) unless fully self-funding"</i>
Policing (2)	<i>"Don't see how you can justify the increase in council tax with the state of torbay and the lawlessness in torquay, and the underperforming police"</i>

## Comments on Other Aspects of the Proposed 2023/24 Budget

Respondents were asked to let us know their views on any other aspects of the proposed budget for 2023/24. There were 24 responses which have been categorised and are shown in the table below.

Theme	Example of responses
Other (8)	<p><i>"Urgent push to prioritise implementation of projects already in pipeline, demonstrate results this financial year. Too much is left dangling"</i></p> <p><i>"Would be good to get further sponsorship for the Airshow to reduce Council subsidy and to do a Climate Impact assessment to see if the negative impact of this event on the climate/Net zero can be reduced and if the findings are overtly negative , review the sustainability of the event in the future."</i></p>
Out of touch / Wasting money (6)	<p><i>"I think that the council are out of touch with reality and what is happening. You really need to get the voice of the younger generation and a more diverse representation across torbay and that is not reflected in the make up of the council"</i></p> <p><i>"Stop wasting money"</i></p>
Disadvantaged / Cost of living (5)	<p><i>"A mainly elderly and low working age wage economy are being hit heavily by Council Tax, freezing of personal tax allowances and the total cost of living crisis. And now increasing the Council Tax by the maximum without a referendum you are pushing many to the limits. This is a step too far."</i></p>
Council Tax (4)	<p><i>"Where do you expect residents to get the money from to pay such an extortionate rise on the council tax. Do you think we just pluck it from a tree??? Get back in the real world."</i></p>
Inclusion Officer (3)	<p><i>"...Stop wasting money on virtual meetings and inclusion officers and get back to delivering the services that are most needed..."</i></p>
Streaming Meetings (3)	<p><i>"They is it costing £90K to live stream Council's meetings. It sounds very high?"</i></p>

Policing (2)	<i>“There should be no further increase for police spending until they actually justify what is spent on them already by actually catching criminals and not ignoring evidence which is provided identifying the criminals. There is no sense in employing more officers when the ones that we have do not do their job in the first place. If the CPS is the problem and they feel that they cannot prosecute anyone then sort them out as well.”</i>
Foster Carers (2)	<i>“Every year the cost of child and adult services rise. The bid to reduce costs of transport home to school is admirable but is the tip of the iceberg. Rewarding foster carers, who get a reasonable amount of money for what they do, once again adds to the child and support budget which is huge.”</i>
Roads / pavements (2)	<i>“Much too money is being spent on "ego" trips such as the Premier Inn. Such projects should be left to private investors who know what they are doing and the Council should concentrate on basics such as the appalling sate of roads and pevements”</i>
Brixham (2)	<i>“Once again in a Torbay Council budget proposal there is almost no mention of projects for Brixham, other than St Kilda's, which has been proposed for quite some time. In order for Torbay to become a truly premier resort the Council needs to invest in developments in all of its towns, not just Torquay and Paignton. Town Centre Regeneration and an Enhanced Park and Ride facilities are the keys to unlocking Brixham's potential with public support. The fishing industry is vital to our town's success and reputation, but above the harbour progress must be made in the coming financial year and throughout the period of the next administration, whatever form it may take.”</i>

## Respondent Profile

Postcode:

	Number	%
TQ1	18	26.9%
TQ2	10	14.9%
TQ3	12	17.9%
TQ4	10	14.9%
TQ5	12	17.9%
Outside of Torbay	2	3.0%
No response	3	4.5%
Total	67	100.0%

What is your connection with Torbay? Please tick all that apply.

	Number
I live in Torbay	66
I work in Torbay	23
I study in Torbay	2
I own a business in Torbay	5
I am a visitor to Torbay	1
I own a house in Torbay that I do not live in	2



Are you?

	Number	%
Female	29	43.3%
Male	24	35.8%
Prefer to use own term	1	1.5%
No response	13	19.4%
Total	67	100%

What is your year of birth?

	Number	%
1940 - 1949	7	10.4%
1950 - 1959	18	26.9%
1960 - 1969	18	26.9%
1970 - 1979	9	13.4%
1980 - 1989	4	6.0%
1990 - 1999	6	9.0%
No response	5	7.5%
Total	67	100.0%

Do you consider yourself to be disabled in any way?

	Number	%
Yes	9	13.4%
No	44	65.7%
No response	14	20.9%
Total	67	100.0%

How would you describe your ethnicity?

	Number	%
White	50	74.6%
Other ethnic group	3	4.5%
Prefer not to say	1	1.5%
No response	13	19.4%
Total	67	100.0%

## Forum

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In addition to the survey, the Consultation web page a Budget Discussion forum was created so respondents could discuss the Cabinet's budget proposals with others in the community. Comments from the forum are shown below.

- “An additional spend on media does not seem justifiable when the majority of the council's media presence is about virtue signalling. It should be explained more minutely - what will this be spent on? And please justify also any spending on new grass covered bus shelters - is the council aware of the greening affect that has taken place globally since the turn of the century? This too is simply virtue signalling. Please justify.”
- “Increasing council tax further is ludicrous in the current economic climate. Since moving into our property in 2016 our annual council tax bill has already risen by 34%! How can Torbay council justify a further increase?”
- “Is not the Rate rise, be 3 % only, without a Public Referendum?. Surely it is the wrong time to increase Local Authority Rates while people are severely hit hard with domestic bills, cutting back on their heating and food, etc. The expenses of certain councilors appear to be very excessive.”

# Social Media Evaluation

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Social media polls took place on Facebook, Twitter and Instagram, the polls complemented the consultation. They asked members of the public to agree or disagree with the proposals as well as inviting them to post comments.

In total there were 127 votes in the polls. Of these 89 votes (70%) were in favour of the proposals and 32 votes [25%] were against. The remaining 5% of votes used responses not relevant to the question. There were 3 polls that generated a lot of comments / conversation. This is also reflected in the feedback as part of the online questionnaire. The 3 polls are in relation to:

1. Increasing Council Tax
2. Appointing an Inclusion Officer
3. Costs associated with Live Streaming meetings

Compared with 2022/23 and previous years overall engagement levels are down. This may be as there is nothing contentious within the proposals. Overall, the engagement rate for 2023/24 was much lower, especially in terms of people voting in the poll questions. (285 in 2022/23 agreeing, compared with 89 in 2023/24). Peak viewers of the Facebook Live were around 50% less than in 2022/23.

On the night of the Live Facebook event, the number of viewers varied, going from 22 and peaking at 42. In total the video reached 1,400 people, and generated 92 reactions in total (comments, shares, likes etc.).

A One Torbay budget special was issued on 13 January to 9,506 subscribers.

## Bulletin analytics

▪ Total opens	9,565
▪ Unique opens	4841 (52%)
▪ Total clicks	830
▪ Top click (to budget proposals)	251

## Top line figures

▪ Number of consultations completed	67
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## Polls

▪ Total audience reached with polls	11,663
▪ Total no of link clicks from polls	137
▪ Total no of votes in the Budget polls on social media	127
▪ No of votes agreeing with proposals	89
▪ No of votes disagreeing with proposals	32

## General awareness (inc Facebook Live promotion)

▪ Direct Link Clicks to website (excluding poll posts)	184
▪ Total reach	10,050
▪ Engagement (likes, comments, shares)	17

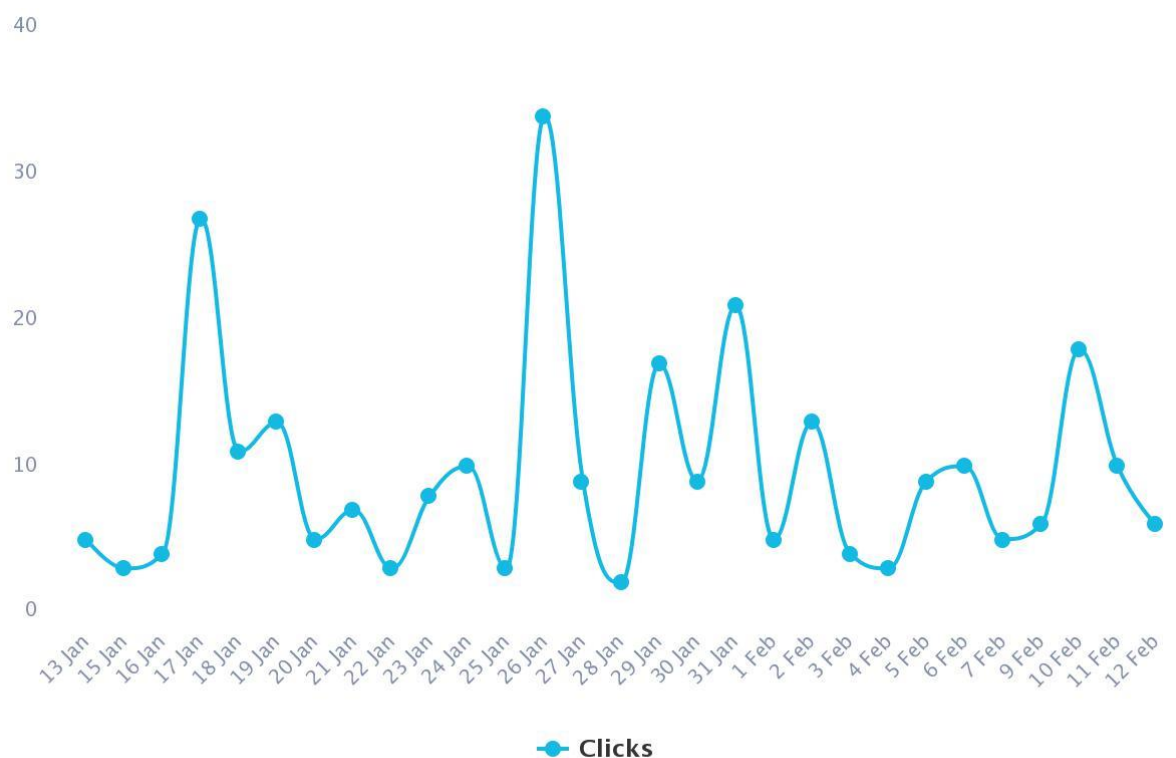
## Live Facebook Event

▪ Peak live viewers	42
▪ Reach	1,400
▪ Engagement (likes, comments, shares)	92

## Orlo summary of budget consultation posts

▪ Reach	207.1k
▪ Impressions	19.2k
▪ Clicks	280
▪ Comments	68
▪ Likes	103
▪ Shares	26

The peaks in activity coincide with key activity such as the issuing of One Torbay and the Facebook Live event.



Highcharts.com

## yoursay.torbay.gov.uk summary

- Consultation survey ran for 35 days
- 67 responses to the consultation survey
- 508 people were aware (people who made at least one visit to the webpage)
- 322 people were informed (people who, once on the webpage, took the “next step” to another piece of information on the page e.g. read a document or clicked through to a survey)
- 141 downloads of supporting documents

**Meeting:** Cabinet

**Date:** 23 February 2023

Council

**Date:** 7 March 2022

**Wards affected:** All

**Report Title:** Capital Plan 2023/24

**When does the decision need to be implemented?** Immediately

**Cabinet Member Contact Details:** Darren Cowell, Cabinet Lead for Finance,

[Darren.cowell@torbay.gov.uk](mailto:Darren.cowell@torbay.gov.uk)

**Director Contact Details:**

Martin Phillips, Director of Finance,

[Martin.phillips@torbay.gov.uk](mailto:Martin.phillips@torbay.gov.uk)

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## 1. Purpose of Report

- 1.1 Torbay Council's Capital Plan totals £305 million for the 4-year programme to 31 March 2026 with £43 million scheduled to have been spent in 2022/23 and £90 million due to be spent in 2023/24. The Council's Capital Plan is updated on a quarterly basis as new funding announcements and allocations are made.
- 1.2 The attached document provides high-level information on the proposed capital expenditure and funding for 2023/2024 and is part of the total Plan. Shown against each Council Directorate, it gives details of the capital schemes which have previously been approved by the Council including the outcomes each scheme will help us achieve and the milestones for the coming year.
- 1.3 In addition, the 2023/24 capital budget now includes one new allocation. This is for a capital loan facility for Community Led Affordable Housing to be funded from prudential borrowing where the cost of interest and MRP would be covered by loan repayments. The approval process for the new allocations is outlined in the scheme detail.
- 1.4 Some some cases, the capital plan sets out funding which has been allocated to services but where specific schemes have not yet identified.

## 2. Reason for Proposal and its benefits

- 2.1 To enable the Council to agree its Capital Expenditure and Capital Funding for the 2023/24 financial year as required by the Constitution.

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

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1. That the Capital Plan for 2023/24 as set out in Appendix 1 to the submitted report be approved
2. That the Chief Finance Officer, in consultation with the Director of Adult and Community Services, the Cabinet Member for Finance and the Cabinet Member for Economic Regeneration, Tourism and Housing, be authorised to approve the business cases for the use of the Community Affordable Housing loan allocations.

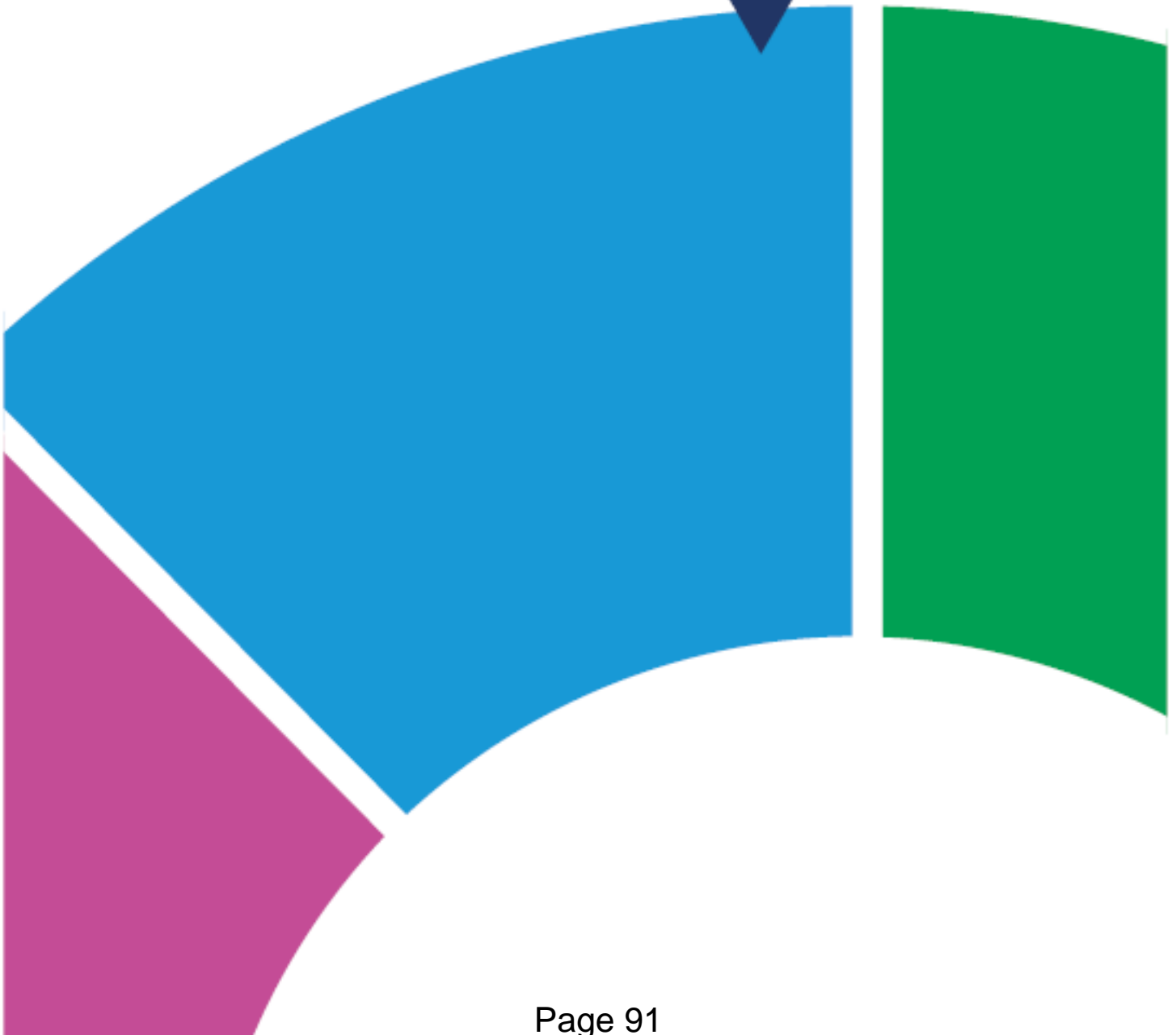
### **Appendices**

Appendix 1: Proposed Capital Plan for 2023/24

# Capital Plan

January 2023

## Budget 2023-2024



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# Introduction

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Torbay Council's Capital Plan totals £308 million for the programme to 31 March 2026 with £43 million scheduled to be spent in 2022/23 and £90 million due to be spent in 2023/24<sup>1</sup>.

This document provides high-level information on the proposed capital expenditure and funding for 2023/24 and is part of the total Plan. It gives details of the capital schemes which have previously been approved by the Council.

For each scheme, details are provided of the outcomes that we are seeking to achieve (linked to our Community and Corporate Plan priorities), the milestones we have achieved over the past year and the milestones we expect to pass during 2023/2024.

In accordance with Torbay Council's Constitution, the figures presented will form the approved capital budget for the coming year. The figures are currently based on the Quarter 3 2022/23 capital monitoring report.

	2023/24 £m
<b>Children's Services Capital Plan</b>	5,525
<b>Adult Services Capital Plan</b>	18,390
<b>Pride in Place Capital Plan</b>	64,832
<b>Corporate Capital Plan</b>	1,297
<b>Total Capital Expenditure 2023/2024</b>	<b>90,044</b>

How we intend to fund our capital expenditure over the coming year is set out below:

	2023/24 £m
<b>Prudential Borrowing</b>	40,392
<b>Capital Grants</b>	46,150
<b>Capital Contributions</b>	569
<b>Revenue Contributions</b>	1,035
<b>Use of Reserves</b>	385
<b>Capital Receipts</b>	1,513
<b>Total Capital Expenditure 2023/2024</b>	<b>90,044</b>

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<sup>1</sup> Capital Plan – Quarter 3 Monitoring Report (Cabinet March 2023)

## Achievements in 2022/23

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Over the course of the past twelve months, the Council has seen extreme cost inflation in respect of its capital projects. As part of the 2022/23 budget, a capital contingency fund of £4 million was established. However, during the course of the year a total contingency of up to £12 million was agreed to support projects. The majority of this has now been allocated to the Harbour View Hotel, Edginswell Enabling Works and a retail unit at Edginswell.

The new wing at Mayfield School, Torquay was completed, providing additional facilities and space for pupils with complex education, health and care needs. The Phase 1 works at St Cuthbert Mayne School have also been completed providing a new Special Educational Needs block; renovated classrooms including newly refurbished science labs; a new access and entrance; remodelled and refurbished reception and offices, refurbished and extended kitchen and dining hall.

As we continue to focus on providing extra care housing, planning permission has been granted for the development at Torre Marine, Torquay. Further, the Council took possession of the Crossways site in Paignton in May 2022 and since then preparations have been underway for the demolition of the existing building.

We are delivering our Temporary Accommodation Improvement Plan and have started purchasing properties so that families needing temporary accommodation can be more appropriately housed.

Following the completion of a purpose-built manufacturing facility at Claylands, Paignton, the lease has been completed and the building occupied. The enabling works are underway at Edginswell so that work can commence on the other projects which are planned at the site.

Planning permission has been secured for 12-14 The Strand, Torbay (the former Debenhams site). Works are continuing at the Harbour View development in Torquay with completion of the hotel expected in late Autumn 2023.

Planning permission has been secured for the solar farms at both Brokenbury, near Churston and Nightingale Park, Torquay. Our partners at Parkwood Leisure are continuing to undertake improvements at the Riviera International Conference Centre, including identifying opportunities for energy efficiencies and reduction of carbon emissions. There has been significant investment by SWISCo in replacement vehicles and bins for the roll-out of the new garden waste collections.

The highway works along the Western Corridor have been completed as part of our commitment to improve transport connectivity within the Bay.

The first Future High Streets project is being delivered at Paignton Picture House. Grant funding has been awarded to help fund the restoration works of the Gatehouse, South West Wing and South East range of Torre Abbey.

## Children's Services Capital Plan

The aim of the Children's Services Capital Plan is to ensure that children and young people have good quality settings in which to gain the skills and qualifications that they need to be successful in life. We have high aspirations for all our residents, including our children and young people. We want to reduce levels of deprivation within the Bay, close the educational attainment gap and broaden the skills base of our future workforce.

The capital funding the Children's Services Capital Plan is largely made up of funding received from the Department for Education.

### Current schemes

Title and lead officer	Project description	Expected outcome	Planned completion date	Progress to date	Key delivery milestones 23/24	Total approved capital expenditure £000	Planned expenditure 23/24 £000	Future planned expenditure £000
<b>Capital repairs and maintenance 2020/21, 2021/22 &amp; 2022/23</b>  (Divisional Director – Education, Learning and Skills)	A grant provided to the Council to improve the condition of school premises.	Children and young people gain the skills and qualifications they need.	On-going funding allocation	<ul style="list-style-type: none"> <li>Years 1 &amp; 2 complete</li> <li>Year 3 programme of works has been agreed and is being tendered ready for start in summer holidays 2023</li> </ul>	<ul style="list-style-type: none"> <li>Tenders complete by Easter 2023</li> <li>Start on site July 2023</li> <li>Complete Sept 2023</li> </ul>	Not applicable – annual allocations	300	0
<b>Education Review Projects</b>  (Divisional Director – Education, Learning and Skills)	Resources from Government allocations to provide improved school facilities still to be allocated to specific projects	Children and young people gain the skills and qualifications they need.	On-going funding allocation	<ul style="list-style-type: none"> <li>Funding held for future school projects</li> </ul>	<ul style="list-style-type: none"> <li>Priorities of future school projects to be agreed</li> </ul>	Not applicable - annual allocations	1,461	0
<b>High needs capital provision</b>  (Divisional Director – Education, Learning and Skills)	Funding to support the delivery of new places and improve existing provision for children and young people with special educational needs and/or disabilities who require alternative provision	Children and young people identified with SEND will be supported and included in education settings	On-going funding allocation	<ul style="list-style-type: none"> <li>Scoping work underway to identify priorities.</li> <li>Priorities for years 1 &amp; 2 agreed and majority of works complete.</li> </ul>	<ul style="list-style-type: none"> <li>Feasibility work to start Jan 2023</li> <li>Priorities agreed by Easter 2023</li> <li>Works starting late Summer 2023</li> </ul>	2,920	2,650	0

Title and lead officer	Project description	Expected outcome	Planned completion date	Progress to date	Key delivery milestones 23/24	Total approved capital expenditure £000	Planned expenditure 23/24 £000	Future planned expenditure £000
<b>St Cuthbert Mayne Phase 2</b>  (Divisional Director – Education, Learning and Skills)	School expansion to provide additional secondary school placements in Torquay	Children and young people gain the skills and qualifications they need.	September 2023	<ul style="list-style-type: none"> <li>Project Brief has been agreed and signed off by Project Board.</li> <li>Work progressing on tender documents.</li> </ul>	<ul style="list-style-type: none"> <li>Design work Jan/Feb 23</li> <li>Tender period Feb/March 23</li> <li>Contractor to start on site May 23</li> <li>Completion late 23</li> </ul>	1,000	750	0
<b>Foster home adoptions</b>  (Divisional Director – Children's Safeguarding)	Allocation from revenue to fund the costs of adaptations in foster homes	Children and young people are supported to live independent lives	On-going funding allocation depending on applications received	<ul style="list-style-type: none"> <li>Awarded and implemented upon approval of adaptations</li> </ul>	<ul style="list-style-type: none"> <li>Awarded and implemented upon approval of adaptations</li> </ul>	300	100	0
<b>Youth Investment Fund</b>  (Director of Children's Services)	Funding from Youth Investment Fund for creation/ expansion/ improvement of local youth facilities.	Children and young people are supported to live independent lives	March 2024	<ul style="list-style-type: none"> <li>New grant award</li> <li>Project Plan being determined</li> </ul>	<ul style="list-style-type: none"> <li>To be confirmed</li> </ul>	528	264	264
<b>Sub Total</b>							5,525	264

## Adult Services Capital Plan

The aim of the Adult Services Capital Plan is to ensure all our residents are active, healthy, safe, resilient and self-sufficient with good quality homes, which are affordable and meet their needs. We want them to live in communities which are vibrant and attractive with support available if they need it.

The capital funding the Adult Services Capital Plan includes grant funding such as from the Brownfield Land Release Fund, prudential borrowing and receipts from Right to Buy sales. Many of these funding pots have specific conditions attached to them which limits their use.

### Current schemes

Title and lead officer	Project description	Expected outcome	Planned completion date	Progress to date	Key delivery milestones 23/24	Total approved capital expenditure £000	Planned expenditure 23/24 £000	Future planned expenditure £000
<b>Adult Social Care</b>  (Director of Adult and Community Services)	To be allocated to adult social care projects	Residents are supported to live independent, healthy and active lives	Ongoing funding allocation	<ul style="list-style-type: none"> <li>Funding set aside for delivery of Torre Marine extra care setting</li> </ul>	<ul style="list-style-type: none"> <li>Funding expected to be used for continued delivery of extra care settings.</li> </ul>	N/A (annual allocations)	895	0
<b>Paignton – Regeneration and Extra Care Housing</b>  (Director of Adult and Community Services)	Mixed use development to include extra care and affordable housing	Residents are supported to live independent, healthy and active lives  Residents live in affordable, quality homes	May 2026	<ul style="list-style-type: none"> <li>Planning approved Feb 2021</li> <li>Compulsory purchase complete May 2022</li> </ul>	<ul style="list-style-type: none"> <li>Demolition phase to begin March 2023</li> <li>Build phase start on site September 2023</li> </ul>	25,379	5,000	17,400
<b>Torre Marine, Torquay – Extra Care Housing</b>  (Director of Adult and Community Services)	Development of extra care housing	Residents are supported to live independent, healthy and active lives	January 2025	<ul style="list-style-type: none"> <li>Planning approved November 2022</li> </ul>	<ul style="list-style-type: none"> <li>Council approval of scheme June 2023</li> <li>Construction start on site Autumn 2023</li> </ul>	4,115	2,153	0

Title and lead officer	Project description	Expected outcome	Planned completion date	Progress to date	Key delivery milestones 23/24	Total approved capital expenditure £000	Planned expenditure 23/24 £000	Future planned expenditure £000
<b>Disabled Facilities Grants</b>  (Divisional Director – Community and Customer Services)	Grants to provide home adaptations for disabled residents	Residents are supported to live independent, healthy and active lives	On-going funding allocation	<ul style="list-style-type: none"> <li>Codesign of draft Housing Assistance Policy to reflect changing need of customers and legislative requirements.</li> <li>Delivery of 63 adaptation and 41 in progress on site.</li> </ul>	<ul style="list-style-type: none"> <li>Consultation on Housing Assistance Policy – Jan-Feb 23</li> <li>Tender process for contractors to ensure quality and supply of contractors and manage cost – March 23</li> <li>Awarded and implemented upon approval of adaptations</li> </ul>	Not applicable - annual allocations	1,295	0
<b>Changing Places – Toilets</b>  (Director of Adult and Community Services)	Grant for the provision of fully accessible toilet facilities	New fully accessible toilet facilities	March 2024	<ul style="list-style-type: none"> <li>Site identified</li> </ul>	<ul style="list-style-type: none"> <li>To be confirmed</li> </ul>	180	180	0
<b>Housing Rental Company – Capital Loan</b>  (Divisional Director – Community and Customer Services)	A loan for capital purposes to facilitate the work of the Housing Rental Company	Residents live in affordable, quality homes	Overall fund rather than individual projects	<ul style="list-style-type: none"> <li>Schemes being developed for approval</li> </ul>	<ul style="list-style-type: none"> <li>Priorities for any future use to be agreed</li> </ul>	25,000	0	21,733

Title and lead officer	Project description	Expected outcome	Planned completion date	Progress to date	Key delivery milestones 23/24	Total approved capital expenditure £000	Planned expenditure 23/24 £000	Future planned expenditure £000
<b>Community based Affordable Housing Loan</b>  (Divisional Director – Community and Customer Services)	A loan for capital purposes to facilitate the work of community based organisations to deliver affordable housing	Residents live in affordable, quality homes	Overall fund rather than individual projects	<ul style="list-style-type: none"> <li>Schemes will be presented for approval by Chief Finance Officer in consultation with Director of Adult Social Care and the Executive Leads for both Finance and Adult Social Care.</li> <li>Loan criteria to include:</li> <li>Interest rate linked to prevailing PWLB rates</li> <li>Asset security to exceed loan value required</li> <li>Loan repayments on an annuity basis</li> <li>Loan not to exceed asset life (up to a maximum of 50 years)</li> <li>Purpose of loan must comply with HM Treasury borrowing guidance</li> </ul>	<ul style="list-style-type: none"> <li>Priorities for any future use to be agreed</li> </ul>	3,000	3,000	0
<b>Affordable Housing</b>  (Approval of allocation by the Chief Executive)	Capital resource awaiting allocation to specific affordable housing schemes	Residents live in affordable, quality homes	Overall fund rather than individual projects	<ul style="list-style-type: none"> <li>Not applicable</li> </ul>	<ul style="list-style-type: none"> <li>Priorities for any future use to be agreed</li> </ul>	Not applicable - annual allocations	529	528



Title and lead officer	Project description	Expected outcome	Planned completion date	Progress to date	Key delivery milestones 23/24	Total approved capital expenditure £000	Planned expenditure 23/24 £000	Future planned expenditure £000
<b>St Kilda's, Brixham – Affordable Housing</b>  (Director of Adult and Community Services)	Development for affordable housing	Residents live in affordable, quality homes	October 2024	<ul style="list-style-type: none"> <li>Scheme design complete and planning application submitted.</li> <li>Contractor procurement commenced</li> </ul>	<ul style="list-style-type: none"> <li>Land Transfer Jan 23</li> <li>Planning Committee Feb 23</li> <li>Contractor Procurement March 23</li> </ul>	338	338	0
<b>Preston Down Road</b>  (Director of Adult and Community Services)	Capital loan to Tor Vista to enable housing development at Preston Down Road site, Paignton	Residents live in affordable, quality homes	March 2024	<ul style="list-style-type: none"> <li>Scheme now revised to be a disposal to a registered provider</li> </ul>	<ul style="list-style-type: none"> <li>Sale of site to registered provider October 2023</li> </ul>	23,000	0	23,000
<b>Temporary Accommodation</b>  (Divisional Director – Community and Customer Services)	Purchase and renovation of properties to provide temporary accommodation	37 properties to house families in need of emergency accommodation. Reducing costs and need to use B&B's therefore providing better provision and outcomes.	March 2024	<ul style="list-style-type: none"> <li>3 properties are at exchange / completion stage, with an additional 16 having offers accepted.</li> <li>All 4 &amp; 5 bed properties required have been sourced.</li> </ul>	<ul style="list-style-type: none"> <li>Continued search for and purchase of properties</li> <li>First occupation of property - February 23</li> </ul>	10,000	5,000	0
<b>Sub Total</b>							18,390	62,661



## Pride in Place Capital Plan

There are wide-ranging aims which we are seeking to achieve through the Pride in Place Capital Plan. We want to create an environment in which businesses and jobs can grow, so that we have a local economy which is successful and sustainable. This includes investing in the infrastructure which supports our economy, including our roads and transport links, our town centres and our business parks. We want to be the premier tourist resort in the UK and must invest in the facilities which attract visitors (as well as encouraging their use by our residents). We are working towards being a Carbon Neutral Council and must invest in a range of initiatives to help us achieve this target. We also need to provide the means to encourage our residents to increase the rate at which they recycle.

The breadth of the Capital Plan for Pride in Place is also reflected in the sources of funding that we have. This includes allocations and grants from the Department of Transport, the Local Transport Board, the Local Enterprise Partnership and the Environment Agency. We have also been successful in bidding for the Towns Fund, Future High Streets Funding and Heritage Lottery Funding.

### Current schemes

Title and lead officer	Project description	Expected outcome	Planned completion date	Progress to date	Key delivery milestones 23/24	Total approved capital expenditure £000	Planned expenditure 23/24 £000	Future planned expenditure £000
<b>Edginswell Business Park Unit 1</b>  (Divisional Director – Economy, Environment and Infrastructure)	Development and construction of Unit 1 of Edginswell Business Park.	The local economy is successful and sustainable.  The number of businesses and jobs in the Bay increases.	August 2023	<ul style="list-style-type: none"> <li>Start on site September 2022</li> <li>Wickes agreement for Lease April 21</li> <li>CCWP approval to additional funding Dec 22.</li> </ul>	<ul style="list-style-type: none"> <li>Works practical completion Aug 2023.</li> </ul>	6,927	5,724	0
<b>Edginswell Station</b>  (Divisional Director – Planning, Housing and Climate Emergency)	Provision of new railway station at Edginswell	Transport connectivity and sustainability is improved.	TBC	<ul style="list-style-type: none"> <li>Appointment of Network Rail under a Development Agreement.</li> <li>Network Rail appointed a contractor to design the station, with an option to build.</li> <li>Design ongoing</li> </ul>	<ul style="list-style-type: none"> <li>Linked to Network Rail and final construction cost</li> </ul>	12,395	5,000	6,362
<b>Torbay Economic Development Company Capital Loans/Grant</b>  (Director of Pride in Place)	A loan for capital purposes to facilitate the work of the Torbay Economic Development Company	The local economy is successful and sustainable.  The number of businesses and jobs in the Bay increases.	March 2024	<ul style="list-style-type: none"> <li>The purchase of Cockington car park has been completed</li> </ul>	<ul style="list-style-type: none"> <li>Drawdown of funds linked to TDA Group cashflow</li> </ul>	4,040	0	574

Title and lead officer	Project description	Expected outcome	Planned completion date	Progress to date	Key delivery milestones 23/24	Total approved capital expenditure £000	Planned expenditure 23/24 £000	Future planned expenditure £000
<b>Highways Structural Maintenance</b>  (Divisional Director – Economy, Environment and Infrastructure)	A grant provided to the Council linked to the value of the planned maintenance backlog on the road network.	Transport connectivity and sustainability is improved.	On-going funding allocation	<ul style="list-style-type: none"> <li>DfT Grant Funding. This is an annual programme of highway maintenance works.</li> <li>The works are divided into reactive permanent repairs and larger scale works.</li> </ul>	<ul style="list-style-type: none"> <li>Surface Dressing Programme - Spring 2023.</li> <li>Resurfacing and Reconstruction Programme to be commenced April 2023</li> </ul>	Not applicable - annual allocations	2,038	1,820
<b>Integrated Transport Schemes</b>  (Divisional Director – Planning, Housing and Climate Emergency)	A grant provided to the Council linked to the value of the planned maintenance backlog on the road network.	Transport connectivity and sustainability is improved.	On-going funding allocation	<ul style="list-style-type: none"> <li>DfT Grant Funding. Annual Programme of Transportation Schemes.</li> <li>A mixture of highway schemes and initiatives from Spatial Planning</li> </ul>	<ul style="list-style-type: none"> <li>Local Transport Plan for 2023/24 to be agreed in February 2023 (Director in consultation with Cabinet Lead).</li> <li>Programme to be managed by Transportation Steering Group.</li> </ul>	Not applicable - annual allocations	1,147	1,071
<b>Western Corridor</b>  (Divisional Director – Planning, Housing and Climate Emergency)	Completion of the Western Corridor along the Torquay/Paignton Ring Road.	Transport connectivity and sustainability is improved.	Not applicable (construction complete, only open for any compensation claim)	<ul style="list-style-type: none"> <li>Construction complete. Project remains open whilst compensation claims are progressed.</li> </ul>	<ul style="list-style-type: none"> <li>Assessment of claims being led by TDA and Legal Services.</li> </ul>	12,293	250	255
<b>Torquay Gateway Road Improvements</b>  (Divisional Director – Planning, Housing and Climate Emergency)	Improve road infrastructure and access on outskirts of Torquay.	Transport connectivity and sustainability is improved.	June 2023	<ul style="list-style-type: none"> <li>Scheme substantially complete</li> </ul>	<ul style="list-style-type: none"> <li>Final spend on scheme</li> </ul>	3,485	20	0
<b>Babbacombe Beach Road</b>  (Divisional Director – Planning, Housing and Climate Emergency)	Structural improvements to road access to Babbacombe Beach.	Transport connectivity and sustainability is improved.	June 2023	<ul style="list-style-type: none"> <li>Scheme substantially complete</li> </ul>	<ul style="list-style-type: none"> <li>Final spend on scheme</li> </ul>	529	31	0

Title and lead officer	Project description	Expected outcome	Planned completion date	Progress to date	Key delivery milestones 23/24	Total approved capital expenditure £000	Planned expenditure 23/24 £000	Future planned expenditure £000
<b>Flood Alleviation – Monksbridge</b>  (Divisional Director – Economy, Environment and Infrastructure)	Flood alleviation work.	The risk of flooding will be addressed.	July 2023	<ul style="list-style-type: none"> <li>Contractor appointed and survey works of properties commenced.</li> </ul>	<ul style="list-style-type: none"> <li>Installation of property flood resilience measures will continue and further survey works of properties will take place.</li> </ul>	412	295	0
<b>Paignton Coastal Defence Scheme</b>  (Director of Pride in Place)	Provision of additional protection against sea inundation in low lying areas of Paignton and Preston	The risk of flooding will be addressed.	September 2025	<ul style="list-style-type: none"> <li>All public consultation works completed.</li> </ul>	<ul style="list-style-type: none"> <li>Recommendations in relation to the masterplan for the area to be considered by Cabinet in Jan 23.</li> <li>Planning application to be submitted for approval September 23.</li> <li>Works to commence September 24</li> </ul>	3,142	150	2,678
<b>Paignton Future High Streets Fund – Flood Defence</b>  (Divisional Director – Economy, Environment and Infrastructure)	Contribution towards Public Realm works associated with the Paignton Coastal Defence Scheme	Our town centres and seaside locations will be supported through an improved public realm.	Design phase by June 2023	<ul style="list-style-type: none"> <li>Design work commissioned in January 2023</li> </ul>	<ul style="list-style-type: none"> <li>Stakeholder Focus Group and Workshop</li> <li>Public Engagement Event</li> <li>Production of detailed design drawings</li> <li>Complete appropriate pre-planning work</li> </ul>	571	485	0
<b>Other Flood Alleviation Schemes</b>  (Divisional Director – Planning, Housing and Climate Emergency)	Provision of flood alleviation schemes for Torquay, Paignton, Brixham and Haldon & Princess Pier.			<ul style="list-style-type: none"> <li></li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>	250	135	0
<b>Princess Pier – Structural repair</b>  (Director of Pride in Place)	Repairs to the superstructure (and potentially the substructure) of	Torbay's unique heritage is protected for the enjoyment of residents and visitors	TBC	<ul style="list-style-type: none"> <li>Survey works on both Haldon and Princess Piers being carried out to assess the current structural condition of</li> </ul>	<ul style="list-style-type: none"> <li>Business case will be produced and submitted to the Environment Agency by Sep 23.</li> </ul>	1,665	60	772

Title and lead officer	Project description	Expected outcome	Planned completion date	Progress to date	Key delivery milestones 23/24	Total approved capital expenditure £000	Planned expenditure 23/24 £000	Future planned expenditure £000
	Princess Pier, Torquay			each and identify the remaining repair works that are required.	<ul style="list-style-type: none"> <li>Detailed design works and repair works would commence in April 24.</li> </ul>			
<b>Torquay Town Dock – Infrastructure Improvements</b>  (Director of Pride in Place)	Improvements to the infrastructure of the Town Dock at Torquay Harbour	Residents and visitors continue to enjoy the range of activities on offer in Torbay.	March 2024	<ul style="list-style-type: none"> <li>Phase 2 development complete Dec 22</li> </ul>	<ul style="list-style-type: none"> <li>Phase 3 development and practical completion due Spring 23</li> </ul>	1,200	211	0
<b>Car Park investment</b>  (Divisional Director – Economy, Environment and Infrastructure)	Improvements to the infrastructure of the car parks across Torbay.	Our town centres and seaside locations will be supported through an improved car park offer.	June 2024		<ul style="list-style-type: none"> <li>Lighting and decorating work at selected multi story sites between January – June 2023</li> </ul>	1,000	500	0
<b>Regeneration Programme and Economic Growth Fund</b>  (Director of Pride in Place)	This fund will support town centre and other regeneration  The fund will be allocated to specific projects for inclusion in the overall Capital Plan.	The economy of Torbay grows.	Overall approval rather than individual schemes	<ul style="list-style-type: none"> <li>Not applicable</li> </ul>	<ul style="list-style-type: none"> <li>Priorities for any future use to be agreed</li> </ul>	87,157	0	87,157
<b>Harbour View Hotel</b>  (Divisional Director – Economy, Environment and Infrastructure)	Development of a new hotel (Premier Inn) Terrace Car Park site, Torquay	The tourist offer in Torbay is improved.	December 2023	<ul style="list-style-type: none"> <li>Appointment of new contractor and work recommencing on site</li> </ul>	<ul style="list-style-type: none"> <li>Practical completion – Autumn 23</li> <li>Handover of site to operator – December 23</li> </ul>	20,616	8,600	0
<b>Old Toll House</b>  (Divisional Director – Economy, Environment and Infrastructure)	Redevelopment of the Old Toll House, Torquay.	The economy of Torbay grows.	To be confirmed	<ul style="list-style-type: none"> <li>Agreement for Lease in place</li> <li>Planning approved</li> <li>Project delayed for legal &amp; financial reasons</li> </ul>	<ul style="list-style-type: none"> <li>Conclusion of legal disputes – June 23</li> <li>Review of project viability – Summer 23</li> </ul>	1,200	0	1,004

Title and lead officer	Project description	Expected outcome	Planned completion date	Progress to date	Key delivery milestones 23/24	Total approved capital expenditure £000	Planned expenditure 23/24 £000	Future planned expenditure £000
<b>Torquay Towns Fund – general</b>  (Divisional Director – Economy, Environment and Infrastructure)	A grant provided to the Council to regenerate Torquay.  The fund will be allocated to specific projects for inclusion in the overall Capital Plan.	The economy of Torbay grows.	The fund will be allocated to specific projects for inclusion in the overall Capital Plan.	<ul style="list-style-type: none"> <li>Not applicable</li> </ul>	<ul style="list-style-type: none"> <li>Priorities for any future use to be agreed</li> </ul>	157	52	0
<b>Torquay Town Deal – Union Square Phase 1</b>  (Divisional Director – Economy, Environment and Infrastructure)	Phase 1 of the redevelopment of Union Square Shopping Centre, Torquay.	The economy of Torbay grows.	March 2026	<ul style="list-style-type: none"> <li>Purchase of site</li> </ul>	<ul style="list-style-type: none"> <li>Determination of preferred option – April-June 23</li> <li>Submission of planning application – Summer 23</li> </ul>	5,050	1,050	0
<b>Torquay Town Deal – Union Square Phase 2</b>  (Divisional Director – Economy, Environment and Infrastructure)	Phase 2 of the redevelopment of Union Square Shopping Centre, Torquay.	The economy of Torbay grows.	TBC	<ul style="list-style-type: none"> <li>Not applicable</li> </ul>	<ul style="list-style-type: none"> <li>Phase 2 focus on development around Union Square/Pannier Market -awaiting Union Sq Phase1 feasibility to be completed to fully scope</li> </ul>	5,993	5,993	0
<b>Torquay Town Deal – Harbour Public Realm</b>  (Divisional Director – Economy, Environment and Infrastructure)	Improvements to the public realm around Torquay Harbour	The economy of Torbay grows.	March 2024	<ul style="list-style-type: none"> <li>Detailed design and costed scheme.</li> <li>Contractor tender commenced Dec 2022</li> </ul>	<ul style="list-style-type: none"> <li>Appointment of contractor – March 23</li> <li>Start on site – April 23</li> <li>Completion of the project – March 24</li> </ul>	2,506	1,814	0
<b>Torquay Town Deal – Pavilion</b>  (Divisional Director – Economy, Environment and Infrastructure)	To undertake feasibility work to identify a cost plan for the full refurbishment of the Pavilion, Torquay	Torbay's unique heritage is protected for the enjoyment of residents and visitors	March 2024	<ul style="list-style-type: none"> <li>Cost plan identified and revised</li> <li>Negotiations ongoing with the tenant</li> </ul>	<ul style="list-style-type: none"> <li>Negotiation with tenant Spring 23</li> <li>Contractor procurement complete</li> </ul>	2,000	1,300	0



Title and lead officer	Project description	Expected outcome	Planned completion date	Progress to date	Key delivery milestones 23/24	Total approved capital expenditure £000	Planned expenditure 23/24 £000	Future planned expenditure £000
<b>Torquay Town Deal – Core Area Public Realm</b>  (Divisional Director – Economy, Environment and Infrastructure)	Improvements to the public realm in Torquay Town Centre	The economy of Torbay grows.	March 2024	<ul style="list-style-type: none"> <li>Consultation undertaken</li> </ul>	<ul style="list-style-type: none"> <li>Conclusion of first phase of consultation – February 23</li> <li>Completion of next stage of design – April 23</li> <li>Start of project on site – Autumn 23</li> <li>Completion of works – March 24</li> </ul>	600	598	0
<b>Paignton Future High Streets Fund – Torbay Road</b>  (Divisional Director – Economy, Environment and Infrastructure)	Improvements to the public realm in Torbay Road, Paignton	The economy of Torbay grows.	March 2024	<ul style="list-style-type: none"> <li>Trial of full pedestrianisation scheme including consultation and engagement</li> </ul>	<ul style="list-style-type: none"> <li>Conclusion of the consultation on the pedestrianisation trial – June 23</li> <li>Review &amp; development of design - July 23</li> <li>Procurement of contractor – August 23</li> <li>Start on site – Autumn 23</li> </ul>	668	426	0
<b>Paignton Future High Streets Fund – Station Square</b>  (Divisional Director – Economy, Environment and Infrastructure)	Redevelopment of Station Square, Paignton	The economy of Torbay grows.	March 2024	<ul style="list-style-type: none"> <li>Stage 4 design and Cost Plan progressed (information package for tendering a contractor)</li> </ul>	<ul style="list-style-type: none"> <li>Contractor procurement – June 23</li> <li>Start on site – September 23</li> <li>Completion of work – March 24</li> </ul>	2,259	2,027	0
<b>Paignton Future High Streets Fund – Victoria Centre Phase 1</b>  (Divisional Director – Economy, Environment and Infrastructure)	Phase 1 of the redevelopment of Victoria Centre, Paignton.	The economy of Torbay grows.	January 2026	<ul style="list-style-type: none"> <li>Early enabling and pre-works activity progressed</li> <li>Programme of demolition underway (subject to Contract)</li> </ul>	<ul style="list-style-type: none"> <li>Demolition Garfield Road Structure (July 23).</li> <li>Programme to be confirmed subject to scheme development and delivery procurement partner routes</li> </ul>	652	602	0

Title and lead officer	Project description	Expected outcome	Planned completion date	Progress to date	Key delivery milestones 23/24	Total approved capital expenditure £000	Planned expenditure 23/24 £000	Future planned expenditure £000
<b>Paignton Future High Streets Fund – Victoria Centre Phase 2</b>  (Divisional Director – Economy, Environment and Infrastructure)	Phase 2 of the redevelopment of Victoria Centre, Paignton.	The economy of Torbay grows.	To be confirmed	<ul style="list-style-type: none"> <li>Not applicable</li> </ul>	<ul style="list-style-type: none"> <li>Reliant on delivery of Victoria Centre phase 1 (above)</li> </ul>	3,862	3,312	0
<b>Paignton Future High Streets Fund – Picture House</b>  (Divisional Director – Economy, Environment and Infrastructure)	Renovation of Paignton Picture House and re-opening of Cinema supported by FHSF and CDF Funding	Torbay's unique heritage is protected for the enjoyment of residents and visitors	November 2024	<ul style="list-style-type: none"> <li>Design, feasibility and cost appraisal progressed.</li> </ul>	<ul style="list-style-type: none"> <li>Scheme designs developed – Feb 23</li> <li>Planning application committee - May 23</li> <li>Contractor Procurement - Aug 23</li> <li>Start on site - Sept 23</li> </ul>	1,285	367	0
<b>Paignton Picture House</b>  (Divisional Director – Economy, Environment and Infrastructure)	Restoration of Paignton Picture House  (The same project as above but funded from a different grant)	See above	See above	See above	See above	2,322	1,800	372
<b>Paignton Future High Streets Fund – Diversification</b>  (Divisional Director – Economy, Environment and Infrastructure)	Residential re-development 62-70 Victoria Street	Residents live in affordable, quality homes	To be confirmed	<ul style="list-style-type: none"> <li>Pre-planning and design development progressed</li> <li>Project being reviewed as part of Future High Streets programme including alternative options available to the Council</li> </ul>	<ul style="list-style-type: none"> <li>Preferred option confirmed- April 2023</li> </ul>	1,300	1,300	0
<b>Lymington Road Business Centre</b>	Additional start-up workshop units at	The economy of Torbay grows.	January 2024	<ul style="list-style-type: none"> <li>Enabling Works completed – Aug 2022</li> </ul>	<ul style="list-style-type: none"> <li>Capital Contingency allocated February 23</li> </ul>	5,359	3,986	0

Title and lead officer	Project description	Expected outcome	Planned completion date	Progress to date	Key delivery milestones 23/24	Total approved capital expenditure £000	Planned expenditure 23/24 £000	Future planned expenditure £000
(Divisional Director – Economy, Environment and Infrastructure)	Torquay Coach station site			<ul style="list-style-type: none"> <li>Re-procurement of contractor approved and initiated</li> </ul>	<ul style="list-style-type: none"> <li>Contractor procured and start on site – March 23</li> </ul>			
<b>Edginswell enabling works</b>  (Divisional Director – Economy, Environment and Infrastructure)	Infrastructure improvements as part of the regeneration at Edginswell.	The economy of Torbay grows.  Transport connectivity and sustainability is improved.	April 2023	<ul style="list-style-type: none"> <li>Start on site Sep 22</li> <li>Additional GBF funding award Nov 22.</li> </ul>	<ul style="list-style-type: none"> <li>Practical completion April 2023</li> </ul>	4,209	2,250	0
<b>Corbyn Head – Development of former WCs</b>  (Divisional Director – Economy, Environment and Infrastructure)	Redevelopment of site of the former WCs at Corbyn Head, Torquay.	The economy of Torbay grows.	March 24	<ul style="list-style-type: none"> <li>Project deemed as unviable under current options and new feasibility studies initiated.</li> </ul>	<ul style="list-style-type: none"> <li>Feasibility and options appraisal to be complete – Summer 2023</li> </ul>	1,250	0	1,250
<b>Preston (North) – Development of former WCs</b>  (Divisional Director – Economy, Environment and Infrastructure)	Redevelopment of site of the former WCs at Preston (North), Paignton.	The economy of Torbay grows.	March 24	<ul style="list-style-type: none"> <li>Pre-application planning advice received.</li> <li>Project team appointed and due diligence ongoing. Awaiting Council approval to proceed to planning.</li> </ul>	<ul style="list-style-type: none"> <li>Feasibility and options appraisal to be complete – Summer 2023</li> </ul>	717	717	0
<b>12-14 The Strand (former Debenhams)</b>  (Divisional Director – Economy, Environment and Infrastructure)	Redevelopment of 12-14 The Strand, Torquay.	Residents and visitors continue to enjoy the range of activities on offer in Torbay.  The economy of Torbay grows.	February 2025	<ul style="list-style-type: none"> <li>Planning Committee recommended approval Nov 22</li> </ul>	<ul style="list-style-type: none"> <li>Construction start on site October 2023 subject to viability</li> </ul>	9,600	2,500	6,500
<b>Torre Abbey Renovation – Phase 3</b>	Phase 2 of the renovation works at Torre Abbey, Torquay.	Torbay's unique heritage is protected for the enjoyment of residents and visitors	April 2024	<ul style="list-style-type: none"> <li>Architects and construction project managers have been procured.</li> </ul>	<ul style="list-style-type: none"> <li>Contractors due on site from May 2023.</li> </ul>	1,208	208	1,000



Title and lead officer	Project description	Expected outcome	Planned completion date	Progress to date	Key delivery milestones 23/24	Total approved capital expenditure £000	Planned expenditure 23/24 £000	Future planned expenditure £000
(Divisional Director – Economy, Environment and Infrastructure)				<ul style="list-style-type: none"> <li>Ecological Surveys have been carried out; further surveys are required - Spring 23</li> </ul>				
<b>Torre Abbey Gatehouse/SW Wing</b>  (Divisional Director – Economy, Environment and Infrastructure)	Restoration works of the Gatehouse and the South West Wing (the café side) of Torre Abbey, Torquay.	Torbay's unique heritage is protected for the enjoyment of residents and visitors	April 2024	<ul style="list-style-type: none"> <li>Architects and construction project managers have been procured.</li> </ul>	<ul style="list-style-type: none"> <li>Contractors due on site from May 2023.</li> </ul>	964	707	97
<b>Torre Abbey SE Wing/Courtyard/Tower</b>  (Divisional Director – Economy, Environment and Infrastructure)	Works to the South East range (Learning Lab and Ballroom) at Torre Abbey, Torquay.	Torbay's unique heritage is protected for the enjoyment of residents and visitors	April 2024	<ul style="list-style-type: none"> <li>Architects and construction project managers have been procured.</li> </ul>	<ul style="list-style-type: none"> <li>Contractors due on site from May 2023.</li> </ul>	404	297	40
<b>UK Shared Prosperity Fund</b>  (Director of Pride in Place)	Grant funding for investment in community and place, supporting local businesses, people and skills.	Range of outcomes identified in bid including: Employment opportunities and decarbonisation schemes,	Grant funding is to March 2025	<ul style="list-style-type: none"> <li>New grant</li> <li>Allocation of funds in line with bid allocation will be actioned by TEDC</li> </ul>	<ul style="list-style-type: none"> <li>Milestones in line with bid award</li> </ul>	406	139	222
<b>SWISCo Loan – Vehicle and Equipment Replacement</b>  (Divisional Director – Economy, Environment and Infrastructure)	Loan to SWISCo to enable new vehicles and equipment to be purchased.	Services are delivered more efficiently.	Ongoing	<ul style="list-style-type: none"> <li>Vehicle lease deals converted to purchase schemes</li> </ul>	<ul style="list-style-type: none"> <li>Complete the conversion of the hired fleet to owned fleet where appropriate</li> <li>Identify investment opportunities in electric vehicles</li> </ul>	2,800	2,338	0
<b>SWISCo Loan – Buildings</b>	Loan to SWISCo to enable investment in	The Council's estate is in good repair.	June 2023	<ul style="list-style-type: none"> <li>Feasibility work underway for additional</li> </ul>	<ul style="list-style-type: none"> <li>Procure contractor for the works</li> </ul>	1,200	1,000	0

Title and lead officer	Project description	Expected outcome	Planned completion date	Progress to date	Key delivery milestones 23/24	Total approved capital expenditure £000	Planned expenditure 23/24 £000	Future planned expenditure £000
(Divisional Director – Economy, Environment and Infrastructure)	structure of buildings from which company operates.			works at the Tor Park Road site to meet the requirements of the Environment Agency	<ul style="list-style-type: none"> <li>Deliver the scheme</li> </ul>			
<b>Solar Farm – Brokenbury</b>  (Divisional Director – Planning, Housing and Climate Emergency)	Construction of solar farm on agricultural land at Brokenbury, Churston	A reduction in the Council's carbon footprint	January 2024	<ul style="list-style-type: none"> <li>Planning Committee recommended approval Nov 22</li> </ul>	<ul style="list-style-type: none"> <li>Power Purchase Agreement needs to be concluded with South West Water</li> <li>Start on site August 2023</li> </ul>	1,763	1,620	0
<b>Solar Farm – Nightingale Park</b>  (Divisional Director – Planning, Housing and Climate Emergency)	Construction of solar farm on a former landfill site near The Willows, Torquay	A reduction in the Council's carbon footprint.	January 2024	<ul style="list-style-type: none"> <li>Planning Committee recommended approval June 22</li> </ul>	<ul style="list-style-type: none"> <li>NHS Invite to Tender Jan 2023</li> <li>Power purchase agreement to be in place Summer 23</li> <li>Work starts Oct 23</li> </ul>	3,047	2,914	0
<b>Climate Change initiatives</b>  (Divisional Director – Planning, Housing and Climate Emergency)	A fund identified to support capital investment in initiatives to tackle climate change.  The fund will be allocated to specific projects for inclusion in the overall Capital Plan.	A reduction in the Council's carbon footprint.	To be confirmed	<ul style="list-style-type: none"> <li>Not applicable</li> </ul>	<ul style="list-style-type: none"> <li>Priorities for any future use to be agreed</li> </ul>	1,000	250	500
<b>Green Waste bins</b>  (Divisional Director – Economy, Environment and Infrastructure)	Purchase of kerbside green waste wheely bins.	An increase in the Council's recycling rate.	March 2024	<ul style="list-style-type: none"> <li>New green waste bins purchased</li> <li>Green waste collection scheme launched</li> </ul>	<ul style="list-style-type: none"> <li>Complete roll out of green waste scheme</li> </ul>	929	619	0
<b>Sub Total</b>							64,832	111,674

## Corporate Capital Plan

The aim of the current Corporate Capital Plan is to support the delivery of projects across the overall Capital Plan.

It includes a general capital contingency which is approximately 0.2% of the current four-year Capital Plan. Whilst all capital projects include contingencies within the individual project costs, this contingency is to cover urgent, unavoidable capital costs which cannot be met by other means.

Within the 2022/2023 budget, a further contingency fund of £12m was allocated to cover the higher than budgeted costs arising from the impact of increasing inflation on the construction industry. The majority of that has now been allocated to the Harbour View Hotel, Edginswell Enabling Works and Lymington Road Business Centre projects. £1.6m remains within the contingency to be allocated as necessary.

### Current schemes

Title and lead officer	Project description	Expected outcome	Planned completion date	Progress to date	Key delivery milestones 23/24	Total approved capital expenditure £000	Planned expenditure 23/24 £000	Future planned expenditure £000
<b>Enhancement of development sites</b> (Director of Finance)	Capital provision for works required on strategic sites to enable development and disposal.	The ambitions within the Community and Corporate Plan are met through an effective Capital Plan	Not applicable	<ul style="list-style-type: none"> <li>Not applicable</li> </ul>	<ul style="list-style-type: none"> <li>Priorities for any future use to be agreed</li> </ul>	200 p.a.	65	60
<b>General capital contingency</b> (Director of Finance)	Capital provision set aside to cover urgent, unavoidable additional capital costs where alternative funding is unavailable.	The ambitions within the Community and Corporate Plan are met through an effective Capital Plan	Not applicable	<ul style="list-style-type: none"> <li>Not applicable</li> </ul>	<ul style="list-style-type: none"> <li>Priorities for any future use to be agreed</li> </ul>	632	632	0
<b>Capital contingency</b> (Director of Finance)	Capital provision agreed in 2022/23 to cover increased costs associated with construction industry inflation.	The ambitions within the Community and Corporate Plan are met through an effective Capital Plan	Not applicable	<ul style="list-style-type: none"> <li>Allocation of funding to Harbour View Hotel project</li> <li>Allocation of funding to Edginswell Enabling Works project</li> <li>Allocation of funding to Lymington Road Business Centre project</li> </ul>	<ul style="list-style-type: none"> <li>Priorities for any future use to be agreed</li> </ul>	600	600	0
<b>Sub Total</b>							1,297	60

# Governance of the Capital Plan

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## Roles and responsibilities

**Capital and Growth Board:** Made up of senior council officers, the Capital and Growth Board keeps the capital plan under review and confirms the level of risk for each project in terms of delivery against key milestones and budget. It makes recommendations on additional projects which should be included within the plan, based on the priorities of the Council. The Board also provides highlight reports to the Senior Leadership Team on matters that need escalation.

**Senior Leadership Team:** Receives quarterly reports on the delivery and performance of the capital plan as part of its performance management responsibility. It considers any highlight reports from the Capital and Growth Board. The Team also undertakes an annual review of the priorities within the Plan. Any recommendations for amendment to the Capital Plan are made to the Cabinet.

**Overview and Scrutiny Board:** Receives quarterly reports on the capital plan as part of its budget monitoring responsibility. It holds the Cabinet to account for its performance and, as such, can make recommendations for amendments.

**Cabinet:** Operating within the Budget and Policy Framework of the Council, the Cabinet considers the recommendations from the Overview and Scrutiny Board and/or Senior Leadership Team and makes decisions about any changes to the capital plan accordingly. For decisions which would be outside the Budget and Policy Framework, it make recommendations to the Council.

**Council:** Agrees the capital plan when setting the Council's budget for each financial year and determines any changes to the capital plan having considered the recommendations of the Cabinet.

## Agreeing new capital schemes

As a unitary council, Torbay Council delivers a huge number of varied services. With a limited amount of funding available, it can be difficult to make choices between competing priorities.

The key stages in the Council's prioritisation and approval process are as follows:

- The Head of Service submits a capital business case for consideration by the Director of Finance and the Capital and Growth Board. This can take place at any stage in the financial year but the business case must be linked to that service's needs.
- If the Director of Finance and the Capital and Growth Board accept the business case, the views of the Senior Leadership Team and members of the Cabinet are sought.
  - If a scheme is to be funded from a capital allocation previously approved by the Council, the scheme will be approved as stated in the approval or, if the approval process not stated, by the relevant Director in consultation with the relevant Cabinet Lead and Director of Finance and progressed when funding confirmed or,

- If new (confirmed) funding is to be used for a scheme to be funded by, say, a specific grant and if the scheme is supported by the Chief Executive, in consultation with the Cabinet Lead for Finance and Director of Finance, it will be reported to Council.
- If funding has been allocated by Council to a service without individual schemes being identified at the time of approval (such as a general allocation to schools for “basic need” projects), individual schemes within that allocation are subject to approval by the relevant Director in consultation with the Director of Finance.
- Proposals for invest to save or self-financing schemes (usually financed from prudential borrowing) will also require a detailed capital business case. This will be considered by the Director of Finance and the Capital and Growth Board. If the scheme is supported, it will be recommended to Council for approval.
- Any recommendations for schemes to be approved by Council will be included in the next quarterly Capital Plan Update Report.
- Schemes that do not require financial support but include the use of Council assets as a Council contribution to a scheme will also be subject to the Council’s approval process.
- Where there is a proposal to transfer capital resources from a previously approved scheme to a new scheme and there is a change of “policy”, the new scheme will be approved by Council.
- Where a specific approval process has been set up and approved by Council that process will apply.

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**Meeting:** Cabinet

**Date:** 23 February 2023

Council

**Date:** 7 March 2023

**Wards affected:** All

**Report Title:** Capital Strategy

**When does the decision need to be implemented?** Immediately

**Cabinet Member Contact Details:** Darren Cowell, Cabinet Lead for Finance,  
[Darren.cowell@torbay.gov.uk](mailto:Darren.cowell@torbay.gov.uk)

**Director Contact Details:** Martin Phillips, Director of Finance,  
[Martin.phillips@torbay.gov.uk](mailto:Martin.phillips@torbay.gov.uk)

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## 1. Purpose of Report

- 1.1 The Council has a statutory responsibility to comply with the CIPFA Prudential Code (revised December 2021) which is the “proper practice” document linked to the Local Government Act 2003. Part of this compliance is for the Council to approve a Capital Strategy.
- 1.2 The Prudential Code places more emphasis on the risks associated with Council capital activities, in particular the higher risks associated with more commercial activities and requires the Chief Finance officer to “report explicitly on the affordability and risks associated with the capital strategy”.
- 1.3 In accordance with the Council’s Constitution, the Capital Strategy is required to be approved on an annual basis.

## 2. Reason for Proposal and its benefits

- 2.1 The Council has a requirement to approve a Capital Strategy each year.
- 2.2 The Capital Strategy is an overarching document. There are clear links to other documents such as:
  - Treasury Management Strategy – the operational plan for management of treasury activities including borrowing,
  - Asset Management Plan – the operational plan for management of assets,

- Capital Plan and quarterly Budget Monitoring – the key documents for the financial reporting on the capital plan, both its expenditure and funding.

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

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- 3.1 That the Capital Strategy 2023/24 be approved.

## Appendices

Appendix 1: Capital Strategy 2023/24



# Capital Strategy and Capital Receipts Strategy

January 2023



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# 1. Introduction

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The Council has a range of capital resources at its disposal, which it uses to deliver services and to achieve its strategic objectives. These resources will include land and buildings, such as offices, schools, parks and open spaces, leisure centres and much more.

The Council's ability to maintain these assets to ensure and to enhance their role in the delivery of services is crucial to its financial resilience. If assets fall into disrepair, they are no longer able to fulfil their primary purpose, then the Council's ability to deliver the associated services is impaired and it has resources tied up in assets that it cannot use.

The Capital Strategy provides a high-level overview of how capital expenditure, capital financing, investments, liabilities and treasury management activity contribute to the provision of services, together with an overview of how associated risk is managed and the implications for future financial sustainability.

Consequently, planning and managing the use of the Council's capital resources is vital. This includes understanding the role that these assets play in the delivery of services and ensuring that the authority's asset base remains fit for purpose.

The Strategic Asset Management Plan and the Transport Asset Management Plan provides information on the sustainability of these assets and the efficient use of the asset portfolio to provide value for money. These Plans are available on the Council's website.

When incurring capital expenditure there is an element of risk that needs to be managed by the Council. This risk could be:

- whether an asset will deliver outcomes projected,
- the accuracy of the estimates of running costs and income at the time of acquisition, and
- whether it is prudent to borrow for this expenditure.

Like other authorities, the Council previously purchased property to provide multiple benefits, including an investment return. This investment return has provided an income stream to the revenue budget and helped to offset some of the budget pressures arising from increased demand and reduced funding from central government. The Council, whilst no longer acquiring such assets, manages existing assets which will have different characteristics and risks.

During the past two years HM Treasury have taken actions to prohibit the purchase of investment assets bought primarily for yield. Torbay Council removed any further such purchases ('debt for yield') from its capital plans.

In May 2022, the HM Treasury PWLB Borrowing guidance was further updated. The updated guidance reinforced central government's expectation that councils do not engage in more commercial activity such as the purchase of investment property and avoid activity that "is primarily for yield". The guidance also included a list of "permissible categories of local authority capital expenditure - (service delivery, housing, regeneration, preventative action, and treasury management)". The Council will have to submit information to treasury on an annual basis to

demonstrate compliance with the new guidance. The guidance further defines “regeneration” with a list of characteristics of what HM Treasury would regard as a permissible regeneration project. In summary the council can only do regeneration projects to address market failure, act only when the private sector cannot deliver, and the council is making a change to the asset by significant investment or significant change. Compliance with the guidance will apply to where the council finances capital projects, including actions undertaken by its subsidiary companies.

All new capital projects decisions will need to include an assessment and justification of the classification of the project under the new borrowing rules to ensure compliance. This will need to be agreed by the s151 officer, as they have to provide the assurances to HM Treasury.

These regulations apply to all types of borrowing not just PWLB.

Link to May 2022 guidance:

[PWLB guidance for applicants \(updated\) V1.docx \(dmo.gov.uk\)](#)

## Economic Conditions

During 2022/23 the council's capital plan experienced significant increase in costs due to instability in the contractor market and a 2% rise in borrowing costs to 4.5%. This impact is likely to continue over the next few years.

These changes are impacting negatively on the financial viability of capital projects including those due to have been funded by grants where the grants have not increased to meet the increased costs.

Where a capital project is considered necessary to proceed (say to secure grant or complete a started project) Council can allocate additional borrowing to that project, however the impact of the additional borrowing costs will need to be assessed and funded in future year budgets.

**These additional costs do not alter the capital strategy but it does focus attention that compliance with both the capital strategy and the Prudential Code is even more important to ensure “that capital expenditure and investment decisions are affordable, prudent and sustainable.”**

## Regulation

Authorities are required by regulation to have regard to the **Prudential Code for Capital Finance in Local Authorities (2021)** when carrying out their duties in England and Wales under Part 1 of the Local Government Act 2003. **The key message from the Code is, in relation to capital expenditure, the consideration of Prudence, Affordability and Sustainability.**

CIPFA's Prudential Code provides a framework for the self-regulation of the authority's capital financing arrangements. It requires local authorities to determine that capital expenditure and investment decisions are affordable, prudent and sustainable, and to set limits on the amount they can afford to borrow in the context of wider capital and revenue planning.

A Capital Strategy is part of the Prudential Code requirements and sets out the long-term context in which capital expenditure and investment decisions are made and that gives due consideration



to both risk and reward and to the impact of the strategy on the achievement of the authority's priority outcomes.

The Financial Management Code of Practice has been issued by CIPFA 'to provide guidance for good and sustainable financial management in local authorities and will provide assurance that authorities are managing resources effectively'. The Financial Management Code applies to all local authorities and brings together statutory requirements and Codes of Practice into one document.

The Capital Strategy will need to reflect the standards outlined in the **CIPFA Financial Management Code of Practice**.

## Objectives of the Capital Strategy

The Capital Strategy is one of the Council's key documents in providing a medium/long term plan. It will be consistent with the plans and strategies shown below. This Strategy should be considered with the following plans to provide a fully integrated transparent Plan for the Council:

- Strategic Asset Management Plan
- Transport Asset Management Plan
- Medium Term Resource Plan
- Capital Plan
- Revenue Budget
- Treasury Management Strategy
- Regeneration Fund Strategy

The Capital Strategy is therefore the policy framework document that sets out the principles to be used to guide the allocation of capital investment across all the Council's services and informs decisions on capital spending priorities within the Council's 4-year Capital Plan. In addition, as part of the Strategy, the Director of Finance reports explicitly on the affordability and risk associated with the capital strategy.

Inevitably the full picture of the control system around the Council's wide range of capital expenditure and its funding is reflected in a range of documents, monitoring and management arrangements. A summary of four key aspects of capital activities is shown in the table on the next page.

Capital Expenditure	Debt and Borrowing Treasury Management (TM)	Other Long-Term Liabilities (e.g., PFI schemes)	Knowledge, Skills and competence
<ul style="list-style-type: none"> <li>strategic service plans + asset management plans + capital strategy</li> <li>pipeline process</li> <li>capitalisation rules</li> <li>long-term forecasts</li> <li>basis of estimating future costs and sensitivity to risk</li> <li>sustainability of the asset base</li> </ul>	<ul style="list-style-type: none"> <li>projections of external debt and internal borrowing</li> <li>how debt will be repaid</li> <li>authorised limit and operational boundary</li> <li>how TM decisions are made and how they are scrutinised</li> </ul>	<ul style="list-style-type: none"> <li>identification and approval</li> <li>on-going monitoring</li> <li>creation of liabilities on the balance sheet</li> </ul>	<ul style="list-style-type: none"> <li>knowledge and skills available</li> <li>professional competence in specialist areas</li> <li>use of advisers</li> <li>training plans</li> </ul>
Capital Strategy	Treasury Management	Treasury Management	Treasury Management
Asset Management Plan	Strategy	Strategy	Strategy
Transport Asset Management Plan	TM Mid-Year Review	Statement of Accounts	Regeneration Fund Strategy
Council Reports	TM Outturn Report		
	Revenue Budget		
	Medium Term Resource Plan		
Council	Audit Committee	Audit Committee	Audit Committee
Cabinet	Council	Council	Cabinet
Capital & Growth Board			

Capital investment is defined as: **Expenditure on the acquisition, creation, or enhancement of 'non-current assets' i.e., items of land, property and plant which have a useful life of more than 1 year.** A fuller definition is attached at Appendix 1. Expenditure outside this definition will therefore be revenue expenditure.

Most non-current assets are properties that are used in service delivery. The Council's land, buildings and infrastructure asset base has a Balance Sheet value as at the 31st March 2022 of approx. £600 million (£577m as at 31/03/21), of which £211 million (£203m as at 31/03/21) are Investment Properties. The outstanding borrowing as at 31/12/22 was £389m (£392m 20/21) with £16m (£17m 20/21) of long-term liabilities in relation to PFI schemes.

The Capital Strategy is presented to Council as a Policy Framework document, and links with both the Treasury Management Strategy, Medium Term Resource Plan and the Corporate Asset Management Plan which is the key **operational** asset plan covering repairs and maintenance.

In considering the principles, the Council needs a balance between guidance and prescription to allow a flexible approach to be taken but reflective of times of uncertainty. This Strategy focuses on the key policies for the allocation of capital resources to schemes in line with Council priorities and statutory responsibilities.

The management of the Capital Plan is also supported by the Council's approved Financial Regulations.



## 2. Guiding Principles

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### Approach to Borrowing

The Council is able to borrow money on the money market or from the Public Works Loans Board (PWLB) to fund capital schemes or, on a short-term basis, use its own internal resources (i.e., cash flow). However, for all capital schemes initially funded from borrowing, the Council will have to fund the principal repayment and interest costs, these ongoing borrowing costs are unavoidable.

The Council is only able to borrow under the guidance contained in the CIPFA Prudential Code whereby, in summary, the Council is required to ensure that all borrowing is both prudent and affordable. All schemes funded from prudential borrowing are approved by full Council, although in some cases approval of individual schemes within an overall allocation by Council have an alternative approval process (such as by Cabinet).

The Prudential Code requires authorities to ensure that decisions for capital expenditure plans are made with sufficient regard to the long run financing implications and potential risks to the authority and include effective due diligence.

Based on the Council's latest Capital Plan update (Quarter 2 2022/23) there is potential need to take an additional £208m of borrowing by the end of 2025/26 (before MRP reducing impact) to support capital projects, potentially increasing the Council's overall external borrowing by the end of 2025/26 (excluding PFI) to £597m. This however includes £109m of borrowing relating to regeneration and housing schemes that have yet to be identified and/or approved.

Based on current economic forecasts a borrowing cost should be assumed for new borrowing in 2023/24 of 4.5%

The Council takes a relatively prudent approach to new borrowing, paying particular regard to the robustness of the business case to include forward predictions of affordability, with the aim that projects should be self-funding (i.e. create a revenue stream so that the cost of borrowing is cost neutral), however, the Council has approved a significant number of projects that are more commercial in nature.

Following the changes to PWLB the Council will no longer be acquiring commercial properties using 'debt for yield' however the risks around income on the properties previously purchased and the ongoing cost of the borrowing will still need to be managed. All new proposals for a self-funding or invest to save scheme supported by borrowing must have a robust business case that is presented to senior members and officers prior to approval by Council.

The Council will comply with the PWLB H M Treasury guidance around the use of borrowing – which are now over four categories, each with a definition of the type of capital projects that can be borrowed for – service delivery, housing, regeneration and re financing. These rules will apply to all forms of borrowing not just PWLB.

Each business case, as appropriate, must clearly identify and consider the ongoing revenue implications of:

- fixed interest and principal repayment costs
- associated income stream and sensitivity
- volatility of the income stream
- the contribution to the general fund or breakeven point
- the sensitivity of that contribution
- achieving the target return linked to the purpose of the spend
- ensuring asset value exceeds outstanding debt
- demonstrating value for money
- Project sustainability
- Exit strategy and costs

All of the above need to be considered for the whole life of the asset.

Each business case must clearly identify and consider the ongoing balance sheet implications of:

- the change in the level of Council debt
- address how changes in asset value will be funded i.e., capital appreciation and impairment and the total of assets funded by borrowing
- Maintenance of asset to ensure sustainable use

To ensure all members are fully informed of the risks and rewards associated with borrowing, reporting will include:

- Total debt of the Council
- The underlying assets funded by that debt
- Affordability - Ongoing revenue costs of principal and interest
- Income Streams associated with that asset
- Implications of changes in asset values or income streams

To support its revenue budget the Council will continue to evaluate any capital investment projects either acting alone or with partners that will produce an ongoing revenue income stream for the Council as part of service delivery or reduces on-going revenue requirements.

There may be the need for borrowing that has no identifiable future revenue stream, for example, to repair or construct infrastructure assets. Here a broader view can be taken of the value of repairing the asset to the overall economy of the Bay. In 2022/23 additional borrowing was approved for four schemes where, due to the impact of the economic conditions, the costs of the scheme had increased over the originally forecast income. The cost of such borrowing falls on the revenue budget through payments of debt interest on the Council's revenue account and repayment of debt over a specified period. There may still be a need for such borrowing, but each proposal should be reviewed on a case-by-case basis with the project evaluation clearly stating how the borrowing is to be afforded. Given the ongoing financial challenges facing this Council over the next few years it is likely that such schemes will be an "exception".

The Council's Treasury Management Strategy provides further information on the Council's borrowing strategy for the coming financial year:

[www.torbay.gov.uk/council/policies/finance-policies/treasury-management/](http://www.torbay.gov.uk/council/policies/finance-policies/treasury-management/)

## Long Term Capital Liabilities

The Council can also finance capital expenditure by means of a long term PFI contract, whereby a private sector company will build and then supply an asset (usually with services as well) back to the Council for a specified number of years. At the end of the contract the asset transfers to the ownership of the council. The value of the asset and the associated liability over the life of the contract to fund that asset is reflected on the Council's balance sheet. As with borrowing, any Council decisions on agreeing contracts that result in long-term liabilities are made with sufficient regard to the long run financing implications and potential risks to the authority and include effective due diligence.

Council's may also lease in assets for service delivery rather than purchase. Depending on the lease terms, including the length of lease, these assets, and the associated liability over the life of the lease to fund that asset is reflected on the Council's balance sheet. Changes in International Financial Accounting Standards (IFRS16) in relation to lease recognition have, again, been delayed until 2024/25 (with a restated comparative year of 2023/24) and may result in more leased in assets and liabilities being reflected on the Council's balance sheet.

## Grant Allocations

The Council receives capital grant funding from government and can bid for grant funding direct to government departments or from other grant awarding bodies. The funding from central government tends to be un-ring fenced and without conditions, however this funding is at a significantly lower level than in the last decade.

Any un-ring-fenced capital grants received will be reported to Council. The presumption is that the grants will be allocated in line with the service intentions of the identified government body awarding the grant, however Council has the option to reallocate. Once capital grants have been allocated to a specific service, individual schemes within that allocation are subject to each individual scheme being approved by the relevant Director in consultation with the relevant Cabinet member and Director of Finance.

The Council continues to bid for additional external grant funding for schemes which support corporate priorities or statutory service objectives and where it can be proved that the project is sustainable, and requirements for match-funding and future revenue consequences have been considered and approved. All bids are to be agreed with the Director of Finance prior to submission. Where external grants are used the grant conditions of linking to the capital grant and future use of the asset need to be adhered to.

In October 2019 Cabinet strengthened the governance around capital bids and acceptance of capital funding by resolving:

- (i) that Council Directors ensure that all bids submitted for their portfolio are checked by them for accuracy;
- (ii) that significant decisions made by Officers should have formal Record of Decisions, irrespective of whether or not the legal test for their preparation is met;
- (iii) that meetings, such as ones where the Leader and Group Leaders were consulted, should be minuted in the future;
- (iv) that all future bids for Government money must be made and submitted in accordance with the Constitution; and
- (v) that Officers ensure that the submission of all future bids is in accordance with Council Policies.

## Capital Receipts and Capital Contributions

The Council receives capital receipts and capital contributions from:

- Asset Disposals
- Right to Buy Clawback
- Section 106 agreements and Community Infrastructure Levy (CIL)
- Repayment of loans for a capital purpose

### Asset Disposals

The policy is to pool all receipts from the sale of all assets sold to support the Capital Plan in line with funding the Council's priorities which will include the potential sale of any investment properties. The current Capital Plan has a capital receipts target to support previously incurred expenditure that has not yet been met. All capital receipts received should be allocated to support this target and not allocated to new schemes, subject to any potential use of capital receipts under the Capital Receipts Strategy and any loan repayment. An asset disposal will be deemed to occur when the Council transfers the freehold or a long lease (usually for leases over 40 years where the lease term is the significant compared to the asset life).

The Council will consider exceptions to this policy where rationalisation of assets used for service delivery is undertaken and in respect of school sites where the Secretary of State has approved the disposal – such exceptions will require Council decision.

The Council will aim to maximise its capital receipts, where possible, by enhancing the land prior to disposal, e.g., by obtaining planning permission or providing a development plan. As appropriate the Council may dispose of assets by tender or by public auction.

### Asset Disposals at nil consideration or below market value

In considering asset disposals, the Council will comply with its Asset Management Framework and the need to consider the policy on Community Asset Transfers where the Council will consider, on a case-by-case basis, the potential transfer of assets to an alternative provider after a full

assessment of the long term (full life) risks and rewards of the transfer, including the achievement of best value including potential market value, linked to the Council's aims and objectives.

The Localism Act 2011 introduced the "Community Right to Bid" and placed a duty upon local authorities in England to maintain a list of assets of community value. Once an asset is "Listed" any disposal will be under the Community Asset Transfer policy or for market value by tender/auction.

Where the Council proposes to dispose of, or grant a long lease, at nil consideration or at a value below market value this is required to be approved by Cabinet. This will also apply where the disposal is for a community or service benefit.

### **Right-to-Buy Clawback**

100% of these receipts are currently used to support the provision of the approved Housing Strategy, although this policy could be reviewed to provide additional resources for projects in other service areas.

### **Section 106 contributions and Community Infrastructure Levy (CIL)**

Section 106 monies come from developer contributions through the planning system. Unless there are service specific conditions on the use of the S106, the monies should be used to support existing Council priorities and commitments rather than be allocated to new schemes. Any S106 monies received without a service or scheme specific allocation within the planning agreement will be allocated in line with Council's capital scheme priorities.

Any monies received for infrastructure from the Community Infrastructure Levy will not be allocated to a specific service but will be allocated under the CIL arrangements ("the Regulation 123 List") in line with Council's capital scheme priorities including any specific funding requirements such as the South Devon Highway with the allocation of the "neighbourhood proportion" made after the funds have been received.

The current policy is to pool all capital contributions to support the Capital Plan in line with funding the Council's priorities. The current Capital Plan has a capital contributions target to support the approved Plan that has not yet been met. All capital contributions received should, where possible, be allocated to support this target and not allocated to new schemes.

### **Repayment of loans for a capital purpose**

Where the Council provides a loan for a capital purpose this will be approved by full Council and accounted for as capital expenditure. The repayment of a loan by the borrower will be treated as a capital receipt; however any receipts of this nature will be specifically applied to reduce the value of the Council's outstanding loan.

### **Capital Receipts Strategy**

The Department of Levelling Up, Housing and Communities (DLUHC) have continued to revise their statutory guidance in relation to the Local Government Act 2003 on the use of capital receipts for the period to March 2025. This provides Councils with the flexibility to use capital receipts for

“the revenue costs of service reform”. This flexibility is subject to a Strategy for the use of capital receipts being approved by full Council and for the Council to submit “planned use of the flexibility” to DLUHC in advance of the financial year. By approving this document Council will be approving this flexibility to be used as appropriate with any use reported to Council as an amendment to the Council’s capital plan.

Potential uses for capital receipts, (subject to the capital receipts being received and Council approval of changes to capital plan), would be to support any implementation costs for the Council’s transformation programme. DLUHC within their statutory guidance have included a number of examples of the type of expenditure that would meet the definition of “revenue costs of service reform”.

The Council has not used this flexibility to date and there is no plan for its use in the 2023/24 revenue budget due to the lack of anticipated capital receipts.

## Revenue and Reserves

The Council can use revenue funding and reserves for capital schemes. The Council’s policy is generally not to budget to use revenue or reserve funds to directly fund capital projects after the feasibility stage.

Once a revenue contribution has been applied to a capital project it cannot be returned to revenue. However, the Council would be able, subject to the approval of the Director of Finance, to use prudential borrowing to replace any revenue or reserve funding used or proposed to be used. This will result in a one-off return of revenue funding to the Council’s revenue budget offset by higher Minimum Revenue Provision (MRP) and interest costs to fund the prudential borrowing costs in future years.

## Prioritisation and Approval

It is always difficult to make choices between competing priorities within a top tier Council that delivers so many varied services. It is the responsibility of senior officers to recommend to Member the prioritisation of competing demands for capital resources in the context of the limited central government funding now awarded.

The Council maintains and reports on a rolling four-year capital plan (including its funding) that is updated and reported to Senior Leadership Team and Members on a quarterly basis. The capital plan will include any capital expenditure approvals by Council in the previous quarter.

The key stages in the Council’s prioritisation and approval process are as follows:

1. A service can submit a capital business case for initial consideration to the Director of Finance and the (officer) Capital and Growth Board at any stage of a financial year. The capital business case will be linked to that service’s needs.
2. For a specific scheme to be approved/funded there will be a requirement for a detailed capital business case. The capital business cases are to be initially submitted to both



the Director of Finance and the officer Capital and Growth Board prior to wider consultation with the Council's senior leadership team and the Cabinet.

If a scheme is to be funded from (previously approved by Council) allocations the scheme will be approved in accordance with the stated approval process, or, if the approval process is not stated, by the relevant Director in consultation with the relevant Cabinet Lead and Director of Finance and progressed when funding confirmed or,

If new (confirmed) funding is to be used for a scheme to be funded by, say, a specific grant and if the scheme is supported by the Chief Executive, in consultation with the Cabinet Lead for Finance and Director of Finance, it will be reported to Council.

If funding has been allocated by Council to a service without individual schemes being identified at the time of approval, (such as a general allocation to schools for "basic need" projects), individual schemes within that allocation are subject to each individual scheme being approved by the relevant Director.

3. Proposals for invest to save or self-financing schemes, (usually financed from prudential borrowing), will also require a detailed capital business case. The capital business case is to be initially submitted to the Director of Finance and the officer Capital and Growth Board. If the scheme is supported, it will be recommended to Council for approval.
4. Any recommendations for schemes to be approved by Council will be included in the next quarterly Capital Plan Update Report.
5. Other schemes that do not require financial support but include the use of Council assets as a Council contribution to a scheme will also be subject to the Council's approval process.
6. Where there is a proposal to transfer capital resources from a previously approved scheme to a new scheme and there is a change of "policy", the new scheme will be approved by Council.
7. Where a specific approval process has been set up and approved by Council e.g., Cabinet for Regeneration Fund purchases or Director of Finance for Housing Company loans that process will apply.

## Affordability and Sustainability of Proposals

The Prudential Code also requires that, in making its capital investment decisions, the Council should have explicit regard to option appraisal and risk, asset management planning, strategic planning for the authority and achievability of the forward plan.

The Capital Business Case will identify the projected running costs and financing costs of the relevant asset and assessed the affordability of the proposals both for the initial investment and over the life of the asset. In all cases the capital expenditure and any ongoing costs must be sustainable in relation to the Council's medium term financial plans.

These to include consideration of:

- service objectives, e.g., strategic planning for the authority;
- stewardship of assets, e.g., asset management planning;
- value for money, e.g., option appraisal;
- prudence and sustainability, e.g., risk, implications for debt and whole life costing;
- affordability, e.g., implications for council tax/district rates; and
- practicality, e.g., achievability of the forward plan.

Where an asset is directly linked to generating an income or rental stream for service delivery, the initial Capital Business case (or Council report) will need to consider the future risks to those revenue returns and how these will be mitigated. This may result in the creation of an earmarked reserve for both income volatility and future asset related expenditure.

## Management and Monitoring of Capital Plan

The key objective of the Council's management and monitoring of the Capital Plan is to ensure that all Members and the Council's senior leadership team, have visibility of the capital plan and the approval of individual capital projects to encourage collective responsibility for the capital expenditure on a project and the success of the schemes themselves.

The Council's senior leadership team should ensure that progress against the programme – in terms of expenditure and timescales – is in line with what has previously been agreed. Where projects are exhibiting cost overruns or delays in the completion schedule, these should be addressed promptly.

Arrangements to include:

1. Overview and Scrutiny Board and Cabinet will receive 3 quarterly monitoring reports and one outturn report each year.
2. A Capital budget for forthcoming year will be part of each financial year's budget proposals
3. The (officer) Capital and Growth Board now reviews the Council's Capital Plan and the governance arrangements associated with its various projects
4. Senior Leadership Team and the Cabinet to have responsibility for the oversight and challenge on the delivery of the capital plan including slippage and outcomes.
5. Capital business cases are to be initially submitted to both the Director of Finance and the (officer) Capital and Growth Board prior to wider consultation with the Council's senior leadership team and the Cabinet.

## Alternative Funding and Delivery Opportunities

The Council, as appropriate, will continue to consider other methods of supporting capital expenditure within the Bay, using alternative funding, such as social investment, private sector finance and third sector funding or by other bodies delivering capital schemes instead of the



Council. The Council can use its assets to support schemes or aim to maximise funding from any source possible.

The Council continues to bid for additional external funding and/or work with other bodies to secure capital investment or consider use of its own assets in a development, which support corporate priorities or statutory service objectives and where it can be proved that the project is sustainable, and requirements for match-funding and future revenue consequences have been considered and approved along with an assessment of the opportunity costs of alternative options. All schemes are to be agreed with the Director of Finance prior to submission and/or contractual commitment.

## Non-Treasury Investments

Linked to its approach to borrowing and the Council's Investment and Regeneration Fund Strategy the Council has previously considered, where opportunities arose and there was a "multiple benefit", the purchase of land and property as an investment to generate an ongoing income. CIPFA has classified investment properties as a Non-Treasury Investment for reporting purposes and included in the Treasury Management Code of Practice.

The Council will comply with the DLUHC statutory guidance and any sector led commentary and opinions associated with this activity. Consequently, all the Council's Investment Fund purchases have now ceased following the Government's decision to disallow all PWLB borrowing for authorities with any further plans for such investments.

The original investment Fund was £235m which comprised of loans and commercial property. Over time the value of these assets will change which will be reported in the Treasury Management Mid-Year Report and Outturn Report.

The Council's Treasury Management Strategy Statement also includes references to the monitoring and reporting of the Council's Non-Treasury Investments (NTI). The Strategy is available on the Council's website at:

[www.torbay.gov.uk/council/policies/finance-policies/treasury-management/](http://www.torbay.gov.uk/council/policies/finance-policies/treasury-management/)

## Proportionality of Non-Treasury Investments

Throughout this Strategy the impact of Non-Treasury Investments has been considered but, in this section, specific indicators are provided in relation to proportionality. As shown in Section 3, there are two main aspects to the proportion of investment property held:

### Income

To monitor the reliance of the revenue budget on income generated from these investments an indicator should be set based on the ratio of commercial income to net service expenditure.

It is considered that the revenue account could reasonably absorb in year unexpected shortfalls at this level:

- as any known potential rental shortfalls have been built into the revenue budget

- considering the diversification within the Council's portfolio it is unlikely all properties would be affected at the same time
- a reserve is held for rental "events" such as void period or rent-free periods.

It should be noted that if an investment property is sold the funds received will be a capital receipt and cannot be taken to the revenue account e.g., to offset the loss of an income stream.

## **Financing Costs- affordability**

Ratio of financing costs to net revenue stream. This indicator identifies the trend in the cost of capital, (borrowing and other long term obligation costs net of investment income), against the net revenue stream For Torbay investment income includes income from investment fund properties and the effect of this is also shown.

## **The Prudential Code (2021)**

In relation to non-treasury investments the updated 2021 Code is clear in its expectations:

"an authority must not borrow to invest primarily for financial return"

"it is not prudent for councils to make any investment or spending decision that will increase the capital financing requirement and so may lead to new borrowing unless directly and primarily related to the functions of the council and where any financial returns are either related to the financial viability of the project ...or otherwise incidental to the primary purpose".

"councils with existing commercial investments are not required by this Code to sell these investments.....however councils that have an expected need to borrow should review options for exiting their financial investments for commercial purposes and summarise the review in their annual treasury management strategy. These reviews should evaluate whether to take expected borrowing needs by taking new borrowing or repaying investments based on a financial appraisal that takes into account of financial implications and risk reduction benefits"

The Council's investment properties are diversified over a number of sectors and are budgeted in 2023/24 to produce a net surplus, after borrowing costs and reserve provision, of £4.1m. If any of these assets are sold, the council will have to

- fund the revenue shortfall resulting from no rent now being received.
- apply the capital receipt from the asset sale to another project to either avoid borrowing costs on that project or to reinvest in a project that generates an income stream to replace the revenue shortfall, subject to the new project not being primarily for yield.
- Or apply the capital receipt to repay borrowing subject to any early repayment penalties.
- apply the existing ongoing borrowing costs of the asset now sold to another project, where the income from the new project will be able to cover the borrowing costs
- all the above will need to be in pace ideally from date of sale to avoid any ongoing cost of carry of both the old debt and ongoing revenue shortfall.

## Asset Disposal Strategy

Purchases of assets are primarily to be retained in the long term. However, the benefit of selling the assets will be regularly reviewed by Director of Pride of Place for potential disposal at which point any outstanding debt will be repaid. The review will need to consider the resulting impact on the Council's revenue budget and any impact of operational delivery from the lost income stream and any costs of disposal. A review of options in relation to the disposal of investment properties was included in the 2023/24 Treasury Management Strategy.

## Loans for Capital Purposes

Loans for a capital purpose can also be approved by full Council subject to a business case and due diligence on the borrower including as appropriate guarantees and bonds to secure the repayment of the loan. The loan value should not exceed the value of the underlying asset and there should be no third parties legal charge on the asset. Interest will be charged on the loan at a market rate. This will ensure compliance with Subsidy Control regulations.

With the new PWLB guidance its ability to issue capital loans will be extremely limited, unless to its own subsidiary companies.

## Capital expenditure and assets held by wholly owned subsidiary companies

The Council has overall control of these entities and therefore is ultimately responsible for the companies' assets and liabilities. The controls of any subsidiary's activities are controlled by the Council through 'reserved matters' listed within the memorandum and articles of association of the company. These 'reserved matters' cover capital expenditure and the making of any borrowing. The assets and liabilities of all council companies would be consolidated into the Council's group accounts.

As these capital assets and liabilities are part of the council's overall financial position the Council will report on the total group assets and liabilities and the associated risk and reward. The risk associated with capital expenditure and borrowing by these companies is expected to significantly rise from both SWISCo and the TDA Group of companies including the expected significant expansion of borrowing for capital expenditure on housing by TorVista.

## Training and Skills

The Council needs to ensure that all decisions in relation to capital are properly informed.

In relation to skills the Director of Finance, Monitoring Officer and Director of Pride of Place will ensure that the appropriate expertise is always resourced in relation to any financial, legal and asset related due diligence required.

The Council's knowledge and skills will be complemented by the use of advisers and agents as required.

## Treasury Management Links

All capital decisions to be funded by prudential borrowing will directly impact on the Council's Treasury Management activities. The level and timing of the capital expenditure will be reflected in the capital plan once approved and in the strategic cash flow forecasts to plan for the required borrowing. The resulting costs (Interest and MRP, at an average cost of 7% of capital cost) and any income to fund those costs will be included in the standard budget monitoring and budget setting process.

Total borrowing will also be monitored by the annual setting of both the Operational and Authorised Limits (for borrowing).

## Balance Sheet Issues

The impact of capital projects and any prudential borrowing used have an impact on the Council's balance sheet.

1. Increase in the value of the Council's non-current assets
2. Increase in the value of Council's long-term debtors (if capital loan provided)
3. Increase in the Council's long-term borrowing
4. Maturity profile of borrowing and repayment of borrowing
5. Profile of capital loan repayments
6. Increase/decrease in Capital Financing Requirement (CFR) - borrowing offset by MRP.
7. Annual depreciation on operational assets
8. Annual revaluation or impairment on operational assets
9. Annual valuations of investment properties
10. Impact on Council's cash flow in delivery stage or on purchase
11. Impact on Council's cash flow at time of borrowing

The value of non-current assets should always aim to exceed the value of the outstanding liabilities. In addition, the value of the outstanding liabilities should not exceed, in the medium term, the Capital Financing Requirement (which is the measure of a Council's underlying need to borrow).

### 3. Director of Finance: Statement on Delivery, Affordability and Risk of Capital Strategy

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#### Background

The current guidance for a council's level of borrowing is the Prudential Code (December 2021) and as "proper practice" it must be adhered to. The following extracts from the Code summarise the Code's approach to level of borrowing (self-regulating) and the governance that should apply.

"the local authority shall ensure that all its capital and investment plans are affordable, prudent and sustainable." "A local authority shall determine and keep under review how much money it can afford to borrow."

"the level of capital investment that can be supported will, subject to affordability and sustainability, be a matter for local discretion."

"a local authority must not borrow more than or in advance of their needs purely in order to profit from the investment of the extra sums borrowed."

#### Torbay Council Borrowing Position

All Borrowing	Actuals as at 31/03/22 £m
External Borrowing including PFI	405
	<b>2023/24</b>
Revenue budget (proposed)	131
Interest and repayment of principal costs per annum	20
Interest repayment cost as a % of net revenue budget	15%
Investment Fund Rental Income (estimate)	(14)

#### Potential impact of investment market fluctuations

1. Value of rental income on investment properties decreases by 10%. Revenue budget will have a shortfall of £1.4m pa.
2. Value of underlying asset decreases by 10%. Assuming £235m invested and no capital appreciation, balance sheet value will fall of £24m as an unrealised loss.
3. General economic conditions may affect both the rental income and asset values such as the economic impact of Covid-19, economic downturn, post Brexit sentiment and the retail environment. Locally tenants may choose not to renew leases or re-negotiate a lower rental.

## Capital Finance risk management

In the draft Levelling Up and Regeneration Bill there is the introduction of several risk thresholds or “capital metrics” identified for councils. The monitoring of these is intended to help mitigate financial risk to a council. If a council meets a “trigger event” the Secretary of State may intervene and issue a risk direction. The following are the “capital risk metrics” specified in the draft legislation. Torbay’s current measurements are included. Note: no benchmarks for these metrics have been yet identified.

	31/3/22			
Total of debt including credit arrangements as compared to the financial resources at the disposal of the council	Debt including PFI = £405m	Net Budget Requirement = £131m	3:1	
Proportion of capital assets which is investments made wholly or mainly in order to generate financial return	Investment Properties = £211m	Non Current Assets = £635m	33%	
Proportion of debt including credit arrangements to which the counterparty is not central government (CG) or a local authority (LA)	Debt including PFI = £405m	Debt and PFI not CG or LA = £26m	6%	
Amount of minimum revenue provision charged for a financial year (including credit arrangements)	Debt including PFI = £405m	MRP = £7.6m	2%	
Any other metric specified by regulations made by secretary of state	n/a	n/a	n/a	

## Summary of the borrowing position

The risk principally lies in the Council’s investment portfolio and in the future will also include the risk around housing and regeneration capital expenditure funded from rental income. The remainder of the borrowing is linked to a range of operational assets which are expected to be used in the long term and have a full provision for the full recovery of principal over the asset life. All operational assets are supported by a robust business case and while there is a risk in income returns not being achieved overall these are not significant.

In relation to investment properties these are more sensitive to the market fluctuations identified above. An MRP is applied to repay the borrowing over the estimated asset life (up to the maximum 50-year asset life identified in the DLUHC Statutory Guidance). An Investment Fund

reserve is used (funded from rental income) to mitigate against future income volatility on these assets which is reviewed by the Chief Finance officer for adequacy on an annual basis.

Due to the historic low borrowing rates the Council has fixed all its loans and adopted a flat maturity profile, this mitigates the risk of increasing rates on this historic debt. Future borrowing will increase the council's fixed interest and borrowing costs which will be an annual charge to the revenue budget. This fixed cost is partially offset by income streams from the assets funded from borrowing.

## **Director of Finance Report**

Within the Prudential Code It is the responsibility of the Chief Finance Officer to explicitly report on the delivery, affordability and the risks associated with this Strategy.

### **Delivery**

The delivery of the individual schemes on the plan are directly linked to the original approval of the capital project supported by each project having a client officer and a project manager who are responsible for the delivery of the project (appropriate skills, contracting, planning etc.) and the subsequent achievement of the objectives of that project.

Members, via Overview and Scrutiny Board and Cabinet receive quarterly updates to the capital plan. These updates are driven by the requirement by financial reporting, however in doing so Members can review and challenge the delivery of projects and any changes to both the timing and value of the capital plan.

If after the capital project being completed there are variations to the income expected to be generated from that asset, these will be reported as a variance in the quarterly revenue budget reporting and if ongoing be included in the following years revenue budget proposals.

The Council's senior leadership team, supported by the Capital and Growth Board, has oversight for the delivery of and challenge to the capital plan.

### **Affordability**

Affordability is critical in applying the capital strategy and approving projects for inclusion in the capital plan. This is mostly demonstrated by a specific report on the project being presented to council for approval supported by a business case identifying the expenditure and funding, appraisal of alternative options and the risks and rewards for the approval of the scheme.

All projects need to have a clear funding source. If external funding such as an external grant is to be used there needs to be a clear funding commitment.

Affordability of each project needs to be clear, not only for the funding of the capital spend, but also to cover any ongoing costs of the operation and funding of that capital spend.

Where borrowing is to be used the affordability is key and that affordability has to include the interest costs of that borrowing and the provision for the repayment of the borrowing. This repayment is matched to a prudent asset life and any income streams estimated to fund this asset



must be sustainable. The “rules” around the governance of this borrowing is outlined in the prudential code and the HM Treasury (as summarised above).

At no stage should the asset value be lower than the value of outstanding debt, other than for a short period, unless there is a clear plan to mitigate that shortfall or to sell that asset.

## **Risks**

The risks associated with a significant capital plan and a significant level of borrowing can be mitigated and indeed should be mitigated as “business as usual”, i.e. all capital projects are supported by business plans, have adequate project management and/or project boards, suitable skills for the delivery of the project, tax planning, cash flow, clear operational plan for the use of the asset, use of specific committees, security and due diligence on loans and purchases, use of external advice where appropriate, project contingencies, full tender process and regular and transparent reporting to members.

There are clear links from the capital plan to both the treasury management strategy, prudential indicators, authorised borrowing limits and the revenue budget. These are also subject to review and oversight by members at Audit Committee and Council.

For any new borrowing, and this is a greater risk as the cost of borrowing increases, this increases the council's overall liabilities that will need to be repaid in the future. In addition, this increases the Council's level of fixed interest and repayment costs that it will incur each year. This is a clear risk that all members need to be aware of.

However, this risk for all assets is mitigated by a robust business case and a full Minimum Revenue Provision that will repay the borrowing costs over a (prudent) asset life. Any variation in expected income is an issue however given the wide range of operational assets and different income streams this is not a significant risk.

As outlined above in the position statement, housing and regeneration properties are a different type and level of risk. Risk arises from both variations in income streams (tenant non-renewal etc.) and from asset values (impact economic conditions and retail trends etc.).

There are risks (and rewards) associated with the purchase of these type of assets, therefore all members need to have sight of, and understand the risks and rewards inherent in these commercial investments.

## **Conclusion**

The current system of borrowing is still a self-regulatory system which means that responsibility for borrowing decisions, and the level of borrowing incurred by a Council are determined at a local level. Elected members have a key role.

“..the responsibility for decision making and ongoing monitoring in respect of capital expenditure, investment and borrowing, including prudential indicators, remains with full Council”. (Prudential Code).



The Director of Finance's view is that borrowing decisions result in a long-term commitment to fund that borrowing, and that all decision making and ongoing reporting should be as transparent as possible both to all Members and the residents of Torbay.

The pace and level of change in the Council's borrowing linked to potential regeneration and housing schemes is still potentially significant. The Council's capital financing requirement (i.e., its underlying need to borrow) by the end of 2025/26 could be close to £600m with a £35m ongoing revenue cost (assuming a 7% annual cost of MRP (2.5%) and interest for new borrowing (4.5%)) offset by any capital expenditure that generates a revenue stream.

Therefore, all members need to be fully informed as to all implications of its capital investment decisions, in particular those funded from borrowing.

# Appendix 1 - Definition of Capital Expenditure

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Capital investment is simply described as:

Expenditure on the acquisition, creation or enhancement of “non-current assets”

Non-current assets are items of land and property which have a useful life of more than one year.

This definition of capital expenditure that the Council has to comply with for the classification and, therefore, the funding of capital expenditure is linked to International Financial Reporting Standards. “Qualifying Capital Expenditure” under s25 of Local Government Act 2003 is defined when:

**“The expenditure results in the acquisition, construction or enhancement of fixed assets (tangible and intangible) in accordance with “proper practices””**

“Proper Practice” (from 01/04/10) is under International Financial Reporting Standards (IFRS) rules. The relevant standard is IAS16 which has the following definition of capital expenditure:

**“Expenses that are directly attributable to bringing an asset to the location and condition necessary for it to be capable of operating in the manner intended by management”.**

“Directly attributable” i.e., if building a school – costs linked to the actual construction of the building, not temporary accommodation, moving people around etc.

Subsequent Capital Expenditure on an asset is defined as:

**“Expenses that make it probable that future economic benefits will flow to the authority and whose cost can be measured reliably.”** Subject to..... “if the expenditure is to replace a component, the old component must be written out of the balance sheet”.

Future economic benefits i.e., it is not necessary for the expenditure to improve the condition of the asset beyond its previously assessed standard of performance – the measurement is against the actual standard of performance at the date of expenditure; e.g. if service potential or asset life is increased.

**Meeting:** Audit Committee/Council

**Date:** 25 January 2023/7 March 2023

**Wards affected:** All Wards in Torbay

**Report Title:** Treasury Management Strategy 2023/24 including adoption of the CIPFA Code of Practice: Treasury Management in the Public Services

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## 1. Purpose of Report

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- 1.1 The Treasury Management Strategy at Appendix 2 to this report aims to support the provision of all Council services by the management of the Council's cash flow, debt and investment operations in 2023/24 and effectively control the associated risks and the pursuit of optimum performance consistent with those risks.
- 1.2 The views of the Audit Committee are sought ahead of the consideration of this Policy Framework document by the Council at its meeting on 2nd February 2023.
- 1.3 Adoption of the CIPFA Code of Practice: Treasury Management in the Public Services: Following the updated CIPFA Code of Treasury Management Code of Practice (2021) and the updated CIPFA supporting Guidance Notes (2021) the Treasury Management Policy Statement and Practices (TMP's) have been updated and are presented for re approval by Council as set out in Appendix 1.

## 2. Reason for Proposal and its benefits

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- 2.1 The Treasury Management Strategy is considered under a requirement of the CIPFA Code of Practice on Treasury Management. The Strategy has been fully updated for provisions in a revised edition of the Code released in December 2021 and the recommended policy statement and practices are presented at Appendix 1 for adoption by the Council.

- 2.2 The approval of an Annual Investment Strategy by Council is a requirement of statutory guidance on Local Government Investments issued by government in January 2018. This Strategy sets out the Council's policies for managing its investments under the priorities of security first, liquidity second and then returns.
- 2.3 In addition, the Treasury Management Strategy gives regard to the CIPFA Prudential Code and to set Prudential Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable.

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

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That the Audit Committee recommends to Council:

- i. That the CIPFA Code of Practice: Treasury Management in the Public Services as set out in the Appendix 1 to the submitted report be adopted; and
- ii) that the:
  - a) Treasury Management Strategy for 2023/24;
  - b) the Prudential Indicators 2023/24; and
  - c) the Annual Minimum Revenue Provision Policy Statement for 2023/24 as set out in the Appendix 2 to the submitted report be approved.

#### **Appendices**

Appendix 1: Treasury Management Policy Statement and Practices

Appendix 2: Treasury Management Strategy 2023/24

### 1. Introduction

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- 1.1 The proposed Treasury Management Strategy for 2023/24 is set out at Appendix 2.
- 1.2 CIPFA released an updated Code of Practice to cover all aspects of financial investments in December 2021. Local Authorities were permitted to delay full adoption of the new code until 2023/24.

### 2. Options under consideration

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- 2.1 As set out in Appendix 2.

### 3. Financial Opportunities and Implications

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- 3.1 As set out in Appendix 2.

### 4. Legal Implications

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- 4.1 Treasury risk management at the Council is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2021 Edition (the CIPFA Code) which requires full Council to approve a treasury management strategy before the start of each financial year. This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.

### 5. Engagement and Consultation

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- 5.1 Not applicable

## 6. Purchasing or Hiring of Goods and/or Services

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6.1 Not applicable

## 7. Tackling Climate Change

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7.1 Not applicable

## 8. Associated Risks

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8.1 Treasury Management associated risks are managed by compliance with the CIPFA code.

## 9. Identify the potential positive and negative impacts on specific groups

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9.1

	Positive Impact	Negative Impact & Mitigating Actions	Neutral Impact
Older or younger people			X
People with caring Responsibilities			X
People with a disability			X
Women or men			X
People who are black or from a minority ethnic background (BME) (Please note Gypsies / Roma are within this community)			X
Religion or belief (including lack of belief)			X
People who are lesbian, gay or bisexual			X
People who are transgendered			X

People who are in a marriage or civil partnership			X
Women who are pregnant / on maternity leave			X
Socio-economic impacts (Including impact on child poverty issues and deprivation)			X
Public Health impacts (How will your proposal impact on the general health of the population of Torbay)			X

## 10. Cumulative Council Impact

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10.1 Not applicable

## 11. Cumulative Community Impacts

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11.1 Not applicable

## TREASURY MANAGEMENT POLICY STATEMENT

1. The Council defines its treasury management activities as:

“The management of the authority’s borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks”.

2. The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the Council, and any financial instruments entered into to manage these risks.
3. The Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.”
4. Non Treasury Investments are other investments that are undertaken for reasons other than treasury management activities. These include Investment Properties, Loans and Guarantees.





# TREASURY MANAGEMENT PRACTICES

## TMP1 Risk Management

The Council regards a key objective of its treasury management and other investment activities to be the security of the principal sums it invests. Accordingly, it will ensure that robust due diligence procedures covering all external investment including investment properties.

The Chief Finance Officer will design, implement and monitor all arrangements for the identification, management and control of treasury management risk, will report at least annually on the adequacy/suitability thereof, and will report, as a matter of urgency, the circumstances of any actual or likely difficulty in achieving the organisation's objectives in this respect, all in accordance with the procedures set out in TMP6 *Reporting Requirements and Management Information Arrangements*.

In respect of each of the following risks, the arrangements which seek to ensure compliance with these objectives are set out in the schedule to this document.

### 1.1 Credit and Counterparty Risk Management

The risk of failure by a counterparty to meet its contractual obligations to the organisation under an investment, borrowing, capital project or partnership financing, particularly as a result of the counterparty's diminished creditworthiness, and the resulting detrimental effect on the organisation's capital or current (revenue) resources.

This Council regards a key objective of its treasury management activities to be the security of the principal sums it invests. Accordingly, it will ensure that its counterparty lists and limits reflect a prudent attitude towards organisations with whom funds may be deposited, and will limit its investment activities to the instruments, methods and techniques referred to in TMP4 *Approved Instruments Methods and Techniques* and listed in the schedule to this document. It also recognises the need to have, and will therefore maintain, a formal counterparty policy in respect of those organisations from which it may borrow, or with whom it may enter into other financing or derivative arrangements.

### 1.2 Liquidity Risk Management

This is the risk that cash will not be available when it is needed, that ineffective management of liquidity creates additional unbudgeted costs, and that the organisation's business/service objectives will be thereby compromised.

The Council will ensure it has adequate though not excessive cash resources, borrowing arrangements, overdraft or standby facilities to enable it at all times to have the level of funds available to it which are necessary for the achievement of its business/service objectives.

The Council will only borrow in advance of need where there is a clear business case for doing so and will only do so for the current capital programme or to finance future debt maturities.

### **1.3 Interest Rate Risk Management**

The risk that fluctuations in the levels of interest rates create an unexpected or unbudgeted burden on the organisation's finances, against which the organisation has failed to protect itself adequately.

The Council will manage its exposure to fluctuations in interest rates with a view to containing its interest costs, or securing its interest revenues, in accordance with the amounts provided in its budgetary arrangements as amended in accordance with *TMP6 Reporting requirements and management information arrangements*.

It will achieve this by the prudent use of its approved financing and investment instruments, methods and techniques, primarily to create stability and certainty of costs and revenues, but at the same time retaining a sufficient degree of flexibility to take advantage of unexpected, potentially advantageous changes in the level or structure of interest rates. This should be the subject to the consideration and, if required, approval of any policy or budgetary implications.

It will ensure that any hedging tools such as derivatives are only used for the management of risk and the prudent management of financial affairs and that the policy for the use of derivatives is clearly detailed in the annual strategy.

### **1.4 Exchange Rate Risk Management**

The risk that fluctuations in foreign exchange rates create an unexpected or unbudgeted burden on the organisation's finances, against which the Council has failed to protect itself adequately.

It will manage its exposure to fluctuations in exchange rates so as to minimise any detrimental impact on its budgeted income/expenditure levels.

### **1.5 Inflation Risk**

Inflation risk, also known as purchasing power risk, is the chance that the cash flows from an investment won't be worth as much in the future because of changes in purchasing power due to inflation

The Council will keep under review the sensitivity of its treasury and liabilities to inflation and will seek to manage the risk accordingly in the context of the whole of the Council's inflation exposure.

### **1.6 Refinancing Risk Management**

The risk that maturing borrowings, capital, project or partnership financings cannot be refinanced on terms that reflect the provisions made by the organisation for those refinancing, both capital and current (revenue), and/or that the terms are inconsistent with prevailing market conditions at the time.

The Council will ensure that its borrowing, private financing and partnership arrangements are negotiated, structured and documented, and the maturity profile of the monies so raised is managed, with a view to obtaining offer terms for renewal or refinancing, if required, which are competitive and as favourable to the Council as can reasonably be achieved in the light of market conditions prevailing at the time.

It will actively manage its relationships with its counterparties in these transactions in such a manner as to secure this objective, and will avoid overreliance on any one source of funding if this might jeopardise achievement of the above.

### **1.7 Legal and Regulatory Risk Management**

The risk that the organisation itself, or an organisation with which it is dealing in its treasury management activities, fails to act in accordance with its legal powers or regulatory requirements, and that the organisation suffers losses accordingly.

This organisation will ensure that all of its treasury management activities comply with its statutory powers and regulatory requirements. It will demonstrate such compliance, if required to do so, to all parties with whom it deals in such activities. In framing its credit and counterparty policy under TMP1[1] *credit and counterparty risk management*, it will ensure that there is evidence of counterparties' powers, authority and compliance in respect of the transactions they may effect with the organisation, particularly with regard to duty of care and fees charged.

The Council recognises that future legislative or regulatory changes may impact on its treasury management activities and, so far as it is reasonably able to do so, will seek to minimise the risk of these impacting adversely on the organisation.

### **1.8 Fraud, Error and Corruption, and Contingency Management**

The risk that an organisation fails to identify the circumstances in which it may be exposed to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings, and fails to employ suitable systems and procedures and maintain effective contingency management arrangements to these ends. It includes the area of risk commonly referred to as operational risk.

The Council will ensure that it has identified the circumstances which may expose it to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings. Accordingly, it will employ suitable systems and procedures, and will maintain effective contingency management arrangements, to these ends.

### **1.9 Price Risk Management**

The risk that, through adverse market fluctuations in the value of the principal sums an organisation borrows and invests, its stated treasury management policies and objectives are compromised, against which effects it has failed to protect itself adequately.

The Council will seek to ensure that its stated treasury management policies and objectives will not be compromised by adverse market fluctuations in the value of the principal sums it invests, and will accordingly seek to protect itself from the effects of such fluctuations.

## **TMP 2 Performance Measurement**

The Council is committed to the pursuit of value for money in its treasury management activities and to the use of performance methodology in support of that aim, within the framework set out in its treasury management policy statement.

Accordingly, the treasury management function will be the subject of ongoing analysis of the value it adds in support of the Council's stated business or service objectives. It will be the subject of regular examination of alternative methods of service delivery, of the availability of fiscal or other grant or subsidy incentives, and of the scope for other potential improvements. The performance of the treasury management function will be measured using the criteria set out in the schedule to this document.

## **TMP 3 Decision Making and Analysis**

The Council will maintain full records of its treasury management decisions, and of the processes and practices applied in reaching those decisions, both for the purposes of learning from the past and for demonstrating that reasonable steps were taken to ensure all issues relevant to those decisions were taken into account at the time. The issues to be addressed and processes and practices to be pursued in reaching decisions are detailed in the schedule to this document.

## **TMP 4 Approved Instruments, Methods and Techniques**

The Council will undertake its treasury management activities by employing only those instruments, methods and techniques detailed in the schedule to this document, and within the limits and parameters defined and parameters defined in TMP1 *Risk Management*

Where the Council intends to use derivative instruments for the management of risks, these will be limited to those set out in its annual treasury strategy. The Council will seek proper advice and will consider that advice when entering into arrangements to use such products to ensure that it fully understands those products.

The Council has reviewed its classification with financial institutions under MIFID II and has set out in the schedule to this document those organisations with which it is registered as a professional client and those with which it has an application outstanding to register as a professional client.

## **TMP 5 Organisation, Clarity and Segregation of Responsibilities, and Dealing Arrangements**

The Council considers it essential, for the purposes of the effective control and monitoring of its treasury management activities, for the reduction of the risk of fraud or error, and for the pursuit of optimum performance, that these activities are structured and managed in a fully integrated manner, and that there is at all times a clarity of treasury management responsibilities.

The principle on which this will be based is a clear distinction between those charged with setting treasury management policies and those charged with implementing and controlling these policies, particularly with regard to the execution and transmission of funds, the recording and administering of treasury management decisions, and the audit and review of the treasury management function.

If and when the Council intends, as a result of lack of resources or other circumstances, to depart from these principles, the Chief Finance Officer will ensure that the reasons are properly reported in accordance with TMP6 *Reporting requirements and management information arrangements*, and the implications properly considered and evaluated.

The Chief Finance Officer will ensure that there are clear written statements of the responsibilities for each post engaged in treasury management, and the arrangements for absence cover. The Chief Finance Officer will also ensure that at all times those engaged in treasury management will follow the policies and procedures set out. The present arrangements are detailed in the schedule to this document.

The Chief Finance Officer will ensure there is proper documentation for all deals and transactions, and that procedures exist for the effective transmission of funds. The present arrangements are detailed in the schedule to this document.

The delegations to the Chief Finance Officer in respect of treasury management are set out in the schedule to this document. The Chief finance Officer will fulfill all such responsibilities in accordance with the Council's policy statement and TMPs and, if a CIPFA member, the *Standard of Professional Practice on Treasury Management*.



## **TMP 6 Reporting Requirements and Management Information Arrangements**

The Council will ensure that regular reports are prepared and considered on the implementation of its treasury management policies; on the effects of decisions taken and transactions executed in pursuit of those policies; on the implications of changes, particularly budgetary, resulting from regulatory, economic, market or other factors affecting its treasury management activities; and on the performance of the treasury management function.

As a minimum:

- Full Council will receive:
  - an annual report on the strategy and plan to be pursued in the coming year
  - a mid-year review
  - an annual report on the performance of the treasury management function, on the effects of the decisions taken and the transactions executed in the past year, and on any circumstances of non-compliance with the Council's treasury management policy statement and TMPs.
- The Audit Committee will receive regular monitoring reports on treasury management activities and risks.
- The Audit Committee will have responsibility for the scrutiny of treasury management policies and practices.
- Local authorities should report the treasury management indicators as detailed in their sector-specific guidance notes.

The present arrangements and the form of these reports are detailed in the schedule to this document.

## **TMP 7 Budgeting, Accounting and Audit Arrangements**

The Chief Finance Officer will prepare, and the Council will approve and, if necessary, from time to time will amend, an annual budget for treasury management, which will bring together all of the costs involved in running the treasury management function, together with associated income. The matters to be included in the budget will at minimum be those required by statute or regulation, together with such information as will demonstrate compliance with TMP1 *Risk management*, TMP2 *Performance measurement*, and TMP4 *Approved instruments, methods and techniques*. The Chief Finance Officer will exercise effective controls over this budget, and will report upon and recommend any changes required in accordance with TMP6 *Reporting requirements and management information arrangements*.

The Council will account for its treasury management activities, for decisions made and transactions executed, in accordance with appropriate accounting practices and standards, and with statutory and regulatory requirements in force for the time being.

## TMP 8 Cash and Cash Flow Management

Unless statutory or regulatory requirements demand otherwise, all monies in the hands of the Council will be under the control of the Chief Finance Officer, and will be aggregated for cash flow and investment management purposes. Cash flow projections will be prepared on a regular and timely basis, and the Chief Finance Officer will ensure that these are adequate for the purposes of monitoring compliance with TMP1[2] *liquidity risk management*. The present arrangements for preparing cash flow projections, and their form, are set out in the schedule to this document.

## **TMP 9 Money Laundering**

The Council is alert to the possibility that it may become the subject of an attempt to involve it in a transaction involving the laundering of money. Accordingly, it will maintain procedures for verifying and recording the identity of counterparties and reporting suspicions, and will ensure that staff involved in this are properly trained. The present arrangements, including the name of the officer to whom reports should be made, are detailed in the schedule to this document.

## **TMP 10 Training and Qualifications**

The Council recognises the importance of ensuring that all staff involved in the treasury management function are fully equipped to undertake the duties and responsibilities allocated to them. It will therefore seek to appoint individuals who are both capable and experienced and will provide training for staff to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills. The Chief Finance Officer will recommend and implement the necessary arrangements.

The Chief Finance Officer will ensure that Council members tasked with treasury management responsibilities, including those responsible for scrutiny, have access to training relevant to their needs and those responsibilities.

Those charged with governance recognise their individual responsibility to ensure that they have the necessary skills to complete their role effectively.

The present arrangements are detailed in the schedule to this document.

## **TMP 11 Use of External Service Providers**

The Council recognises that responsibility for treasury management decisions remains with the organisation at all times. It recognises that there may be potential value in employing external providers of treasury management services, in order to acquire access to specialist skills and resources. When it employs such service providers, it will ensure it does so for reasons which have been submitted to a full evaluation of the costs and benefits. It will also ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review. And it will ensure, where feasible and necessary, that a spread of service providers is used, to avoid overreliance on one or a small number of companies. Where services are subject to formal tender or re-tender arrangements, legislative requirements will always be observed. The monitoring of such arrangements rests with the Chief Finance Officer, and details of the current arrangements are set out in the schedule to this document.

## **TMP 12 Corporate Governance**

The Council is committed to the pursuit of proper corporate governance throughout its businesses and services, and to establishing the principles and practices by which this can be achieved. Accordingly, the treasury management function and its activities will be undertaken with openness and transparency, honesty, integrity and accountability.

The Council has adopted and has implemented the key principles of the Code. This, together with the other arrangements detailed in the schedule to this document, is considered vital to the achievement of proper corporate governance in treasury management, and the Chief Finance Officer will monitor and, if and when necessary, report upon the effectiveness of these arrangements.

# TMP 13 Non Treasury Investments

## Risk Management:

Linked to principles in TMP1, the Council regards a key objective of its non-treasury investments to be the security of the principal sums it invests. Accordingly, it will ensure that robust due diligence procedures covering all non-treasury investment including investment properties.

The Chief Finance Officer will design, implement and monitor all arrangements for the identification, management and control of non-treasury investments, will report at least annually on the adequacy/suitability thereof, and will report, as a matter of urgency, the circumstances of any actual or likely difficulty in achieving the organisation's objectives in this respect, all in accordance with the procedures set out in TMP6 Reporting Requirements and Management Information Arrangements.

The risks, and proportionality of, associated with the level of borrowing, ongoing costs and ongoing income are reflected as part of the council's Capital Strategy. For Investment Properties the risks are identified in reporting to the Investment and Regeneration Committee.

## Performance and Management

Linked to principles in TMP2, the strategic management and reporting of Investment Properties performance is the responsibility of the Director of Place with support from the Head of Finance. A Project Board for the Management of Investment properties will meet on a quarterly basis to review performance.

The operational management of these properties is sourced by the Council, primarily from the TDA.

The monitoring of the performance of loans and guarantees will be undertaken by the Head of Finance.

## Decision Making, Governance and organisation

Linked to the principles in TMP5, for Investment Properties the approval to purchase are taken by the Investment and Regeneration Committee in line with the approved Investment and Regeneration Strategy. If decision outside the Strategy parameters this will be a Council approval.

Loans and Guarantees are approved by Council, subject to the officer scheme of delegation.

## Reporting and Management Information

Linked to the principles in TMP6, for Investment Properties the risks are assessed in reporting to the Investment and Regeneration Committee and to Council in the Capital Strategy.

Loans and Guarantees are to be included in TM reporting to Audit Committee

## Training and Qualifications (linked to the principles in TMP10)

The Council sources appropriate expertise from, primarily, the TDA and external advisors as required.

A list of the qualifications and relevant training by members of both the Audit Committee and Investment and Regeneration Committee will be maintained.



# Treasury Management Strategy 2023/24

January 2023



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# 1 Introduction

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Treasury management is the management of the Council's cash flows, borrowing and investments, and the associated risks. The Council borrows and invests substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Council's prudent financial management.

Treasury risk management at the Council is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2021 Edition (the CIPFA Code) which requires full Council to approve a treasury management strategy before the start of each financial year. This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code and the strategy also has regard to guidance within the CIPFA Prudential Code for Capital Finance in Local Authorities 2021 Edition.

The Strategy for 2023/24 covers:

- Capital expenditure and prudential indicators
- the minimum revenue provision (MRP) policy
- prospects for interest rates;
- the borrowing strategy;
- the investment strategy;
- treasury indicators which limit the treasury risk and activities of the Council
- policy on use of external service providers;
- reporting arrangements and management evaluation
- other matters

## 2 Capital Expenditure and Prudential Indicators

The Council's capital expenditure plans are a key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators below, which are designed to assist Members' overview and confirm capital expenditure plans.

### Capital Expenditure and Financing

Capital expenditure is where the Council spends money on assets, such as property or vehicles, which will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets.

In 2023/24, the Council is planning capital expenditure of £110m as summarised below (figures based on capital plan estimates as at December 2022 and prior to completion of the quarter 3 22/23 capital monitoring update). However, significant revision of these numbers cannot be ruled out given pressures on scheme budgets and their impact on spend profiles.

*Table 1: Prudential Indicator: Estimates of Capital Expenditure in £ millions*

£M	2021/22 actual	2022/23 forecast	2023/24 budget	2024/25 budget	2025/26 budget
General Fund services	27	39	110	130	1

All capital expenditure must be financed, either from external sources (government grants and other contributions), the Council's own resources (revenue, reserves and capital receipts) or debt (borrowing, leasing and Private Finance Initiative). The planned financing of the above expenditure is as follows:

*Table 2: Capital financing in £ millions*

£m	2021/22 actual	2022/23 forecast	2023/24 budget	2024/25 budget	2025/26 budget
External sources	15	20	60	6	0
Own resources	2	1	2	6	0
Debt	10	18	48	118	1
<b>TOTAL</b>	<b>27</b>	<b>39</b>	<b>110</b>	<b>130</b>	<b>1</b>

Debt is only a temporary source of finance, since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as minimum

revenue provision (MRP). Alternatively, proceeds from selling capital assets (known as capital receipts) may be used to replace debt finance. Planned MRP is set out in Table 3:

*Table 3: MRP for financing debt on maturity in £ millions*

	<b>2021/22 actual</b>	<b>2022/23 forecast</b>	<b>2023/24 budget</b>	<b>2024/25 estimate</b>	<b>2025/26 estimate</b>
MRP	8	8	8	10	14

The Council's full policy on Minimum Revenue Provision is set out at Appendix 1

**Affordable borrowing limit:** The Council is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year. In line with statutory guidance, a lower "operational boundary" is also set as a warning level should debt approach the limit.

*Table 4: Prudential Indicators: Authorised limit and operational boundary for external debt in £m*

	<b>2022/23 limit</b>	<b>2023/24 limit</b>	<b>2024/25 limit</b>	<b>2025/26 limit</b>
Authorised limit – borrowing	620	600	600	600
Authorised limit – PFI and leases	20	20	20	20
Authorised limit – total external debt	640	620	620	620
Operational boundary – borrowing	530	500	580	580
Operational boundary – PFI and leases	20	20	20	20
Operational boundary – total external debt	550	520	600	600

## Revenue Budget Implications

Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue, offset by any investment income receivable. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax, business rates and general government grants.

Table 5: Prudential Indicator: Proportion of financing costs to net revenue stream

	<b>2021/22 actual</b>	<b>2022/23 forecast</b>	<b>2023/24 budget</b>	<b>2024/25 estimate</b>	<b>2025/26 estimate</b>
Net Revenue Stream	£116m	£120m	£131m	£135m	£140m
Financing costs (£m)	£18m	£19m	£20m	£21m	£21m
<b>Proportion of net revenue stream</b>	<b>16%</b>	<b>16%</b>	<b>15%</b>	<b>16%</b>	<b>15%</b>
<i>Financing costs excludes income from Investment Property portfolio which is included within the Net Revenue Stream.</i>	£(13)m	£(13)m	£(13)m	£(13)m	£(13)m
<i>Percentage of Financing Costs to Net Revenue Stream including Investment Property Gross Rental Income</i>	4%	5%	5%	6%	6%

## 3 Local Context

On 30th November 2022 the Council held £386m of borrowing and £113m of treasury investments. Forecast changes in these sums are shown in the balance sheet analysis in table 6 below.

*Table 6: Balance sheet summary and forecast*

	<b>31.3.22 Actual £m</b>	<b>31.3.23 Estimate £m</b>	<b>31.3.24 Forecast £m</b>	<b>31.3.25 Forecast £m</b>	<b>31.3.26 Forecast £m</b>
<b>Capital Financing Requirement</b>	<b>422</b>	<b>432</b>	<b>471</b>	<b>580</b>	<b>567</b>
Less: Other debt liabilities *	(16)	(15)	(14)	(13)	(12)
<b>Loans CFR</b>	<b>406</b>	<b>417</b>	<b>457</b>	<b>567</b>	<b>555</b>
Less: External borrowing **	(389)	(385)	(378)	(374)	(368)
<b>Internal borrowing</b>	<b>17</b>	<b>32</b>	<b>79</b>	<b>193</b>	<b>187</b>
Less: Usable reserves	(75)	(60)	(55)	(50)	(45)
Less: Other Balance Sheet items/Working capital	(58)	(30)	(30)	(30)	(30)
<b>(Treasury investments)/New borrowing</b>	<b>(116)</b>	<b>(58)</b>	<b>(6)</b>	<b>113</b>	<b>112</b>

\* PFI liabilities that form part of the Council's total debt

\*\* shows only loans to which the Council is committed and excludes optional refinancing

The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while balance sheet resources are the underlying sums available for investment. The Council's current strategy is to apply its cash resources in place of external borrowing in the short term, i.e. internal borrowing.

The Council has an increasing CFR due to the capital programme and therefore could borrow a maximum of £187m over the forecast period (the internal borrowing total). If the council's cash backed resources of reserves and working capital are used in the short term to delay the need to borrow the minimum the council would need to borrow is £112m. (the new borrowing total). Care will need to be taken in the use of cash balances in the short term to fund long term borrowing.

**It should be noted that these borrowing forecasts are based on the current approved capital plan. The actual level of borrowing required will depend on three key issues:**



- the deliverability and affordability of the current plan in respect of both increased borrowing and construction costs.
- the allocation of the approved totals (approx. £100m) for regeneration and housing to specific schemes
- any new schemes funded from borrowing approved by Council

CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Council's total debt should be lower than its highest forecast CFR over the next three years. Table 6 shows that the Council expects to comply with this recommendation during 2032/24.

**Liability benchmark:** To compare the Council's actual borrowing against an alternative strategy, The updated Code requires a "liability benchmark" to be calculated showing the lowest risk level of borrowing. This assumes the same forecasts as table 1 above, but that cash and investment balances are kept to a minimum level of £10m at each year-end to maintain sufficient liquidity but minimise credit risk.

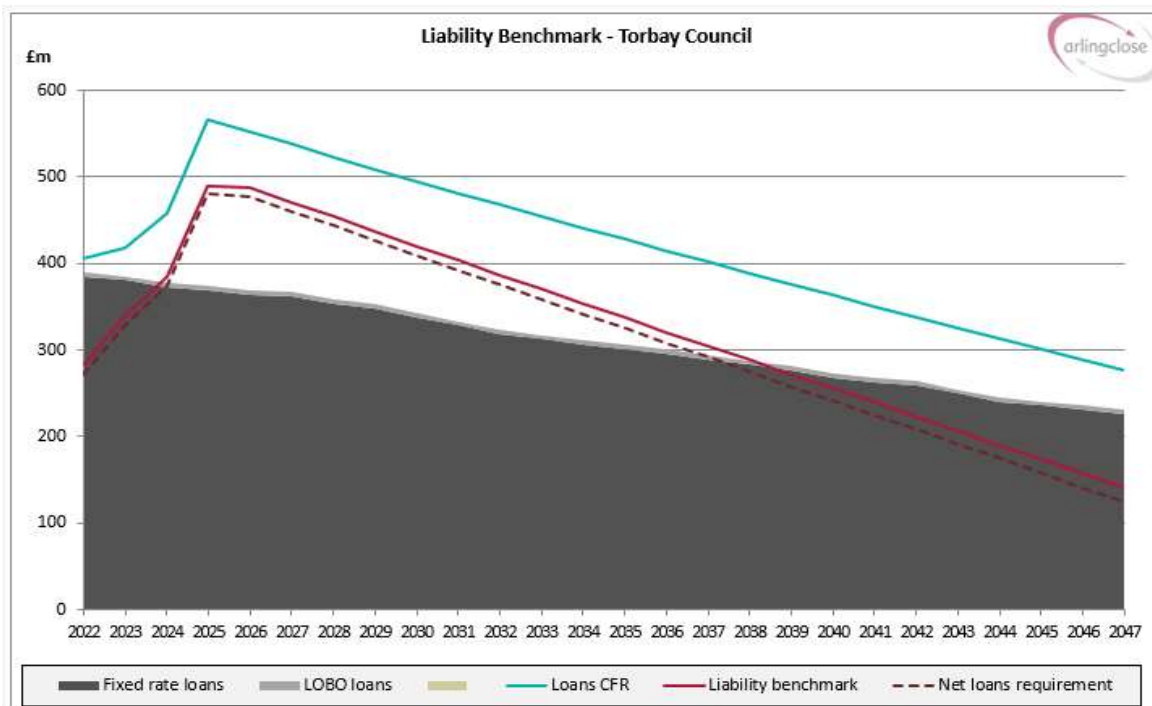
The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future, and so shape its strategic focus and decision making. The liability benchmark itself represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level required to manage day-to-day cash flow.

However, care will need to be taken in the use of cash balances at a point in time to fund a long-term borrowing requirement as this could result in risks around higher debt costs when borrowing is required.

*Table 7: Prudential Indicator - Liability benchmark*

	<b>31.3.22</b>	<b>31.3.23</b>	<b>31.3.24</b>	<b>31.3.25</b>	<b>31.3.26</b>
	<b>Actual</b>	<b>Estimate</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Loans CFR</b>	<b>406</b>	<b>417</b>	<b>457</b>	<b>567</b>	<b>555</b>
Less: Usable reserves	(75)	(60)	(55)	(50)	(45)
Less: Other Balance Sheet items/Working capital	(58)	(30)	(30)	(30)	(30)
Plus: Minimum liquid investments	10	10	10	10	10
<b>Liability Benchmark</b>	<b>283</b>	<b>337</b>	<b>382</b>	<b>497</b>	<b>490</b>

The forecasts in table 7 are demonstrated in the chart below together with the maturity profile of the Authority's existing borrowing:



## 4 Economic and Interest Rate Forecast

The Council's advisors, Arlingclose Ltd has provided an economic commentary (updated for November 2022) available at Appendix 2 together with their interest rate forecasts for future years as set out in table 8 below:

*Table 8: Arlingclose Ltd interest rates forecast*

	Current	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25
<b>Official Bank Rate</b>													
Upside risk	0.00	0.25	0.50	0.75	1.00	1.00	1.00	1.25	1.50	1.75	1.50	1.25	1.25
Arlingclose Central Case	3.00	3.50	4.00	4.25	4.25	4.25	4.25	4.00	3.75	3.50	3.50	3.50	3.50
Downside risk	0.00	0.25	0.50	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00
<b>3-month money market rate</b>													
Upside risk	0.00	0.25	0.50	0.75	1.00	1.00	1.00	1.25	1.50	1.75	1.50	1.25	1.25
Arlingclose Central Case	3.00	3.90	4.40	4.40	4.40	4.35	4.30	4.25	4.00	3.75	3.75	3.75	3.75
Downside risk	0.00	0.25	0.50	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00
<b>5yr gilt yield</b>													
Upside risk	0.00	0.60	0.70	0.80	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlingclose Central Case	3.36	3.65	3.90	3.90	3.90	3.90	3.80	3.70	3.60	3.50	3.40	3.30	3.20
Downside risk	0.00	0.70	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>10yr gilt yield</b>													
Upside risk	0.00	0.60	0.70	0.80	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlingclose Central Case	3.46	3.70	3.75	3.75	3.75	3.70	3.70	3.70	3.70	3.70	3.70	3.70	3.70
Downside risk	0.00	0.70	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>20yr gilt yield</b>													
Upside risk	0.00	0.60	0.70	0.80	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlingclose Central Case	3.88	4.00	4.00	4.00	4.00	4.00	3.90	3.90	3.90	3.90	3.90	3.90	3.90
Downside risk	0.00	0.70	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>50yr gilt yield</b>													
Upside risk	0.00	0.60	0.70	0.80	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlingclose Central Case	3.24	3.40	3.40	3.40	3.40	3.40	3.30	3.30	3.30	3.30	3.30	3.30	3.30
Downside risk	0.00	0.70	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

Note: The Council will borrow at PWLB certainty rate which is the relevant gilt yield + 0.80%

- The MPC remains concerned about inflation but sees the path for Bank Rate to be below that priced into markets.
- Following the exceptional 75bp rise in November, Arlingclose believes the MPC will slow the rate of increase at the next few meetings. Arlingclose now expects Bank Rate to peak at 4.25%, with a further 50bp rise in December and smaller rises in 2023.
- The UK economy likely entered into recession in Q3, which will continue for some time. Once inflation has fallen from the peak, the MPC will cut Bank Rate.
- Arlingclose expects gilt yields to remain broadly steady despite the MPC's attempt to push down on interest rate expectations. Without a weakening in the inflation outlook, investors will price in higher inflation expectations given signs of a softer monetary policy stance.
- Gilt yields face pressures to both sides from hawkish US/EZ central bank policy on one hand to the weak global economic outlook on the other. BoE bond sales will maintain yields at a higher level than would otherwise be the case.

## 5 Borrowing Strategy

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The Council currently holds £386 million of loans, a decrease of £3 million on the previous year, as part of its strategy for funding previous years' capital programmes. The balance sheet forecast in table 6 shows that the Council expects to borrow up a minimum of £112million (maximum £187m) over the next three years. The Council may also borrow additional sums to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing of £600 million.

**Objectives:** The Council's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Council's long-term plans change is a secondary objective.

**Strategy:** the Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio.

By doing so, the Council is able to reduce net borrowing costs and reduce overall treasury risk. The benefits of internal borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Assistance will be sought from Arlingclose Ltd with this 'cost of carry' and breakeven analysis; its output may determine whether the Council borrows additional sums at long-term fixed rates in 2023/24 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

For external borrowing requirements over and above internal borrowing capacity, the Council will look to the PWLB to secure long-term funding of projects. (The Council has previously raised the

majority of its long-term borrowing from the PWLB, however alternative options including the Infrastructure Bank will be considered). This approach may also be combined with short-term borrowing to augment the affordability criteria

PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield; the Council intends to avoid this activity in order to retain its access to PWLB loans. In addition to the HM Treasury rules in relation to PWLB loans, CIPFA has issued a statement that requires those principles be applied to all forms of borrowing.

The budget for payment of interest on debt for 2023/24 has been based on an assumed £386m of “historic” borrowing as at 31/03/23 with an overall borrowing rate of 2.98% (2.98% in 2022/23). A contingency for new borrowing assumes a rate of 4.50%. As the Council's current debt is on fixed rates with a flat maturity profile the council is not exposed to a refinancing risk of higher costs.

**Sources of borrowing:** The approved sources of long-term and short-term borrowing are:

- HM Treasury’s PWLB lending facility (formerly the Public Works Loan Board)
- any institution approved for investments (see below)
- any other bank or building society authorised to operate in the UK
- any other UK public sector body
- UK public and private sector pension funds (except Peninsula Pension Fund)
- capital market bond investors
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues
- Municipal Investments using loans and bonds
- “Green” bonds (loans to Council)
- UK Infrastructure Bank

**Other sources of debt finance:** In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- leasing
- hire purchase
- Private Finance Initiative
- sale and leaseback

**Municipal Bonds Agency:** UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It issues bonds on the capital markets and lend the proceeds to local authorities. This is a more complicated source of finance than the PWLB for two reasons: borrowing authorities will be required to provide bond investors with a guarantee to refund their investment in the event that the agency is unable to for any reason; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. There has been very limited issue by the Agency to date and new issues

**Market and Institutional Borrowing:** These instruments can result in lower rates than PWLB and can be traded ahead of cash need but involve significant resource (and cost) to negotiate and market.

**UK Infrastructure Bank:** Set up in 2021 and wholly owned by HM Treasury, the Infrastructure Bank will lend to local authorities at 20 basis points below PWLB for infrastructure projects which align

with the government's Net Zero objectives or projects that encourage regional and local economic growth. Approvals will be subject to the Bank's confirmation that a local authority's business plan is sound and that it has demonstrated the ability to repay the loan.

The borrowing strategy will be highly influenced by volatility in the Capital Plan arising from inflationary and supply pressures. In view of this the PWLB is likely to remain the most favourable and cost-effective source of borrowing to ensure funding can be committed when certainty of spend is guaranteed.

**Short-term and variable rate loans:** These loans leave the Council exposed to the risk of short-term interest rate rises and are therefore subject to the interest rate exposure limits below in section 7 Treasury Management Indicators.

**Debt rescheduling:** The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Chief Finance Officer may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk. The recent rise in interest rates means that more favourable debt rescheduling opportunities should arise than in previous years. However, as the council has a forecast borrowing requirement the council is unlikely repay "cheaper" debt when it will need to refinance at a higher rate.

## 6 Investment Strategy

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The Council holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. During the year the Council's investment balance has ranged from £110 million to around £132 million, and material levels are expected to be maintained in the forthcoming year.

**Objectives:** The CIPFA Code requires the Council to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Council will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested. The Authority aims to be a responsible investor and will consider environmental, social and governance (ESG) issues when investing.

**Strategy:** As demonstrated by the liability benchmark above, the Authority expects to be a long-term borrower and new treasury investments will therefore be made primarily to manage day-to-day cash flows using short-term low risk instruments. The existing portfolio of strategic pooled funds will be maintained to diversify risk into different sectors and boost investment income.

The CIPFA Code does not permit local authorities to both borrow and invest long-term for cash flow management. But the Authority may make long-term investments for treasury risk management purposes, including to manage interest rate risk by investing sums borrowed in advance for the capital programme for up to three years; to manage inflation risk by investing usable reserves in instruments whose value rises with inflation; and to manage price risk by adding diversification to the strategic pooled fund portfolio.

The policy for counterparty selection and investment limits is presented at Appendix 3.

### Non-Financial Investments Strategy

The MHCLG and CIPFA have extended the meaning of 'investments' to include both financial and non-financial investments.

The previous sections relate solely to treasury management "cash" investments and the current schedule of non-financial investments is detailed at Appendix 4. All decisions have followed appropriate risk management framework and strategy for non-financial investments approved by Council in February 2019.

Any involvement by the Council in community investment schemes such as Credit Unions and Mutual Banks would fall into this category and would not be managed within the treasury management policies.

Guidance within the Prudential Code states that, "councils with existing commercial investments are not required by this Code to sell these investments.....however councils that have an expected need to borrow should review options for exiting their financial investments for commercial purposes and summarise the review in their annual treasury management strategy."



These reviews should evaluate whether to take expected borrowing needs by taking new borrowing or repaying investments based on a financial appraisal that takes into account of financial implications and risk reduction benefits”

This strategy document indicates no requirement for new borrowing in 2023/24, however a review framework is set out in Appendix 5. The Council’s holding in a pooled property fund is not considered within this review as it forms part of a balanced cash investment portfolio.

The Council’s investment properties are diversified over several sectors and are budgeted in 2023/24 to produce a net surplus, after borrowing costs and reserve provision, of £4.1m. If any of these assets are sold, the council will have to

- fund the revenue shortfall resulting from no rent now being received.
- apply the capital receipt from the asset sale to another project to either avoid borrowing costs on that project or to reinvest in a project that generates an income stream to replace the revenue shortfall, subject to the new project not being primarily for yield.
- Or apply the capital receipt to repay borrowing subject to any early repayment penalties.
- apply the existing ongoing borrowing costs of the asset now sold to another project, where the income from the new project will be able to cover the borrowing costs
- all the above will need to be in pace ideally from date of sale to avoid any ongoing cost of carry of both the old debt and ongoing revenue shortfall.

## Environmental, Social and Governance (ESG) Investments

Environmental, social and governance (ESG) considerations are increasingly a factor in global investors’ decision making, but the framework for evaluating investment opportunities is still developing and therefore the Council’s ESG considerations do not currently include ESG scoring or other real-time ESG criteria at an individual investment level. Officers will continue to monitor and evaluate ESG investment opportunities, and these may be incorporated into future investment strategies subject to yield and security. Given the limited range of counterparties the Council can use for its investments and that borrowing is mainly from the Government there are limited opportunities to apply ESG principles in this Strategy.

## 7 Treasury Management Indicators

The Council measures and manages its exposures to treasury management risks using the following indicators.

**Security:** The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating/credit score of its investment portfolio. The credit score is calculated by applying a value to each investment (AAA=1, AA+=2, .... A=6 etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

Credit risk indicator	Target
Portfolio average credit rating (score)	A (6)

**Liquidity:** The Council has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling one-month period, without additional borrowing.

Liquidity risk indicator	Target
Total cash available within 1 months	£10m

**Interest rate exposures:** This indicator is set to control the Council's exposure to interest rate risk.

The Council's debt portfolio is virtually all at fixed rate and therefore has no exposure to fluctuations in interest rates. As such no specific limits are proposed on interest rate exposure but any new borrowing will be restricted to a maximum 30% of the total portfolio exposed to variable interest rate.

**Maturity structure of borrowing:** This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of borrowing will be:

Refinancing rate risk indicator	Upper limit	Lower limit
Under 12 months	40%	0%
12 months and within 24 months	40%	0%
24 months and within 5 years	30%	0%
5 years and within 10 years	40%	0%
10 years and within 20 years	50%	0%
20 years and within 30 years	50%	0%
30 years and within 40 years	60%	0%
40 years and above	50%	0%

**Principal sums invested for periods longer than a year:** The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

Price risk indicator	2022/23	2023/24	2024/25
Limit on principal invested beyond year end	£20m	£20m	£20m



## 8 Treasury Management Consultants

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Arlingclose Ltd was appointed as the Council's external treasury management advisors for three years from April 2020, following a full tender process.

The Council recognises that responsibility for treasury management decisions always remains with the organisation and will ensure that undue reliance is not placed upon the services of our external service providers. All decisions will be undertaken with regard to all available information including, but not solely, our treasury advisers.

## 9 Reporting Arrangements and Management Evaluation

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Members will receive the following reports for 2023/24 as standard in line with the requirements of the Code of Practice:

- Annual Treasury Management Strategy
- Mid-Year Treasury Review report
- Annual Treasury Outturn report

The Chief Finance Officer will inform the Cabinet Member for Finance of any long-term borrowing or repayment undertaken or any significant events that may affect the Council's treasury management activities. The CFO will maintain a list of staff authorised to undertake treasury management transactions on behalf of the Council.

The Chief Finance Officer is authorised to approve any movement between borrowing and other long-term liabilities within the Authorised Limit (see Section 2). Any such change will be reported to the next meeting of the Council.

The impact of these policies will be reflected as part of the Council's revenue budget and therefore will be reported through the quarterly budget monitoring process.

The Council's management and evaluation arrangements for Treasury Management will be as follows:

- Monthly monitoring report to the Chief Finance Officer and lead Members.
- Quarterly meeting of the Treasury Manager/ Finance Manager / Chief Finance Officer to review previous quarter performance and plan following period activities
- Regular meetings with the Council's treasury advisors
- Investment benchmarking against other local authorities via Arlingclose Ltd
- The Audit Committee is the body responsible for scrutiny of Treasury Management.

The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management

The training needs of treasury management officers are periodically reviewed.

## 10 Other Matters

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### Soft Loans

Accounting for financial instruments require the recognition of soft loans i.e. where a loan is made at a lower than 'competitive' rate the cost implicit in achieving the lower rate must be reflected in the Council's accounts.

### Anti-Money Laundering

The Council will comply with all relevant regulations.

### IFRS 16 Lease Accounting

The Director of Finance will monitor any implications IFRS16 on leases, which became effective in the public sector from April 2024.

# Appendix 1

## Policy on Minimum Revenue Provision for 2023/24

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The Minimum Revenue Provision is a statutory charge that the Council is required to make from its revenue budget. This provision enables the Council to generate cash resources for the repayment of borrowing.

The basis for the calculation of the provision is prescribed by legislation (Local Authorities (Capital Finance and Accounting (England) (Amendment) Regulations 2012 and supported by statutory guidance (last issued March 2018), which states that Councils are required to “determine for the current financial year an amount of MRP that it considers to be prudent” and prepare an annual statement on their MRP calculation to their full Council.

One of the aims of this legislation is to ensure that the repayment of principal owed for Capital expenditure is charged on a prudent basis. Central Government guidance says:

*“the broad aim of prudent provision is to ensure that debt is repaid over a period that is either reasonably commensurate with that over which the Capital expenditure provides benefits”*

For Supported Borrowing, (borrowing funded by central government), the Council will charge MRP at 2% of the balance as at 31 March after the deduction of the value of adjustment A (a set value in 2004), fixed at the same cash value as that of the whole debt is repaid after 50 years.

The Council will charge a VRP (voluntary revenue provision) for the supported borrowing within the adjustment A value that is outstanding as at 31 March relating to transferred debt from Devon County Council fixed at the same cash value as that of the whole debt is repaid after 50 years (which is similar to the supported borrowing calculation).

For capital expenditure funded from unsupported borrowing the Council will make a MRP based on the cumulative expenditure incurred on each asset (including investment fund properties) in the previous financial years using a prudent asset life, which reflects the estimated usable life of that asset. (See table on the following page.)

The MRP for each asset will be calculated on the asset life method using an annuity calculation. MRP will be calculated on the total expenditure on that asset, in the financial year after the asset becomes operational or 12 months after operational or when there is an income stream in relation to that asset.

The Council will continue to charge services for their use of unsupported borrowing using a prudent asset life (or a shorter period) on an annuity calculation. Where possible the same asset life and borrowing interest rate will be used for both the charge to services and the calculation of the MRP.

To mitigate any negative impact from the changes in accounting for leases and PFI schemes the Council will include in the annual MRP charge an amount equal to the amount that has been taken to the balance sheet to reduce the balance sheet liability for a PFI scheme or a finance lease. The calculation will be based on the annuity method using the Internal Rate of Return (IRR) implicit in the PFI or lease agreement.

Where loans are given for capital purposes, they come within the scope of the prudential controls established by the Local Government Act 2003 and the Local Authorities (Finance and Accounting) (England) Regulations 2008.

The Capital Financing Requirement (CFR) will increase by the amount of the loan. Once the funds are returned to the local authority, the returned funds are classed as a capital receipt with those receipts being earmarked specifically to that loan, and the CFR and loan will reduce accordingly. If the expectation is that funds will be repaid in full at some point in the future, there is no requirement to set aside prudent provision to repay the debt liability in the interim period, so there

is no MRP application. The position of each loan will be reviewed on an annual basis by Chief Finance Officer.

Where relevant, the suggested asset lives for certain types of capitalised expenditure as detailed in the MRP statutory guidance issued by DCLG will be used. The latest guidance issued in March 2018 suggests a maximum asset life of 50 years.

Each asset life will be considered in relation to the asset being constructed (primarily to ensure the MRP period does not exceed asset life); however, as a guide the following are typical ranges for asset lives that will be used.

<b>Asset Type</b>	<b>Range of Asset Life</b>
Freehold Land (specified in DCLG statutory guidance)	50 years
Buildings	20-40 years
Investment Properties	25-50 years
Software	5-10 years
Vehicles & Equipment	5-8 years
Highway Network	25-40 years
Structural Enhancements	10-25 years
Infrastructure	25-50 years

For capital expenditure where land and buildings are not separately identified a blended asset life can be used.

Note: DLUCH are expected to update the MRP statutory guidance during 2023/24, however the changes are unlikely to impact on the Council's MRP policy.

## Appendix 2

### Economic Commentary

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(Provided by Arlingclose Ltd, January 2023)

**Economic background:** The ongoing impact on the UK from the war in Ukraine, together with higher inflation, higher interest rates, uncertain government policy, and a deteriorating economic outlook, will be major influences on the Authority's treasury management strategy for 2023/24.

The Bank of England (BoE) increased Bank Rate by 0.5% to 3.5% in December 2022. This followed a 0.75% rise in November which was the largest single rate hike since 1989 and the ninth successive rise since December 2021. The December decision was voted for by a 6-3 majority of the Monetary Policy Committee (MPC), with two dissenters voting for a no-change at 3% and one for a larger rise of 0.75%.

The November quarterly Monetary Policy Report (MPR) forecast a prolonged but shallow recession in the UK with CPI inflation remaining elevated at over 10% in the near-term. While the projected peak of inflation is lower than in the August report, due in part to the government's support package for household energy costs, inflation is expected remain higher for longer over the forecast horizon and the economic outlook remains weak, with unemployment projected to start rising.

The UK economy contracted by 0.3% between July and September 2022 according to the Office for National Statistics, and the BoE forecasts Gross Domestic Product (GDP) will decline 0.75% in the second half of the calendar year due to the squeeze on household income from higher energy costs and goods prices. Growth is then expected to continue to fall throughout 2023 and the first half of 2024.

CPI inflation is expected to have peaked at around 11% in the last calendar quarter of 2022 and then fall sharply to 1.4%, below the 2% target, in two years' time and to 0% in three years' time if Bank Rate follows the path implied by financial markets at the time of the November MPR (a peak of 5.25%). However, the BoE stated it considered this path to be too high, suggesting that the peak in interest rates will be lower, reducing the risk of inflation falling too far below target. Market rates have fallen since the time of the November MPR.

The labour market remains tight for now, with the most recent statistics showing the unemployment rate was 3.7%. Earnings were up strongly in nominal terms by 6.1% for both total pay and for regular pay but factoring in inflation means real pay for both measures was -2.7%. Looking forward, the November MPR shows the labour market weakening in response to the deteriorating outlook for growth, leading to the unemployment rate rising to around 6.5% in 2025.

Interest rates have also been rising sharply in the US, with the Federal Reserve increasing the range on its key interest rate by 0.5% in December 2022 to 4.25%-4.5%. This rise follows four successive 0.75% rises in a pace of tightening that has seen rates increase from 0.25%-0.50% in March 2022. Annual inflation has been slowing in the US but remains above 7%. GDP grew at an annualised rate of 3.2% (revised up from 2.9%) between July and September 2022, but with official interest rates

expected to rise even further in the coming months, a recession in the region is widely expected at some point during 2023.

Inflation rose consistently in the Euro Zone since the start of the year, hitting a peak annual rate of 10.6% in October 2022, before declining to 10.1% in November. Economic growth has been weakening with an upwardly revised expansion of 0.3% (from 0.2%) in the three months to September 2022. As with the UK and US, the European Central Bank has been on an interest rate tightening cycle, pushing up its three key interest rates by 0.50% in December, following two consecutive 0.75% rises, taking its main refinancing rate to 2.5% and deposit facility rate to 2.0%.

### **Credit outlook:**

Credit default swap (CDS) prices have generally followed an upward trend throughout 2022, indicating higher credit risk. They have been boosted by the war in Ukraine, increasing economic and political uncertainty and a weaker global and UK outlook, but remain well below the levels seen at the beginning of the Covid-19 pandemic.

CDS price volatility was higher in 2022 compared to 2021 and the divergence in prices between ringfenced (retail) and non-ringfenced (investment) banking entities has emerged once again.

The weakening economic picture during 2022 led the credit rating agencies to reflect this in their assessment of the outlook for the UK sovereign as well as several local authorities and financial institutions, revising them from negative to stable.

There are competing tensions in the banking sector which could impact bank balance sheet strength going forward. The weakening economic outlook and likely recessions in many regions increase the possibility of a deterioration in the quality of banks' assets, while higher interest rates provide a boost to net income and profitability.

However, the institutions on our adviser Arlingclose's counterparty list remain well-capitalised and their counterparty advice on both recommended institutions and maximum duration remain under constant review and will continue to reflect economic conditions and the credit outlook.

### **Interest rate forecast (December 2022):**

The Authority's treasury management adviser Arlingclose forecasts that Bank Rate will continue to rise in 2022 and 2023 as the Bank of England attempts to subdue inflation which is significantly above its 2% target.

While interest rate expectations reduced during October and November 2022, multiple interest rate rises are still expected over the forecast horizon despite looming recession. Arlingclose expects Bank Rate to rise to 4.25% by June 2023 under its central case, with the risks in the near- and medium-term to the upside should inflation not evolve as the Bank forecasts and remains persistently higher.

Yields are expected to remain broadly at current levels over the medium-term, with 5-, 10- and 20-year gilt yields expected to average around 3.5%, 3.5%, and 3.85% respectively over the 3-year period to December 2025. The risks for short, medium and longer-term yields are judged to be broadly balanced over the forecast horizon. As ever, there will undoubtedly be short-term volatility due to economic and political uncertainty and events.

## Appendix 3

### Creditworthiness Policy and Investment Limits

The Council may invest its surplus funds with any of the counterparty types in table 9 below, subject to the cash limits (per counterparty) and the time limits shown. The Chief Finance Officer will exercise his delegated powers “to take any decisions (including Key Decisions) and to exercise all legal powers relevant to the Council’s borrowing, investments and financial management)” (s.7.1 of the Constitution – Officer Scheme of Delegation) to vary these limits at any time to ensure they remain viable and relevant during any market or political volatility.

*Table 9: Approved investment counterparties and limits*

Sector	Time limit	Counterparty limit	Sector limit
The UK Government	3 years	Unlimited	n/a
Local authorities & other government entities	3 years	£15m	Unlimited
Secured investments *	3 years	£15m	Unlimited
Banks (secured)*	3 years	£15m	Unlimited
Banks (unsecured) *	13 months	£6m	Unlimited
Building societies (unsecured) *	13 months	£6m	£18m
Registered providers (unsecured) *	3 years	£6m	£20m
Money market funds *	n/a	£15m	Unlimited
Strategic pooled funds	n/a	£10m	£20m
Real estate investment trusts	n/a	£10m	£20m
Other investments *	3 years	£6m	£15m

This table should be read in conjunction with the notes below

**\* Minimum credit rating:** Treasury investments in the sectors marked with an asterisk will only be made with entities whose lowest published long-term credit rating is no lower than A-. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be considered.

For entities without published credit ratings, investments may be made where external advice indicates the entity to be of similar credit quality.

**Government:** Loans to, and bonds and bills issued or guaranteed by, national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Government are deemed to be zero credit risk due to its ability to create additional currency and therefore may be made in unlimited amounts for up to 50 years.



**Secured investments:** Investments secured on the borrower's assets, which limits the potential losses in the event of insolvency. The amount and quality of the security will be a key factor in the investment decision. Covered bonds and reverse repurchase agreements with banks and building societies are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used. The combined secured and unsecured investments with any one counterparty will not exceed the cash limit for secured investments.

**Banks and building societies (unsecured):** Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.

**Registered providers (unsecured):** Loans to, and bonds issued or guaranteed by, registered providers of social housing or registered social landlords, formerly known as housing associations. These bodies are regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government and the Department for Communities (in Northern Ireland). As providers of public services, they retain the likelihood of receiving government support if needed.

**Money market funds:** Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, the Council will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.

**Strategic pooled funds:** Bond, equity and property funds (such as CCLA) that offer enhanced returns over the longer term but are more volatile in the short term. These allow the Authority to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's investment objectives will be monitored regularly.

**Real estate investment trusts:** Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties.

**Other investments:** This category covers treasury investments not listed above, for example unsecured corporate bonds and company loans. Non-bank companies cannot be bailed-in but can become insolvent placing the Authority's investment at risk.

**Risk assessment and credit ratings:** Credit ratings are obtained and monitored by the Council's treasury advisers, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and

- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as “rating watch negative” or “credit watch negative”) so that it may fall below the approved rating criteria, then only new investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

**Other information on the security of investments:** The Council understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support, reports in the quality financial press and analysis and advice from the Council’s treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2020, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Council’s cash balances, then the surplus will be deposited with the UK Government or, on an exception basis, with other local authorities. This will cause investment returns to fall but will protect the principal sum invested.

**Investment limits:** The Council’s revenue reserves available to cover investment losses are forecast to be £60 million on 31<sup>st</sup> March 2023. In order that no more than 50% of available reserves will be put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £15 million. A group of banks under the same ownership will be treated as a single organisation for limit purposes. Limits will also be placed on fund managers, investments in brokers’ nominee accounts, foreign countries and industry sectors as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country since the risk is diversified over many countries.

*Table 10: Investment limits*

	<b>Cash limit</b>
Any single organisation, except the UK Central Government	£15m each
UK Central Government	unlimited
Any group of organisations under the same ownership	£25m per group
Any group of pooled funds under the same management	£30m per manager
Foreign countries	£30m per country
Money market funds	£60m in total

Document is Restricted

Document is Restricted

**Meeting:** Cabinet

**Date:** 23 February 2023

Council

7 March 2023

**Wards Affected:** All Wards

**Report Title:** Review of Reserves 2023/24

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

**When does the decision need to be implemented?** n/a

**Cabinet Lead Contact Details:** Darren Cowell, Cabinet Member for Finance  
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### 1. Purpose

- 1.1. The Council holds reserves as part of its approach to maintaining a sound financial position, protecting the Council to some degree from volatility in its budget going forward. The requirement for financial reserves is linked to legislation such as the Local Government Act 1992 which requires councils to “have regard” to the level of reserves needed to meet future expenditure when calculating a budget. Part of sound financial management is to assess the adequacy of these reserves and release those reserves no longer required.

### 2. Proposed Decision

- 2.1. That, in support of the 2023/24 budget setting process, the Council’s reserves position be noted.

### 3. Reasons for Decision

- 3.1. A Review of Reserves is a key part of the Council’s budget setting process. Consideration of reserve levels is linked to legislation for budget setting contained in both the Local Government Acts of 1992 (section 31A & 42A) and 2003 (section 25) and linked to section 114 of the Local Government Finance Act 1988.
- 3.2. The Council continues to face financial uncertainty over future year council funding levels as the 2023/24 Local Government finance settlement was again for one year only.
- 3.3. Inflation is an uncertainty for the Council. Inflation rates in January 2023 were over 10%. Although these rates are forecast to drop back to 2% over the next two years there will inevitably be uncertainty of the exact impact of inflation on costs in 2023/24. These include the 2023/24 pay award and utility costs.
- 3.4. The General Fund is £5.7m which is approx. 4.3% of the Council’s 2023/24 net revenue budget. This level of General Fund reserves is below the 5% target, and it is recommended that if additional funds are available then this reserve is increased to a 5% level. Should the

Local Authority be required to fund the Dedicated Schools Grant (DSG) deficit, which is forecast to be more than £12m by March 2023, this would exceed the General Fund Reserve balance and would cause a fundamental financial issue for the Council.

- 3.5. The Comprehensive Spending Review (CSR) reserve may be needed to fund any in year overspend for 2022/23 should this overspend not be addressed during the remainder of the financial year.
- 3.6. As mentioned earlier, there remains a significant reserve risk due to the deficit balance on the DSG due to higher demand and cost in relation to children who require additional support. Whilst this is no longer shown as a negative reserve due to the current statutory override which allows a reclassification of the deficit on the Council's balance sheet, this remains a significant risk to the Council's reserve position. The Council does not receive any funding for schools as part of its own funding therefore the overspend is expected to remain in the DSG to be funded from DSG in future years. The Council is in advanced discussion with the Department for Education (DfE) as part of the Safety Value Programme. Under this programme, if agreed, the Council must submit, and then achieve, a deficit recovery plan. If this plan is achieved, then DfE will then provide funding for the accumulated deficit. It is therefore essential that even if a safety value isn't agreed that the recovery plan is implemented successfully, and the projected funding reductions achieved.
- 3.7. Due to the financial risks facing the Council in 2023/24 because of any prolonged effect of Covid-19, the cost-of-living issues and possible risks in future years, it is essential that the Council's reserves provide a sufficient contingency to meet this increasing risk and to ensure a robust budget. In line with previous Reviews of Reserves and the Medium-Term Financial Plan, it is recommended that, because of the level of current and previous year budget variations, we continue set the target for the CSR Reserve at a minimum of £3m.
- 3.8. A key risk for the organisation is the Council's integrated arrangement for adult social care (ASC) with the NHS which has been in place since 2005. There is a funding agreement in place until March 2025 which requires a one-year notice period. Whilst both partners fully support the integrated arrangements and would wish them to continue, if the agreement were to end, the financial impact on the Council would be fundamental as the levels of spend on ASC under a fully integrated system are significantly higher than the funding the Council provides.
- 3.9. A risk that has arisen in the past year linked to the economic conditions and high inflation is the impact on the Council's capital plan. A combination of higher construction costs, contractor instability and higher borrowing costs will make capital projects harder to be financially viable. This may result in the significant redesign of projects or the pausing or stopping of projects. As a result, if schemes change or are stopped, expenditure incurred as capital may not now have an asset to which these costs can be attributed. They would therefore become abortive costs which would need to be charged to the revenue budget. In February 2023, the Department of Levelling Up, Housing and Communities (DLUHC) released an additional £0.273m of funding (for the 2022/23 financial year) and this will be allocated to a new "capital projects reserve" to help mitigate this risk.
- 3.10. Linked to the issues on the viability of capital projects, if a scheme is unable to continue this may require the repayment of grants to the funding bodies with the costs incurred to date being abortive and a council cost.
- 3.11. In the absence of clarity on future year funding from central government, councils, including Torbay, will inevitably aim to mitigate against that uncertainty. Uncertainties for Torbay Council include:

- Impact of Spending Review in 2025/26 onwards
- Any ongoing financial impact of Covid-19
- Any ongoing financial impact of current economic conditions and cost-of-living
- Impact of new funding formula for councils in “next parliament”
- Unconfirmed allocations for specific grants such as Improved Better Care Fund, Flexible Housing Grant and Supporting Families for 2025/26
- Impact of relative resource (council tax and service) equalisation in “next parliament”
- Impact of the new NNDR retention scheme in 2023/24 in the “next parliament”
- Impact of the revised NNDR baselines in 2023/24 in the “next parliament”
- Future value of contract for Adult Social Care in 2025/26
- Impact of reforms to Adult Social care from October 2025.

3.12. The Council has previously undertaken activities that have a higher level of risk associated with them. This includes the Investment Fund (purchases now stopped) and both affordable and extra care housing where the Council is investing a significant amount funded by prudential borrowing via its subsidiary company Tor Vista Homes. Whilst significant business case analysis and due diligence of proposals is undertaken for each initiative, there is always a risk that the projects will not deliver the income required to cover the “fixed” costs of the borrowing. These more commercial activities carry a higher level of risk and reward which is linked to changes in income streams (such as rent) and fluctuations in the values of any underlying assets.

3.14 Several of the regeneration and housing schemes the Council is considering are high value schemes that have a higher level of risk associated and require a significant level of future income to support the borrowing required. These include the extra care accommodation at both Crossways and Torre Marine and the major regeneration schemes at Union Square and Debenhams, Torquay and at Victoria Square. Paignton.

3.15 In addition, the Council owns 100% of SWISCo, Torbay Education Limited and the TDA Group of companies including Tor Vista Homes, TEDC Developments, C&A Consultancy and Complete Cleaning Solutions. There are inevitably risks associated with those companies.

3.16 Members are again reminded of the advice previously given by the Chief Finance Officer, that reserves should not be used for supporting ongoing recurring expenditure. Use in that way is not financially sustainable as reserves can only be spent once.

#### **4 Chief Finance Officer Statement.**

4.1 The Council is continuing to face financial challenges. I am satisfied that the Council’s General Fund and Earmarked Reserves, including Insurance Reserves, are adequate for the Council’s Financial Plans for 2023/24 to meet any known or predicted liabilities over the period in which the liabilities are expected to become due for payment.

4.2 I fully support ensuring that a prudent level for the General Fund reserve at 5% of the Council’s net revenue budget remains an objective.



- 4.3 The adequacy of the Council's reserves can be supported if the following actions are undertaken:
- a) That the Council maintains the focus on social care, both adults and children's, as the biggest financial risks to the Council to deliver the identified improvements supported by a robust financial recovery plan and the sufficiency strategy;
  - b) That the Council maintains its focus on the recovery plan for reducing the deficit on the Higher Needs Block and continues the safety value programme with DfE; and
  - c) That the Council urgently assesses the financial viability of the projects within its capital plan.
- 4.4 However, all consideration of reserves must recognise the two fundamental financial risks to the Council:
- 1) the increasing cumulative deficit on the Higher Needs Block which is part of the ring-fenced Dedicated Schools Grant. This deficit is forecast to be over £12m by March 2023.
  - 2) The financial impact on the Council if the integrated health and adult social care arrangement is ended.
- 4.5 For more detailed information on this proposal please refer to the supporting information attached.

**Martin Phillips**  
**Chief Finance Officer**

## Supporting information

### A1. Introduction

A1.1 A Review of Reserves is part of the Council's annual budget process.

### A2 Review of Reserves 2023/24

#### A2.1 Overview

A2.2 As at the start of the year, Torbay Council's reserves were £5.7m General Fund reserve and £67.1m of earmarked reserves

A2.3 A list of the Council's Reserves is attached in Appendix 1.

A2.3 The total balance of earmarked reserves may seem adequate. However, an examination of the individual reserves shows that, for the majority of reserves, their balance is ring fenced, links to a partner or is for a specific future funding issue or a specific future risk. Therefore the flexibility to use those reserves to apply to an overspend position is limited.

A2.4 The table in Appendix 1 currently **excludes** the deficit balance in the Higher Needs Block of the Dedicated Schools Grant of £9m as at March 2022. Under a statutory override this reserve is reclassified until the end of 2025/26. At this point, if the statutory override is not extended, nor a central government solution identified, then the total of Torbay's reserves will reduce by the deficit balance which is forecast to be more than £12m at the end of 2022/23.

A2.5 Each reserve has been assessed for its estimated balance as at 31<sup>st</sup> March 2023 and for the estimated additions or withdrawals from the reserve during 2023/24 and future years. This is included in the table at Appendix 1. Where there is a surplus balance on a reserve this has been transferred to the CSR Reserve.

A2.6 The level of reserves is expected to decrease between March 2022 and March 2023 by circa £19m.

A2.7 Part of the movement is due to amounts carried forward for specific issues including the Collection Fund Reserve balance that reflects the timing of the NNDR relief compensation grants.

#### A2.9 Adults Social Care

A2.10 The current three-year agreement, now extended for two years, will expire in March 2025. This agreement between the Integrated Care Organisation (ICO) and Clinical Commissioning Group (CCG) and the Council provides a "fixed" annual payment in exchange for no exposure to the risk of changes in cost. This therefore reduces the exposure to financial risk on this service in 2023/24 to nil. However, it is essential for both the Council and NHS to work pro-actively together to mitigate any cost increases to ensure the agreement remains affordable to both.

#### A2.11 Children's Social Care

A2.12 Following significant investment in the service the financial position for children's social care has improved. Continued stability within spend in this service remains crucial to the Council's medium-term sustainability.

A2.13 The service's 2023/24 budget has been increased for inflation and includes a £2.5m allocation of additional social care grant. As part of the 2022/23 budget to mitigate against volatility of cost and demand for placements, a new earmarked reserve was established with an initial level of £1.0m. This reserve should be reviewed as part of the Council's 2022/23 outturn position to ensure the reserve remains at an appropriate level.

#### A2.14 Information Technology

A2.15 Continued investment in renewal and upgrading of IT software and hardware (such as servers and laptops) is essential to maintain and improve council services. The updated IT

Strategy has identified several requirements which will need to be included in the medium-term resources plan to support future year budgets.

### **A3.0 Guidance on the Management of Reserves**

A3.1 The CIPFA guidance on reserves is included in the Financial Management Code of Practice (2020). It states:

“the Local Government Act 2003, Section 25 requires the authority’s section 151 officer (an individual appointed under Section 151 of the Local Government Act 1972 to administer the authority’s affairs) to report to the council on the robustness of the estimates made in the annual budget and on the adequacy of the proposed financial reserves assumed in the budget calculations.

While the authority’s financial reserves can, in theory, be called upon to help balance the budget in the short-term by managing fluctuations in income and expenditure, to use reserves in this way is far from ideal. In general, reserves should only be used for:

- planned investment
- capital projects
- change programmes
- unexpected events such as natural disasters
- other reasonable uses for which they have been ‘earmarked’.

The authority’s reserves should not generally be used to pay for day-to-day expenditure. They should not, except in the most exceptional circumstances, be used to fund a budget shortfall either, without a plan in place to address the underlying deficit and to replenish the reserves. The authority will, ideally, have in place a policy setting out the reserves that it maintains, a prudent balance at which it seeks to maintain them (taking into account the nature of the financial risks that the authority faces), and the broad purposes for which these reserves should be used”.

A3.3 In undertaking a detailed annual review of reserves that is presented to Council, Torbay Council is largely complying with the CIPFA Financial Management Code.

### **A3.7 Earmarked Reserves**

A3.8 The following paragraphs make specific comments on several reserves. A summary of each reserve and their purpose is included as Appendix 2. Further information on all Council Reserves is available that shows details about each reserve, including the reason/purpose of the reserve, how and when the reserve can be used and the process for retention of each reserve to ensure continuing relevance and adequacy.

### **A3.9 Comprehensive Spending Review (CSR) Reserve**

A3.10 Based on the Quarter 3 budget monitoring report for 2022/23, with a reported overspend of circa £0.4m, there is a potential that the CSR Reserve could be reduced by up to £0.4m if this position does not improve.

A3.11 Due to the significant financial risks facing the Council in future years it is essential that the Council’s reserves provide a sufficient contingency to meet this increasing risk and to ensure a robust budget. The remaining balance on the COVID reserve as at March 2023 will be transferred to this reserve along with any surplus balances identified on other reserves.

A3.12 Given the levels of budget variation the Council has experienced in recent years; the minimum target reserve level should still be £3m.

### **A3.13 Investment Fund Reserve**

A3.14 The Council has now invested over £235m in investment property and capital loans. In line with current HM Treasury guidance, the Council is no longer purchasing such assets, but it retains its previous investments.

A3.15 The reserve remains in place to mitigate any variations in income or costs associated with Investment Fund properties such as void and rent-free periods and receives annual contributions from the rental income received.

- A3.16 As the level of rent received from these properties services the costs of the investments, any potential variations in rent, either from market conditions, voids or rent-free periods need to be regularly monitored to ensure any potential issues are mitigated in advance. Annual valuations are undertaken for these properties which are included in Treasury Management reports to Audit Committee and Council.

#### **A4 Collection Fund**

- A4.1 For NNDR, the Council bears a 49% share of the risk and reward of changes in the level of National Non-Domestic Rate income. Changes from the Council's initial National Non-Domestic Rate income estimate arising from changes in yield and collection will now also result in a Collection Fund surplus or deficit. The Council's share of any surplus or deficit will impact on the forthcoming year. The Council holds a Collection Fund reserve to help smooth the volatility of income. Estimates of future year surpluses or deficits are included as part of the budget setting process and reflected in the Medium-Term Resource Plan.
- A4.3 Collection Fund income (Council Tax and NNDR) has been volatile in recent years and is likely to continue to be volatile in future years both from the ever-changing NNDR reliefs and from the collectability of the taxes in the economic circumstances.
- A4.4 NNDR income has been particularly volatile over the past three years including the impact of the extensive NNDR reliefs awarded by central government which has distorted collectability. As a result of this volatility, the recent 2023 revaluation exercise of NNDR properties and updated appeal information from the Valuation Office since the 2017 revaluation, the level of this reserve will be reviewed in detail as part of the Council's outturn for 2023/24.
- A4.5 Within this reserve is the funding established in 2020/21 to meet the spread of the 2020/21 deficit over three years. As a result, the Council, in future years, will not have to make service reductions to fund this shortfall.

#### **A5 Review of Provisions, other Potential Liabilities and potential risk from Council Companies**

- A5.1 All companies owned by the Council are ultimately part of the Council's overall (consolidated) financial position and as CIPFA states that "the statutory role of the Chief Financial Officer does not stop at the boundaries of the local authority but extends into its partnerships, devolved arrangements, joint ventures and companies in which the authority has an interest".
- A5.2 TEDC, trading as the TDA Group and 100% owned by the Council, has established several companies including Complete Cleaning Solutions Limited, TorVista, and TEDC Developments, Kings Ash Holdings and C&A Consultancy.
- A5.3 Torbay Education Limited started operating in November 2021 providing specialist tuition for students unable to attend mainstream school for medical reasons.
- A5.4 SWISCo started operating in July 2020 after the end of the TOR2 contract.
- A5.5 As the number of council subsidiary companies and the range of activities they undertake expand, including the level of their assets and liabilities such as loans, the Council must ensure it closely monitors the companies' performance.
- A5.6 In addition to earmarked and general reserves the Council also holds provisions, where appropriate, for issues where the Council has a clear liability which is likely to result in a payment but the amount and timing of the potential payment is uncertain. The Council holds provisions for future issues mostly in relation to insurance claims where the "time lag" on claims being notified and settled is often over one year and a provision for NNDR appeals. The Council gains or loses a 49% share of any movements in NNDR.

## **A6 Pensions and Loans (Non-Treasury Investments)**

- A6.1 Pensions: The Council has provided several guarantees in respect of pensions when staff have transferred from the Council's employment to an alternative supplier who has set up a Local Government Pension Scheme as an "admitted body". These are not guarantees to the supplier but to the pension fund in the event of the insolvency of the supplier. In the exceptional case of the pension liability being realised it is likely the liability will be transferred to the Council's own pension liability which will be reflected in future employer contribution rates.
- A6.2 Loans: The Council has provided several loans to the private sector and to its subsidiary companies. If a loan defaults or under the "expected loss" model of assessing the fair value of a loan then the loss will be charged to the council's revenue budget in the year the loss is recognised. The value of the Council loans is now significant – including £2.8m to TEDC, £9m to That Group for Torwood Street and £4m to South Devon College with potential further loans to Torvista. At year end the Chief Finance Officer will assess each loan for actual or potential "expected losses" and will make a charge to revenue in year or set aside funds as a "bad debt" provision as required.
- A6.3 Investment Properties: The Council has purchased several investment properties. Risk and reserve management of these is discussed above.

## **A7 General Fund Reserve – Risk Assessment and Sensitivity/Scenario Appraisal**

- A7.1 The Council increased its General Fund Reserves in 2020/21 by £1m to £5.7m which was approx. 5% of the Council's net budget at that time. Despite the prudent and welcome increase, this level of "unallocated financial reserves" is relatively low compared to other unitary councils. As the Council's net 2023/24 budget is £131m this requires a reserve level of £6.6m to ensure a 5% balance.
- A7.2 The CIPFA guidance on reserves does not recommend a minimum level of reserves. It states that:
- "Local Authorities should make their own judgments on such matters taking into account all the relevant local circumstances which will vary between Authorities". CIPFA also state that "a well-managed authority with a prudent approach to budgeting should be able to operate with a relatively low level of reserves".
- A7.3 The 2023/24 budget to be presented in March 2023 to Members will also include an assurance statement from the Chief Finance Officer about the adequacy of the proposed financial reserves, in accordance with the requirements of section 25 of the Local Government Act 2003.

## **A8 Capital Plan**

- A8.1 As noted in the introduction to this report, a risk that has arisen in the past year linked to the impact of the economic conditions and high inflation on the Council's Capital Plan. A combination of higher construction costs, contractor instability and higher borrowing costs will make capital projects harder to be financially viable. This may result in the significant redesign of projects or the pausing or stopping of projects. As a result, if schemes change or are stopped, expenditure incurred as capital may not now have an asset to which these costs are attributable. They would therefore become abortive which would need to be charged to the revenue budget. In February 2023, the Department for Levelling Up, Housing and Communities (DLUHC) allocated an additional £0.274m of funding (for the 2022/23 financial year) and this will be allocated to a new reserve to help mitigate this risk.
- A8.2 The Council's Capital Plan has a contingency of £0.6 million. It should be noted that all capital projects should have contingencies within the individual project costs, which need to be reassessed based on latest projections of cost.

**A9      Comparison with other councils**

A9.1 CIPFA issue a financial resilience index for all councils which aims to provide a high level view of a council's risk profile compared to other councils. The 2021/22 data shows that Torbay, compared to its nearest statistical neighbours, is a higher risk for the level it spends on children's social care and a higher risk due to the level of its external debt, which is linked to the spend on investment properties. Other indicators were at a medium to low risk.

**A10    Governance of Reserves.**

A10.1 Appendix 1 shows the projected balances of the reserves at the end of the current financial year and future years. These balances are based upon planned levels of spending. In the event of any unplanned expenditure occurring in the financial year current Standing Orders and Financial Regulations will apply.

A10.2 The Reserves will continue to be reported as part of the Council's Statement of Accounts and subject to this annual review and challenge as part of the budget process by both members and senior officers. Councillors should consider the Council's General Fund Reserve as part of the annual budget setting process. Any quarterly reporting of issues relevant to earmarked reserves will be on an exception basis.

A10.3 Schools' reserves are part of the delegated schools funding, and these reserves remain at the discretion of the Head Teachers and Governing Bodies.

**A11    Risk assessment of preferred option**

**A11.1   Outline of significant key risks**

A11.2 It is important that the issues raised in this report are considered by Members and appropriate action is taken, where necessary, to ensure that the Council has adequate reserves in the short and medium term. Failure to consider the issues raised within this report and take appropriate action could result in the Council having insufficient reserves that could adversely impact on the revenue budget and the longer-term financial viability of the Council.

A11.3 The major risks facing the Council at present are the uncertainty of the Council's future funding from 2025/26 onwards, the ongoing financial pressures from both children's social care and, in the longer term, adults social care, and the higher needs block cumulative deficit.

A11.4 It is important for the Council to continue to review its risks and rewards in relation to investment properties and its interests in its companies as the level of activity/risk in those companies' changes.

**Appendices**

Appendix 1              Review of Reserves 2023/24

Appendix 2              Summary of Council Reserves

## Appendix 1

## Review of Reserves 2023/24

<b>- Reserves</b>	<b>Balance as at at 1/4/22 £'000</b>	<b>Balance as at at 1/4/23 £'000</b>	<b>Balance as at at 1/4/24 £'000</b>	<b>Balance as at at 1/4/25 £'000</b>	<b>Balance as at at 1/4/26 £'000</b>
<b>General Reserves</b>					
General Fund	-5,744	-5,744	-5,744	-5,744	-5,744
	<b>-5,744</b>	<b>-5,744</b>	<b>-5,744</b>	<b>-5,744</b>	<b>-5,744</b>
<b>Earmarked Reserves</b>					
<b>Comprehensive Spending Review</b>					
COVID Reserve	-2,472	0	0	0	0
CSR Reserve	-2,994	-3,491	-3,991	-4,491	-4,991
	<b>-5,467</b>	<b>-3,491</b>	<b>-3,991</b>	<b>-4,491</b>	<b>-4,991</b>
<b>Capital Reserves:</b>					
Capital Funding Reserve	-1,739	-741	-1,219	-1,219	-1,219
Capital Project Reserve	0	-274	-274	-274	-274
Capital Contingency	-703	-703	-703	-703	-703
IT Replacement Reserve	-587	-325	-225	-125	-25
	<b>-3,028</b>	<b>-2,043</b>	<b>-2,421</b>	<b>-2,321</b>	<b>-2,221</b>
<b>School Related Reserves</b>					
Dedicated Schools Grant	0	0	0	0	0
Schools Exit Packages	-115	-115	-86	-64	-48
School Balances	-2,472	-2,112	-1,901	-1,710	-1,539
	<b>-2,587</b>	<b>-2,226</b>	<b>-1,986</b>	<b>-1,775</b>	<b>-1,588</b>
<b>Partner/Ring Fenced Reserves</b>					
Adult Social Care	-3,552	-6,588	-4,574	-2,574	-574
ASC & Health Funding	-10,000	-6,500	-3,250	0	0
Devon Audit Partnership	-25	-25	-25	-25	-25
Harbours Reserves	-483	-725	-620	-300	-300
Public Health Reserve	-2,778	-2,778	-2,628	-2,628	-2,628
Museum Reserve	-25	-25	-25	-25	-25
Swimming Pool Reserve	-42	0	0	0	0
Salix Fund	-257	-208	-252	-296	-340
EU Exit Funding	-214	-155	-140	-140	-140
	<b>-17,376</b>	<b>-17,004</b>	<b>-11,514</b>	<b>-5,989</b>	<b>-4,033</b>
<b>Specific issues</b>					
Adult Care Trust	-1,214	-856	0	0	0
Car Parking	-360	-300	-300	-300	-300
Childrens Services	-1,000	-750	-750	-750	-750
Climate Change	-127	-77	0	0	0
Collection Fund	-10,225	-3,921	-2,826	-2,676	-2,526
Community Engagement	-249	0	0	0	0
Community Infrastructure Levy	-455	-455	-455	-455	-455
Cost of Living Funding	-500	-500	0	0	0
Council Elections	-275	-341	0	-66	-132
Crisis Support Reserve	-716	-316	-216	-116	-16
CRM Reserve	0	-1,000	-500	0	0
Equipment Reserves	-288	-288	-188	-188	-188
Future High Streets Reserve	-123	0	0	0	0
Geopark	-6	0	0	0	0
Green Travel Plan	-106	-106	-106	-106	-106
Highway Reserves	-1,005	-435	-435	-435	-435
Housing Benefit	-475	-475	-475	-475	-475
Housing First			0	0	0

Insurance Reserves	-3,343	-3,343	-3,343	-3,343	-3,343
Transparency Code	-45	-45	-45	-45	-45
Regeneration Reserve	-331	-181	0	0	0
PFI Sinking Fund	-304	0	0	0	0
Planning Reserve	-264	-192	-192	-192	-192
Regeneration Reserve	-389	-400	-400	-400	-400
Retail Reserve (Fleet Walk)	-544	-610	-525	-690	-855
Section 106	-7	-7	-7	-7	-7
Service Carry Forwards	-4,582	-1,724	-704	-704	-704
Thinking Places	-33	0	0	0	0
Tourism	-12	0	0	0	0
Town Deal Reserve	-129	0	0	0	0
Transformation Reserve	-178	-178	-178	-178	-178
Union Square	0	-100	-100	-100	-100
Waste Strategy	-248	-98	-98	-98	-98
	<b>-27,614</b>	<b>-16,699</b>	<b>-11,844</b>	<b>-11,325</b>	<b>-11,306</b>
<b>Investment Fund</b>					
Investment Fund	-2,182	-2,765	-3,641	-3,466	-4,792
	<b>-2,182</b>	<b>-2,765</b>	<b>-3,641</b>	<b>-3,466</b>	<b>-4,792</b>
<b>Grants - received not spent</b>					
Grants - received not yet spent	-8,833	-3,816	-1,684	-333	-333
	<b>-8,833</b>	<b>-3,816</b>	<b>-1,684</b>	<b>-333</b>	<b>-333</b>
<b>Total Earmarked Reserves</b>	<b>-67,088</b>	<b>-48,044</b>	<b>-37,081</b>	<b>-29,700</b>	<b>-29,264</b>
<b>TOTAL RESERVES</b>	<b>-72,832</b>	<b>-53,789</b>	<b>-42,825</b>	<b>-35,444</b>	<b>-35,008</b>



## Appendix 2

<b><u>Name of Reserve</u></b>	<b><u>Description of Reserve</u></b>	<b><u>Responsible Officer</u></b>
Adult Social Care	Reserve for any adult social care funding to be used to support adult social care	Director of Adult and Community Services
Capital Funding	To reserve funding for items in the approved Capital Plan Budget.	Chief Finance Officer
Carry Forwards	Balance of any Service specific Carry Forward of budget	Chief Finance Officer
Childrens Services Reserve	To fund any variations in the cost of placements for looked after children.	Director of Children's Services
Collection Fund Reserve	Reserve to smooth the volatility of NNDR and Council Tax income including appeals, s31 grant and the performance of the Devon wide NNDR pool. Also includes funding for the impact of the three-year spread of the cost of the 2020/21 collection fund deficit	Chief Finance Officer
Comprehensive Spending Review Reserve	To fund costs associated with meeting future budget reductions	Chief Finance Officer
Crisis Support Fund	Reserve to support the costs of social fund and exceptional hardship	Divisional Director Community Services
Dedicated Schools Grant	Reserve to reflect the position on the ring-fenced dedicated school grant – currently a negative balance reclassified as an “unusual reserve” under a statutory override.	Director of Children's Services
Equipment Fund	To facilitate renewal of equipment within services where the replacement is at irregular periods.	Various
Geo Park Conference	To support costs of Geo Park activities	Director of Pride of Place
Grants recognised but not used	Reflects the value of revenue grants (without conditions) received by 31 <sup>st</sup> March but not yet used to support expenditure. This includes Covid-19 Grants	Chief Finance Officer
Harbours	Torquay, Paignton and Brixham Harbours – To finance Harbour expenditure schemes for the purpose of Harbour Users.	Director of Pride of Place
Highways Reserves	Reserve holding funds received under Highways Acts and other legislation where the Council holds funds to do works.	Director of Pride of Place

Housing Benefit Subsidy	Reserve to mitigate variations to the Council's housing benefit subsidy	Divisional Director Community Services
Insurance Reserve	To set aside amounts to cover the future cost of past uninsured events which result in a loss to the Council. This reserve covers potential future liabilities arising from the Council's previous insurers Municipal Mutual Insurance Ltd not having sufficient solvency, to meet pre 1998 claims from Devon County Council, amounts for specific uninsured risks and a general reserve to meet as yet unknown insurance claims	Chief Finance Officer
IT Equipment Reserve	To provide funds for priority driven replacements of IT equipment.  Reserve to fund costs of the purchase of a replacement case management system for childrens' social care	Director of Corporate Services
Investment Fund Reserve	Reserve to mitigate any short-term variations in income or costs associated with Investment Fund properties such as void and rent-free periods	Director of Pride of Place
Misc. Specific Reserves	Includes: Council Elections, Devon Audit Partnership, Green Travel Plan. Museums and Salix (energy initiatives).	Various
PFI Sinking Fund	To provide funds to meet the liabilities under the PFI agreement over 25 years (The Spires and Homelands Schools) and to provide funding towards Paignton Community College expansion project.	Director of Children's Services
Planning Reserve	To provide for costs of Local Plan Inquiry held every 4/5 years and Masterplan delivery.	Director of Pride of Place
Public Health	Reflects carry forward of ring-fenced funds for Public Health	Director of Public Health
Regeneration Reserve	A reserve to support economic regeneration and employment initiatives	Director of Pride of Place
School Balances	Reflects the carry forward by schools of their delegated school budget share.	Divisional Director Education, Learning and Skills
School Redundancy Reserve	Reserve to support the costs of redundancies for schools-based staff	Divisional Director Education, Learning and Skills
Swimming Pool Reserve	Reserve established as part of 2018/19 budget proposals to support unplanned expenditure or income variances for community run internal swimming pools.	Director of Pride of Place

Transformation Reserve	Reserve to support expenditure on projects associated with the Council's transformation programme.	Chief Executive
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## **TORBAY COUNCIL**

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**Meeting:** Council

**Date:** 7 March 2023

**Wards Affected:** All Wards in Torbay

**Report Title:** Council Tax 2023/24

**Cabinet Member Contact Details:** Councillor Darren Cowell, Cabinet Member for Finance [Darren.Cowell@torbay.gov.uk](mailto:Darren.Cowell@torbay.gov.uk)

**Director Contact Details:** Martin Phillips, Director of Finance, 01803 207285, [Martin.phillips@torbay.gov.uk](mailto:Martin.phillips@torbay.gov.uk)

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### **1. Purpose of Report**

The Council has a statutory obligation to set a 2023/24 Council Tax Requirement and a Council Tax for the Torbay area, including the demands of the precepting bodies before 11 March in the preceding financial year.

### **2. Reason for Proposal and its benefits**

The purpose of this technical report is to enable the Council to fulfil its statutory duty to calculate and set the Council Tax Requirement and Council Tax for 2023/24.

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

3.1 That it be noted that, on the 8<sup>th</sup> December 2022, Council approved the following Council Tax Bases for 2023/24:

a) For the whole Council area as 46,620.10, [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 6,211.39 to which a Parish precept relates.

3.2 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 3.6 below.

3.3 That the Council Tax requirement for the Council's own purposes for 2023/24 (excluding Brixham Town Council) of £82,722,425 be approved.

3.4 That the following amounts be calculated for the year 2023/24 in accordance with Chapter Three of the Act:

a) £350,171,372 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.

b) (£267,054,575) being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.

c) £83,116,797 being the amount by which the aggregate at 3.5(a) above exceeds the aggregate at 3.5(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).

d) £1,782.85 being the amount at 3.5(c) above (Item R), all divided by Item T (3.2(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).

e) £394,372 being the aggregate amount of all special items (Brixham Town Council) referred to in Section 34(1) of the Act

f) £1,774.39 being the amount at 3.5(d) above less the result given by dividing the amount at 3.5(e) above by Item T (3.2(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.

3.5 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 2023/24 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
	£	£	£	£	£	£	£	£
Torbay Council	1,182.93	1,380.08	1,577.24	1,774.39	2,168.70	2,563.01	2,957.32	3,548.78
Police and Crime Commissioner	174.37	203.44	232.50	261.56	319.68	377.81	435.93	523.12
Devon and Somerset Fire and Rescue Authority	64.53	75.28	86.04	96.79	118.30	139.81	161.32	193.58

Aggregate of Council Tax Requirements ex. Town Council	1,421.83	1,658.80	1,895.78	2,132.74	2,606.68	3,080.63	3,554.57	4,265.48
Brixham Town Council	42.33	49.38	56.44	63.49	77.60	91.71	105.82	126.98
Aggregate of Council Tax Requirements including Brixham Town Council	1,464.16	1,708.18	1,952.22	2,196.23	2,684.28	3,172.34	3,660.39	4,392.46

Note: Torbay Council's precept includes the Adult Social Care "precept" set in 2016/17 to 2018/19 and 2020/21 to 2023/24.

- 3.6 That it be noted that the Council's basic amount of Council Tax for 2023/24 is not excessive in accordance with principles approved under Section 52ZB Local Government Finance Act 1992. (Refer to paragraph 5.7)

#### **4. Precepts on Torbay Council as a Billing Authority**

- 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 approved the statutory Tax Base for Torbay at its meeting on the 8 December 2022 as 46,620.10 for the year 2023/24 and approved the 2023/24 Tax Base for Brixham Town Council as 6,211.39. 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".
- 4.3 The precept levels of other precepting bodies have been received. These are detailed below:

##### **4.4 Brixham Town Council**

Brixham Town Council met on 8 February 2023 and set a precept of £394,372. This results in a Band D Council Tax for 2023/24 of £63.49, (£61.37 2022/23), which is an increase of 3.46%. This precept is only payable by residents living in the Brixham Town Council area.

##### **4.5 Police and Crime Commissioner (PCC) for Devon & Cornwall**

The Police and Crime Commissioner for Devon and Cornwall met on 27<sup>th</sup> January

2023 and set a precept (for Torbay) of £12,193,953.36 This results in a Band D Council Tax for 2023/24 of £261.56, (£246.56 2022/23), an increase of 6.08%.

#### 4.6 Devon and Somerset Fire and Rescue Authority

Devon and Somerset Fire and Rescue Authority met on 15<sup>th</sup> February 2023 and set a precept of £4,512,359. This results in a Band D Council Tax for 2023/24 of £96.79, (£91.79 2022/23), an increase of 5.45%.

4.7 If the formal Council Tax Resolutions within 3.5 above are approved, the total basic amount “Band D” of Council Tax will be as follows:

	2022/23 £	2023/24 £	2023/24 % Change
Torbay Council	1,690.06	1774.39	4.99
Police and Crime Commissioner	246.56	261.56	6.08
Devon and Somerset Fire and Rescue Authority	91.79	96.79	5.45
Sub-Total	<b>2,028.41</b>	<b>2,132.74</b>	<b>5.14</b>
Brixham Town Council	61.37	63.49	3.46
Total	2,089.78	2,196.23	5.09

## Background Documents

The Referendums Relating to Council Tax Increases (Principles) (England) Report 2023-24 ([publishing.service.gov.uk](https://publishing.service.gov.uk))

(Public Pack)Item 9 Council Tax Base 2023/2024 Agenda Supplement for Council, 08/12/2022 17:30 ([torbay.gov.uk](https://torbay.gov.uk))

Agenda for Cabinet on Thursday, 23 February 2023, 5.30 pm ([torbay.gov.uk](https://torbay.gov.uk))

## Supporting Information

### 5. Summary

- 5.1 The Partnership will present the 2023/24 revenue budget to Council on 7 March 2023. The 2023/24 net revenue budget for approval is £131.0m.
- 5.2 This is net expenditure before the Council's general income and funding, NNDR Income, NNDR top up grant, other general grant and any collection fund surplus.
- 5.3 This results in a Council Tax requirement for the Torbay Council element of £82,722,475. Including the Brixham Town Council precept the Council Tax

requirement is £83,116,797.

- 5.4 Expenditure at that level for Torbay Council will result in a Band D Council Tax for 2023/24 of £1774.39, a 4.99% increase in the Torbay Council element of the Council tax.
- 5.5 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.
- 5.6 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 under “The Referendums Relating to Council Tax Increases (Principles) (England) Report”.
- 5.7 “For 2023-24, 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 2023/24 is 5% (comprising 2% for expenditure on adult social care, and 3% for other expenditure), or more than 5%, greater than its relevant basic amount of council tax for 2022/23”
- 5.8 For 2023-24 the Council will set an adult social care precept 2% and a precept of 2.99% for other expenditure. If the formal Council Tax Resolutions within 3.5 above are approved the change in the “relevant basic amount” (i.e. the Band D Council tax) for 2023/24 is 4.99%, which is not “excessive” per the regulations.
- 5.10 The gross expenditure and income figures included at 3.4 (a) and 3.4 (b) are linked to the budget digest information presented to Council in March, which are prior to any adjustments to comply with CIPFA and central government reporting requirements

## **6 Council Tax Support Fund**

- 6.1 Alongside the 2023/24 Local Government Finance Settlement, the Government announced £100m of additional funding for local authorities (£334,257 for Torbay) to support the most vulnerable households in England.
- 6.2 [Council Tax Support Fund guidance - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/guidance/council-tax-support-fund)
- 6.3 This funding will help to provide additional support to the 3.8 million households nationally already receiving council tax support. The support is a reduction on all council tax support scheme claimants where there is a council tax liability to pay to a maximum £25 reduction. i.e Where a taxpayer’s liability for 2023/24 is, following the application of council tax support, less than £25, then their liability would be reduced to nil. Where a taxpayer’s liability for 2023-24 is nil, no reduction to the council tax bill will be available and those bills should not be credited.



- 6.4 There should be no need for any recipient of Local Council Tax Support (LCTS) to make a separate claim for a reduction under this scheme. The billing authority should assess who is eligible for support and automatically apply the discount.
- 6.5 Council tax reductions should be applied from the beginning of the 2023/24 financial year for existing LCTS recipients and discounts should be reflected in council tax bills issued in March. It is for local authorities to decide how to treat households that become eligible for LCTS during the financial year.
- 6.6 Separate to this grant for 2023/24 the Partnership are proposing a further £75 maximum reduction to local council tax support scheme claimants of working age, with the same conditions as the national scheme where there is a council tax liability to pay.

## **7. Legal Implications**

- 7.1 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 must be set by the Council.

## **8. Consultation**

- 8.1 There has been consultation on the 2023/24 budget proposals with all Members and through the Priority and Resources Review Panel and consultation with stakeholders and residents through a consultation document and the use of social media including a Facebook Live event.

## **9. Associated 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.

**Meeting:** Cabinet **Date:** 23 February 2023

**Wards affected:** All wards

**Report Title:** Housing Strategy 2023 -2030

**When does the decision need to be implemented?** 23 February 2023

**Cabinet Member Contact Details:** Councillor Swithin Long, Cabinet Member for Economic Regeneration, Tourism and Housing, [swithin.long@torbay.gov.uk](mailto:swithin.long@torbay.gov.uk)

**Director/Divisional Director Contact Details:** Tara Harris, Divisional Director Community and Customer Services, [tara.harris@torbay.gov.uk](mailto:tara.harris@torbay.gov.uk)

## 1. Purpose of report

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- 1.1 To consider the Housing Strategy and to note the response from the public consultation

## 2. Reason for proposal and its benefits

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- 2.1 In 2021 Torbay Council declared a housing crisis to address local housing issues and announced, via the Community and Corporate Plan, the challenge for economic and housing growth. As such, Housing has become a high corporate priority for Torbay Council.
- 2.2 The Strategy will better inform our communities, stakeholders and members about what the Council and its partners are doing about local housing priorities and issues.
- 2.3 The Strategy will give stakeholders and members a clear annual delivery plan on which performance can be monitored on a quarterly basis.
- 2.4 Although the current Housing Strategy runs to April 2025, it was adopted prior to the Council declaring a Housing and Climate emergency in 2021, and before the C-19 Pandemic in 2020. We have refreshed our aims and objectives accordingly.
- 2.5 The Strategy supports cross-organisational, collaborative working. It provides the structure against which the Council can develop other, more specific policies affecting its housing function.
- 2.6 Both the Housing Delivery Group and the Torbay Strategic Housing Board have recommended that the Strategy be reviewed in light of the Council's new priorities.
- 2.7 Responses to the consultation has helped inform the approach we will take with all our partners and stakeholders to improve housing supply, conditions and support.

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

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That the Cabinet recommends to Council:

- 3.1 That the Torbay Housing Strategy 2023-2030, as set out in Appendix 1 to the submitted report, be approved; and
- 3.2 subject to 3.1 above, the Cabinet approves the Housing Strategy Project Plan 2023-2024, that any minor amendments to the Housing Strategy Project Plan 2023-2024 be made by the Director of Pride in Place in consultation with Cabinet Member for Economic Regeneration, Tourism and Housing.

### Appendices

Appendix 1 – Draft Housing Strategy 2023-2030

Appendix 2 – Housing Strategy Consultation Report

Appendix 3 - Housing Strategy Project Plan 2023 – 2024

Appendix 4 – Report of the Overview and Scrutiny Board

### Background Documents

Corporate Housing Indicators (approved by Cabinet 26th July 2022)

Housing Strategy Evidence Base Document

### 4 Supporting Information

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- 4.1 The Housing Strategy is the over-arching strategic document that pulls together all aspects of the Council's strategic housing function. It sits within the Council's policy framework and provides the context for other plans policies and strategies, such as the Homelessness and Rough Sleeping Strategy, the Domestic Abuse and Sexual Violence Strategy and the Empty Homes Policy.
- 4.2 The Strategy supports the Community and Corporate Plan 2019-2023 to 'improve the delivery, affordability and quality of housing', 'regenerate and re-invent our town centres' and to 'encourage a sustainably developed built environment. It also supports Torbay's Local Plan and Neighbourhood Plans, as well as the Joint Health and Wellbeing Strategy 2022-2026, the Torbay Carbon Plan (2023/25), the Affordable Housing Supplementary Planning Document and the Economic Growth Strategy to name but a few.
- 4.3 The Strategy sets out what the Council, and its partners, will be doing to improve the housing situation for our current and future residents. It sets out the approach we will take with all of our partners to work towards our vision. These are grouped into three priorities.

4.4 The priorities reflect the broad range of work that we do to meet local housing need, including developing affordable housing, maintaining housing standards, and helping people to stay independent in their own homes, whilst preventing homelessness. Within each theme officers have identified key aims of the Council, which are considered to directly contribute to the overall sense of community health and wellbeing in the Bay.

4.5 Our housing priorities:

1. Improve housing supply
2. Improve housing quality
3. Improve housing support

Our cross-cutting principles:

4. Put our customers first
5. Tackle climate change
6. Work in partnership

4.6 During 2022/23 there has been investment to:

- increase capacity across Planning and Housing to enhance the development of affordable homes
- tackle disrepair and poor housing conditions, including the review and reduction of empty homes
- enhance homeless reduction, such as investment in temporary accommodation and client support

4.7 The Chief Executive is currently reviewing the Housing structure to provide additional capacity to enable the delivery of new affordable homes and the development and production of Housing policy and strategies, which will link with Torbay's urban regeneration programme and the Council's ambition to be carbon neutral by 2030.

4.8 The Overview and Scrutiny Board met on 9 February 2023 to consider the final draft Housing Strategy and Housing Strategy Project Plan (see Appendix 4 for their report) and made the following recommendations which have been incorporated into the final documents submitted to the Cabinet/Council.

"That the Cabinet be recommended:

That the Cabinet recommends to Council:

a) that the Torbay Housing Strategy 2023-2030, as set out in Appendix 1 to the submitted report be approved, subject to the latest population figures being checked against the latest census data; and

b) subject to 1 above, the Cabinet approves the Housing Strategy Project Plan 2023-2024, subject to:

- a realistic and attainable target for delivery of the number of affordable homes to be delivered each year; and
- to include targets to deliver a private rented sector improvement plan to tackle disrepair and poor housing conditions, proactively target non-compliant landlords by and take appropriate action where standards are not being met (target 2.1) and include actions and targets for improving housing conditions in social rented housing.

Recommendation to Overview and Scrutiny Board (Cabinet to note):

That the Overview and Scrutiny Board monitors the delivery of the Housing Strategy Project Plan 2023/2024 as part of their Work Programme for 2023/2024.”

## 5 Options under consideration

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- 5.1 Consider the consultation response from partners, members, stakeholders and note the wider response from the public consultation
- 5.2 As a result of consultation with the public, partners and stakeholders we have taken on a number of comments and suggestions and have amended the Strategy accordingly. In summary they are:
  - a. Clarify and better explain housing terms, such as ‘housing support’, geographic relief’ and the role of strategic partners.
  - b. Include the fact that affordable housing is key to attracting and retaining our workforce, supports the growth of our key employment sectors, such as tourism, fishing, hi-tech etc, reduces the levels of deprivation and meets the priorities in our Economic Growth Strategy.
  - c. Reinforce partner approach and that we are open to all methods of affordable housing delivery and that it is the Local Plan that dictates overall housing targets, as well as affordable homes.
  - d. Update the number of affordable homes required over the next eight years to ensure all of our strategies reflect the same target. This is the function of the Local Plan, and, until it is updated, we must adopt the Government’s ‘standard method’ calculation for the delivery of homes that places a requirement on Torbay to build 600 dwellings a year, plus a 20% (120) imposed ‘buffer’, due to the under-delivery of housing over the previous years. However, the Government is now looking at reducing its compulsory housebuilding targets, which will also be mentioned.
  - e. Ensure we include our partners in the voluntary sector to help us improve our support offer and take the opportunity to work closer to better understand how they

can assist and support our work, as well as listen to what is happening at a local level.

- 5.3 Recommend the adoption of a Housing Strategy for Torbay, including amendment recommendations from the consultation. Please see Appendix 2 – Housing Strategy Consultation Report for more detail

## 6 Financial opportunities and implications

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- 6.1 There are no significant financial implications. Any financial commitments would be subject to further approval.
- 6.2 New homes and improved facilities are key ingredients in developing economic growth. It often goes unnoticed that increased capacity of schools, GP surgeries, new roads, community centres or sports facilities have been paid for as a direct result of housing development.

## 7 Legal Implications

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- 7.1 The Council's Housing Strategy must be 'fit for purpose' in terms of providing an overall framework against which the Council will formulate other more specific policies affecting its housing functions, which will ensure that the Council is capable of meeting its statutory functions as housing authority.
- 7.2 The Housing Strategy sets out the Council's priorities in terms of its housing ambitions, but the overall number of homes, including affordable housing is determined by the Local Plan update, a key statutory document. Once a local plan has been submitted, a Planning Inspector's role is to examine whether the submitted plan meets the tests of soundness defined in the National Planning Policy Framework and meets all the relevant legislative requirements, including the duty to co-operate
- 7.3 Until the new Local Plan is adopted, the Government's 'standard method' calculation for the delivery of homes places a requirement on Torbay to build 600 dwellings a year, plus a 20% (120) imposed 'buffer', due to the under-delivery of housing over the previous years. This may be revised by Government

[Procedure Guide for Local Plan Examinations](#)

## 8 Engagement and consultation

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- 8.1 The draft Strategy has been developed Council wide and went out to consultation from 24 October to 5 December 2022; for just over 6 weeks. Please see Appendix 2 – Housing Strategy Consultation Report

## 9 Purchasing or hiring of goods and/or services

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- 9.1 It is not anticipated that the Housing Strategy itself will require the purchasing or hiring of goods and/or services. Should the Council wish to hire goods, or services to facilitate its strategic objectives, then more specific reports detailing this will be presented to Cabinet

## 10 Tackling climate change

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- 10.1 One of the cross-cutting principles in the Strategy is to 'tackle climate change'. The Strategy also supports the Torbay Carbon Plan (2023/25), which has the following action 'Torbay Council to develop a new Housing Strategy and Action Plan that aims to Improve energy efficiency and reduce fuel poverty' (p20). Additionally, Torbay Council's Climate Emergency Officer has provided input into the development of this Strategy.

## 11 Associated risks

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- 11.1 Not finding the Housing Strategy 'fit for purpose' and thus unable to provide an overall framework against which the Council will formulate other more specific policies affecting its housing functions
- 11.2 Reduced compulsory housebuilding targets from central Government will deliver fewer homes, particularly affordable homes

## 12 Equality impacts - Identify the potential positive and negative impacts on specific groups

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- 12.1 Our equality duties apply to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, gender and sexual orientation. Although not enforced in legislation as a protected characteristic, Torbay Council recognises the profound and far-reaching impacts of socio-economic disadvantage and public health and treats these characteristics as protected.
- 12.2 The Strategy prioritises and supports low-income households, those fleeing domestic violence, care experienced children, vulnerable households eligible for grants to help heat their homes.

	Positive Impact	Negative Impact & Mitigating Actions	Neutral Impact
Older or younger people	Helping older households remain independent at home		

People with caring Responsibilities			Neutral
People with a disability	Helping households remain independent at home		
Women or men	Particularly single parents, are more reliant on benefits and are consequently more vulnerable to welfare cuts and are also more likely to be eligible for means tested support		Neutral
People who are black or from a minority ethnic background (BME) (Please note Gypsies / Roma are within this community)			Neutral
Religion or belief (including lack of belief)			Neutral
People who are lesbian, gay or bisexual			Neutral
People who are transgendered			Neutral
People who are in a marriage or civil partnership			Neutral
Women who are pregnant / on maternity leave	Housing support for those escaping domestic violence		
Socio-economic impacts (Including impact on child poverty issues and deprivation)	<p>Providing affordable housing for households on low incomes</p> <p>Improving energy efficiency, thus reducing the cost of heating the home</p> <p>Support people into jobs that will improve their quality of life and reduce homelessness</p>		
Public Health impacts (How will your proposal impact on the general health of the population of Torbay)	<p>Improving housing conditions will positively impact health outcomes</p> <p>Tackle street homelessness and provide support</p>		



	Provision of temporary accommodation for those accepted as homeless		
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## 13 Cumulative Council impact

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- 13.1 Build on the Council's understanding about what our communities, stakeholders and partners want in relation to housing and planning and deliver agreed solutions that align with Council priorities

## 14 Cumulative community impacts

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- 14.1 Reinforce our commitment to deliver against our Community and Corporate Plan 2019-2023 to 'improve the delivery, affordability and quality of housing', 'regenerate and re-invent our town centres' and to 'encourage a sustainably developed built environment. It also supports Torbay's Local Plan and Neighbourhood Plans
- 14.2 Help reduce carbon emissions and achieve a carbon neutral Torbay by 2030, and reduce household energy costs
- 14.3 Provide affordable housing to retain a sufficient workforce in Torbay
- 14.4 Prevent homelessness and address rough sleeping

# DRAFT Housing Strategy

2023-2030

# Contents

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# Introduction

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A home is special to everyone and directly contributes to good health, wellbeing, and life achievement. Having a place to call home is one of life's main goals. It offers warmth and shelter; and is the place where we feel safe and secure; a place to shape family.

Known as the English Riviera, Torbay comprises of three towns: Torquay, Paignton, and Brixham. Torbay has a population of c. 139,324, (62,992 households) and has an increasingly skilled workforce; increasing numbers of small and micro businesses; and a large catchment population. The recent investment in the A380 South Devon link road, directly connecting Torbay with the M5 at Exeter, has significantly reduced travel times locally and regionally making the Torbay area an increasingly attractive place to live and work.

It is a place of huge ambition, and we want it to be the best place for children to grow, for people to live and work and for residents to fulfil their ambitions today and for many years to come.

However, Torbay is facing a housing crisis. There is a shortage of new housing supply and particularly affordable housing.

This strategy sets the vision and approach we will take through our leadership; and by working with partners to 'improve the delivery, affordability and quality of housing'.

We have the foundations in place to build more affordable homes through our urban and town regeneration plans; our housing company TorVista and the Torbay Strategic Housing Board.

By working with our partners, we will achieve more, giving more families a home and more children the best possible start in life.

We will prioritise brownfield locations in our towns to reduce the impact on the climate and endeavour to protect our natural environment and continue to seek new potential sites. We will create jobs and investment to support inclusive economic growth and make safe homes for residents and their families.

Whilst the council and its partners face many significant challenges, we are determined to provide appropriate and affordable homes, particularly for those with the greatest need.

We recognise the challenges of providing new affordable homes in the current economic conditions and the climate challenge.

Separate to this Housing Strategy an Action Plan will be developed to deliver our vision for housing in Torbay. The Action Plan will be an agile document, which we will use to monitor progress and it will be overseen by a cross-directorate Housing Delivery Group.

# External influences and local issues

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## Housing needs

Housing needs for Torbay have been objectively assessed in accordance with National Planning Policy Framework guidance, which, taking into account local policy added targets for employment growth, estimate that 615 new homes are required to be provided per year over the Local Plan period. However, as part of the Examination of the Torbay Local Plan, this figure was reduced to 495 homes per year to reflect environmental constraints in Torbay.

Consequently, the adopted Torbay Local Plan 2012-2030 identifies land for the delivery of around 8,900 new homes over the plan period and we are reviewing our current Local Plan.

## Our housing ambition

A balanced housing market is essential to sustainable communities, but this will not be achieved without the right level of new housing development, across all tenures. As well as providing desperately needed new homes, house building also delivers substantial benefits and better facilities for the wider community. The affordability and environmental sustainability of homes will be crucial factors in getting the balance right between homes, jobs, the green environment and protecting the climate.

We already know from our community led neighbourhood plans, that protecting the natural environment of Torbay is a priority; along with providing more affordable homes; reducing the impact of climate change and creating a sustainable economy. It will be necessary to strike a balance between competing priorities.

There is little appetite for green field development despite the level of additional homes required. However, we need to find more sites to meet future demand. So, we need to be bold, innovative, and creative, in the delivering of those additional homes.

## The economic challenge

The current economic backdrop provides challenges for us all, including housebuilders and registered providers.

The English Riviera Destination management plan 2022-2030 to make Torbay the UK's premier visitor destination and help boost the local economy was approved at Council in August 2022. The new plan sets out the interventions that can help propel the English Riviera forward, building on the strengths of the destination and the opportunities to achieve a more sustainable and resilient destination.

There has been a huge increase in demand for available properties, both rented and for home ownership. This has pushed up local prices and rents, making it much more difficult for households to afford. Rents are now well above the Housing Benefit rates, and we are seeing an increasing number of households at risk of homelessness.

Providing access to affordable housing is key to the growth of key sectors such as tourism, fishing, hi-tec and medical & health care, creative and digital technologies.

We need to continue to attract and retain our workforce in Torbay and to meet the gap created by vacancies outstripping availability in our local workforce. This will support growth, reduce levels of deprivation and enable our residents to thrive and reach their economic potential

Families on Housing Benefit are struggling to afford private rents and the Council continues to lobby government on Local Housing Allowance rates to reflect the challenging rental market specific to Torbay.

Additionally, since the energy price cap was lifted at the beginning of 2022, we have seen heating and electricity costs rise by over 50%, which has come alongside increases in the cost of food, taxes and other everyday expenses.<sup>1</sup>

## Strengths, challenges, and opportunities

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### Strengths

The council has put the foundations in place to kick start delivery of affordable homes in Torbay, as set out in our **Community and Corporate Plan** objective to **‘Improve the delivery, affordability and quality of housing’**

We will ensure we put our residents and clients first; we continue to tackle climate change and we work in partnership to achieve better outcomes. We will focus on preventing and alleviating homelessness and we will continue to do everything we can to make sure our residents are treated fairly.

We are taking action to improve supply:

- Through the Torbay master plan for town centre and waterfront regeneration to support sustainable, residential communities
- The refreshed English Riviera Destination Management Plan 2022-2030 to make Torbay the UK’s premier visitor destination and help boost the local economy
- Progressing sites and regeneration identified in the Local Plan growth areas
- Working with Torbay strategic housing board (TSHB) and others to create more opportunities to identify and progress schemes
- Delivering 100+ new homes (maximising affordable homes) on the Preston Down Road site
- Seeking a strategic partner(s) to deliver more affordable homes on small challenging sites
- Purchasing up to 36 homes to meet current demand for family Temporary Accommodation (TA), with the option to use these homes for longer term affordable rentals as we tackle and reduce the need for TA

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<sup>1</sup> Cost of living rises for households: ONS.gov.uk

- Delivering new homes through modern construction, such as modular build pilots currently under consideration for two sites.
- Commissioning 72 units to meet older people's supported housing need
- Investing in property to increase the supply of social rent homes in Torbay.
- By adopting an Empty Homes Policy and recruiting an Empty Homes Officer to help bring empty homes back into use
- By pledging financial support to introduce Interim Management Orders within the private rented sector to raise standards for tenants
- Continuing to make the best use of existing social housing through Devon Home Choice plus our Rightsizing and empty homes project
- TorVista to deliver new homes

## Challenges

- 42% of CO<sub>2</sub> emissions in Torbay are from domestic homes (2019)
- Private rental properties are well above the local Housing Benefit rates (LHA)
- 68% of households renting privately rely on Housing Benefit, higher than national (48%) and regional (44%) averages
- 8% social rented stock in Torbay; 18% national average
- Current delivery of homes built is an average of 343 per year, the Local Plan target is 720
- By 2040 one in three (34%) of Torbay's population will be over 65
- Lack of small and medium sized building contractors in the Bay to tackle smaller sites

We know that, for our residents:

- Housing is unaffordable to many in Torbay. The average house price in Torbay is nine times average annual earnings and house prices have increased significantly post 2020
- Increasing demand for holiday accommodation has reduced the availability of accommodation for local people
- Homelessness in Torbay is over twice the national and regional averages
- One third (38%) of households are being made homeless due to the end of a private rented tenancy
- Homes becoming available through the Housing Register have fallen 6% since 2019

In Torbay:

- Housing need outstrips demand for new affordable homes
- Demand for temporary accommodation has increased over the last 12-24 months
- There is not enough brownfield land across the Bay to provide all the homes Torbay needs, and the cost of any site clearance means there is less money to build affordable homes
- The cliff like and hilly nature of Torbay makes site development challenging

- Our small developments can reduce affordable housing delivery, as units fall below planning obligation thresholds
- Regeneration takes time due to site assembly, market appetite and financing complexities
- A low growth local Plan to protect the environment can reduce the opportunities to build new homes
- The challenging economic climate is making house building difficult. Financial uncertainty, cost of materials, and labour shortages are delaying housebuilding

## Opportunities

Whilst accepting that there are significant challenges in providing decent homes for all our residents it is important to recognise that there are opportunities that can help us achieve this, including:

- The Government's new Affordable Homes Programme (2021 to 2026) managed by Homes England. By working with Homes England, we hope to deliver more affordable homes through new build, residential led regeneration and purchase and repair of existing stock
- The Torbay Affordable Housing Development Partnership, which was established in 2022 to work more closely with Homes England, registered providers, and other stakeholders to increase the overall provision of affordable housing
- TorVista Homes Limited, which was awarded registered provider status in 2021. As a new registered housing provider, wholly owned by the council; its aim is to deliver a wide range of good quality, affordable and supported housing
- The Council announced a 'climate crisis' in 2021, making a commitment that Torbay will be carbon neutral by 2030
- Our Local Plan is under review and sets out how the need for homes of all types will be delivered together with jobs and infrastructure
- We have created the Torbay Strategic Housing Board to promote our ambitions and actively engage with partners to help increase housing supply and be a critical friend
- We are maximising the use of existing social housing stock through our Rightsize programme and working with owners of empty properties to bring them back into use
- We are working on economic and urban regeneration plans to increase the supply of new homes in Torbay

We are co-ordinating infrastructure improvements to support economic and town centre regeneration including increasing the supply of new homes



# Vision

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The housing vision for Torbay is to:

**Improve the delivery, affordability and quality of housing**

To achieve this vision, we will:

- Work across the Council and with partners to come up with innovative ideas and modern build techniques to increase the delivery of affordable housing for rent and ownership
- Deliver a diverse choice of housing for our residents that meets every stage of life and lifestyle
- Support our communities to improve and maintain their homes; to be safe, warm, fit for purpose and be more environmentally friendly
- Continue to protect homeless households and those threatened with homelessness, whilst putting an end to street sleeping.

## Our Priorities

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Our housing priorities are:

- Improve housing supply
- Improve housing quality
- Improve housing support

Our cross-cutting principles:

- Put our residents and customers first
- Tackle climate change
- Work in partnership

These aspirations are underpinned by our community and corporate visions:

- Thriving people
- Thriving economy
- Tackle climate change
- Council fit for the future

Within each priority we have identified key areas of work that we believe will directly contribute to the overall sense of community health and wellbeing in Torbay.

## Improve housing supply

We will:

1. Build affordable homes for rent
2. Build homes for low-cost ownership
3. Build and acquire innovative and specialist homes
4. Make the best use of the existing housing stock

This is important because:

- Need on the Housing Register has increased by 50%, since 2018, with over 1,600 applicants now in housing need
- The Housing and Economic Needs Assessment (2022) identifies a local need for 721 affordable homes per year: 387 for rent and 334 for low-cost sale
- The Government requirement on Torbay is to build 720 dwellings a year
- Torbay is the corporate parent to nearly 5 times as many children and young people as the England average (302, compared with 62), with a 42% increase since 2011
- There is a distinct lack of larger family homes, both in the private rented and social sectors

We want local households to have access to quality housing that they can afford in a range of tenures. Open market housing is the main route to securing the delivery of affordable housing via S106 planning obligations. However, affordable housing can also be provided using Government grants and the Council's assets, including land. The majority of this delivery is focused in urban areas, yet we recognise the need for smaller development in our less urban communities.

Homes built for rent by registered providers are the only type of homes that remain affordable for the majority of low-income households in Torbay. Traditionally, homes let on social rents are around 60% of the local market rent, but in 2010 the government introduced a new 'affordable rent' at rents on new homes of up to 80% of market rent levels.

Since 2016, we have delivered an average of 339 market homes each year, 59 (17%) of which have been affordable. At the current trajectory, with no additional greenfield allocation, Torbay is likely to only develop up to 50 affordable units a year through the Section 106 developer contributions. To meet the total need on the Housing Register with new builds alone would take 32 years.

Our strategy proposes a mix of Homes England grant and local housing investment, such as Council land and assets, with a view to establishing two third affordable homes for rent and one third for low cost ownership. We will also strive to maximise energy efficiency, making our homes more affordable to heat and run.

Torbay Council and our NHS partners want to increase independent living; allowing people receiving social care and support to have a greater choice and control over how, where and with

whom they live. Whilst we are commissioning 72 units of extra care for people to live well for longer in a home of their own, there is more to do.

There is also an urgent need to create housing stock that provides independent living and move-on accommodation options for our care experienced young people.

To improve housing supply, we will:

- Use Council land and the redevelopment of existing buildings to create new affordable homes and sustainable communities
- Look to establish a strategic housing partnership to progress our affordable home delivery programme
- Maximise opportunities to deliver affordable homes through Homes England's new Affordable Homes Programme (2021 to 2026)
- Work with TorVista, the Council's wholly owned Housing Delivery Company to deliver specialised housing for older people, for those with learning disabilities and autism and for people with enduring mental ill health
- Deliver more homes to improve the outcomes for our care experienced leavers
- Purchase up to 36 self-contained properties in the Bay to help accommodate homeless households to help them move-on into more permanent homes
- Work with 'build for rent' developers to investigate funds, suitable land, or property to accommodate a shared housing project
- Bring empty homes back into use, making them affordable to rent where appropriate
- Deliver Torbay Council's 'Right-Sizing Project', to free up much needed larger family homes and developing larger homes if necessary

We will work with our partners to increase supply:

- We will pro-actively build strong partnerships with Homes England, landowners, registered providers, and local communities to improve the delivery of new homes
- Through our Economic partnership work with Home England, neighbouring authorities, NHS, local colleges, local landowners, developers and employers to find solutions to new, existing, and stalled development sites
- Through the Torbay Strategic Housing Board, working in partnership to build stronger relationships to increase the supply of new homes, including affordable and supported housing
- Utilise TorVista to deliver additional homes
- Work with our RP partners to deliver additional homes
- Encourage developers to progress sites that have received planning permission, but are not coming forward in a timely fashion
- Look to explore alternative solutions such as self-build and modular build for challenging sites to deliver new homes

To understand future needs/demand, we will:

- Gather evidence to better understand where our unmet housing need is coming from

- Better understand local housing need by regularly reviewing applications on the Housing Register and predicted demand from children's and adult services, local colleges and employers
- Undertake a structured review of planning policies to make sure that they are relevant, joined-up, straightforward and encourage development, particularly on brownfield sites

## Improve housing quality

We will:

1. Tackle conditions in the private rented sector
2. Improve energy efficiency and reduce fuel poverty
3. Keep people independent at home

This is important because:

- In addition to working with landlords to improve standards, on average, Torbay Council serves 49 legal notices to remedy disrepair each year.
- Nearly 20% of our enforcement work was to remedy poor heating in people's homes.
- There is a higher proportion of homes in private rented sector in Torbay (27%) compared to England (20%)
- Three quarters (75%) of Torbay's housing stock's energy performance is below band C, for England it's just over half (54%)

Housing has a key role to play in health and wellbeing. The poor condition of a property can negatively affect the physical and mental health of our residents. Similarly, some people's physical health needs, particularly for older residents, can restrict their ability to live an independent life without some adaptations to the home.

The expansion of the private rented sector has focused attention on the need to improve conditions in this tenure. The English Housing Survey (EHS) estimates that in 2019, 23% of these homes did not meet the Decent Home Standard. This compares with 18% of owner-occupied and 12% of social-rented homes.

The housing conditions in the private rented sector are worse than for any other, so making sure that the quality and standard of the private rented sector is a priority for us. We also focus much of our work in this sector because tenants have little, or no control over getting remedial works carried out, so we use all the tools available to take action against poor standards.

The main enforcement issues identified relate to poor heating, risk of fire, damp and mould and falls. The Housing Standards Team identified and remedied 578 housing hazards last year, resulting in a significant cost saving to the NHS and wider society.

A key theme running through our plans is a commitment to become carbon neutral. The carbon emissions from our area will fall as our homes and businesses become more energy efficient. The widespread reliance on gas as an energy source will mean few households will be immune from rising bills. However, homes with poor fuel efficiency will be hit hardest by energy price rises.

Households who live in a property they own or rent from a registered provider have the least likelihood of being fuel poor at 8% and 19% respectively. However, households living in privately rented accommodation are most likely to be fuel poor (25%).

The scale of the issues facing the private rented sector are such that the answer does not lie with regulation alone. We must create the right environment to encourage self-compliance by working alongside landlords, property agents and landlord associations.

To improve housing quality, we will:

- Tackle disrepair and poor housing conditions by proactively targeting non-compliant landlords, taking appropriate action where standards are not being met
- Support communities to improve the energy efficiency of their homes and meet our carbon neutral target, tackle fuel poverty, and reduce carbon emissions
- Help households adapt existing homes, so they can remain independent for longer
- Regularly consult with our customers to improve service design and delivery

## Improve housing support

We will:

1. Prevent homelessness
2. Offer support packages to stabilise a household's housing situation
3. Help households sustain accommodation

This is important because:

- Need on the Housing Register has increased by 50%, since 2018, with over 1,600 applicants now in housing need.
- Typically, households who rent privately spend around 35% of their income on housing costs, compared to 18% for those with a mortgage, or 29% in social housing.
- There has been a 92% increase in use and stay of temporary accommodation for homeless households since 2019 [169, 37% families (2022)]
- The most common reasons for homelessness is the loss of a private rented home (38%), family and friends no longer able to accommodate (19%) and domestic abuse (13%)
- Last year the Housing Team received around 13,000 requests. Calls about being 'homeless tonight' increased by 12%
- Around 24 people a month sleep rough in Torbay

Homelessness has a serious and harmful effect on those who experience it. Our approach is to act at the earliest opportunity, before individuals, or families lose their home. We are developing a separate homelessness and rough sleeping strategy that will be published during the life of this strategy.

Our primary focus is upon helping households to remain in their own home, provided that it is safe and suitable for them to do so. There are a number of in-house services available to help households remain in their homes, including: money advice, mediation and partnership work to tackle harassment and domestic abuse. We must also be mindful to work with partners to help us improve our support offer, for example, our voluntary and community groups, who are the eyes and ears of the community. We will take the opportunity to work closer to better understand how they can assist and support our work, as well as listen to what is happening at a local level.

It is not always appropriate for people to remain in their existing home and sometimes it is not possible to prevent homelessness. Over recent years we have seen a steady rise in demand for temporary accommodation, with many households placed in increasingly costly and sometimes unsuitable accommodation. This is having a significant impact on Council budgets.

Due to the low provision of social homes and new build affordable homes Torbay is reliant upon the private rented sector to meet its homelessness duties. However, recent rental increases have pushed this type of accommodation beyond the reach of low-income households, particularly for families. Additionally, some landlords are converting to the holiday market, both permanently, and across the summer months.

Three quarters of homeless households are re-housed in the private rented sector, more than twice the national average. However, as tenancies in this sector are less secure than other tenure and can create a repeating cycle of homelessness.

The theme throughout this strategy is to make sure that the entire system is working to prevent all forms of homelessness, but also to work across the Council, and with partners to deliver more affordable homes, and work with the private rented sector to promote longer, more secure tenancies.

To improve housing support, we will:

- Continue to improve the Housing Options Service, to make sure that we give residents high quality, accessible advice when they need it
- Work with members, partners, and clients to develop a homelessness and rough sleeping strategy that is fit for purpose and meets statutory and legislative requirements
- Improve engagement with private and social landlords, letting agencies and tenants to promote compliance and the importance of those threatened with homelessness seeking help at an early stage
- Develop a domestic abuse and sexual violence strategy with an emphasis on moving victims to safe and secure accommodation
- Work with partners to create sustainable tenancies through local employment, training, and education

# Measuring success

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We will measure our success through the following indicators

## **Improving housing supply**

- Total additional homes provided
- Number of affordable homes delivered
- Number of households housed through the Housing Register

## **Improving housing quality**

- Number of home hazards remedied/disrepair resolved
- Number of homes fitted with adaptations to help people remain independent
- Number of homes receiving energy efficiency measures

## **Improving housing support**

- Average number of single households, including couples, in temporary accommodation on any one night per quarter
- Average number of families, including pregnant, in temporary accommodation on any one night per quarter
- Number of new homelessness cases per quarter
- The % of homelessness cases that were taken at the prevention stage
- Number of families in bed and breakfast for longer than 6 weeks
- Number of families where Children's Services have a duty to accommodate in temporary accommodation
- Number of children where Children's Services have a duty to accommodate in temporary accommodation
- Number of rough sleepers per year

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This document can be made available in other languages and formats.  
For more information, please contact [housing@torbay.gov.uk](mailto:housing@torbay.gov.uk)

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Appendix 2 – Consultation Report



## 1 Housing Strategy Consultation Report

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1.1. The consultation exercise was undertaken for 6 weeks, from 24 October to 5 December 2022. Details of the consultation were sent to the following groups and platforms, (including potential reach):

1. Torbay Housing Development Partnership (27)
2. Devon Home Choice applicants (1,600)
3. Living Options
4. Elected members (briefing)
5. Households in temporary accommodation (160)
6. Neighbourhood forums - Planning
7. Senior Voice of Devon
8. Town Councils: Brixham, Paignton, Torquay (press release distribution list)
9. Torbay Strategic Housing Board (32)
10. Housing associations: newsletters to tenants etc (press release distribution list)
11. Schools and colleges (also asking to share with parents)
12. Local businesses, via Torbay Development Agency (including the Black and Minority Ethnic Network)
13. Local churches and other faith organisations (press release distribution list)
14. Torbay Community Development Trust (press release distribution list)
15. Community Partnerships (press release distribution list)
16. Ward councillors
17. Riviera Business Improvement Districts
18. Public sector partners such as the local NHS, Devon and Cornwall Police, Devon and Somerset Fire and Rescue and a range of others (press release distribution list)
19. Voluntary sector partners (press release distribution list)
20. Administrators of local Facebook groups and pages
21. Devon Equality Network
22. Churston, Galmpton and Boodsands Neighbourhood Forum
23. Sports clubs (press release distribution list)
24. Torbay Council, TDA and SWISCo staff (917)
25. Local environmental groups (press release distribution list)
26. Harbours
27. Devon Communities (press release distribution list)
28. Food safety - business support (5,358)
29. One Torbay newsletter (9,223)
30. Facebook (12K followers)
31. Twitter (12.8k followers)

Both the Local Plan Update and the Housing Strategy were out to consultation at the same time and consultees were encouraged to undertake both.

- 1.2. 186 people took part in the main survey (58% female, 38% male), from which we received 292 comments and suggestions. 10 people took part in the longer, more in depth supplementary survey for housing stakeholders.
- 1.3. The majority of respondents (79%) were over 45 years of age. Of these 74% owned their own home, 12% rented privately and 8% rented from a social landlord. The remaining 6% were either in temporary accommodation or staying with friends/family.
- 1.4. The online survey results generally demonstrate an endorsement of the Strategy's three priorities and the three cross-cutting principles, which support the Council's ambition to 'improve the delivery, affordability and quality of housing' (Community and Corporate Plan 2019-2023)
- 1.5. Percentage of respondents who 'strongly agree and agree' for each priority and principle:
- |                            |     |
|----------------------------|-----|
| 1. Improve housing supply  | 71% |
| 2. Improve housing quality | 84% |
| 3. Improve housing support | 69% |
| 4. Put the customer first  | 76% |
| 5. Tackle climate change   | 65% |
| 6. Work in partnership     | 64% |
- 1.6. For more detail, please see the 'Survey Response Report', pages 3 to 18

## Housing Strategy survey

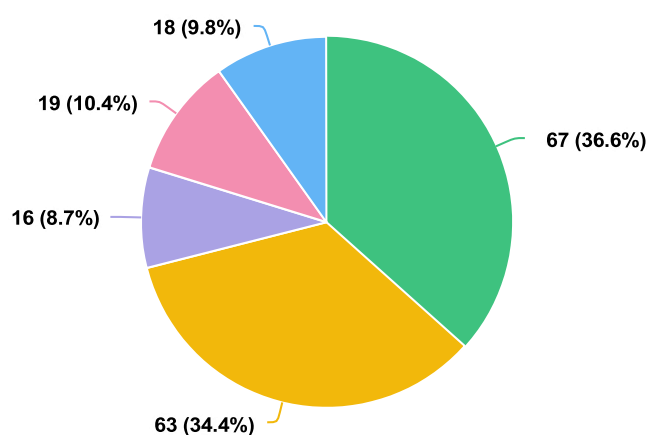
### SURVEY RESPONSE REPORT

24 October 2022 - 05 December 2022

#### PROJECT NAME:

Have your say on our new Housing Strategy

**Q1** The Strategy's first priority is to 'improve housing supply'. Do you agree with this priority?



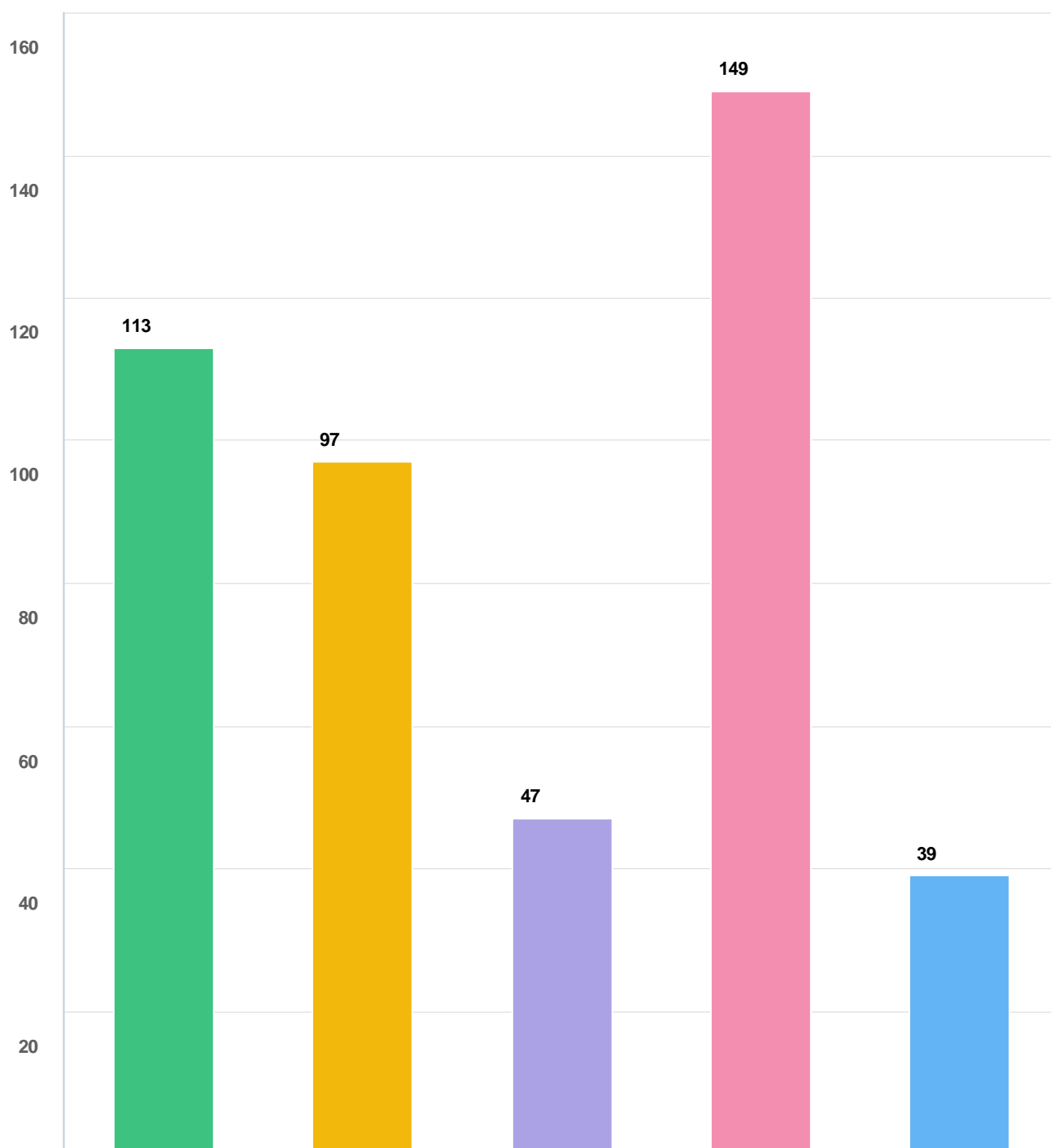
#### Question options

● Strongly agree ● Agree ● Neither agree, or disagree ● Disagree ● Strongly disagree

*Optional question (182 response(s), 4 skipped)*

*Question type: Radio Button Question*

**Q2** Under this priority we have identified 4 key actions. With which of the following do you agree with? You can choose as many as you want.



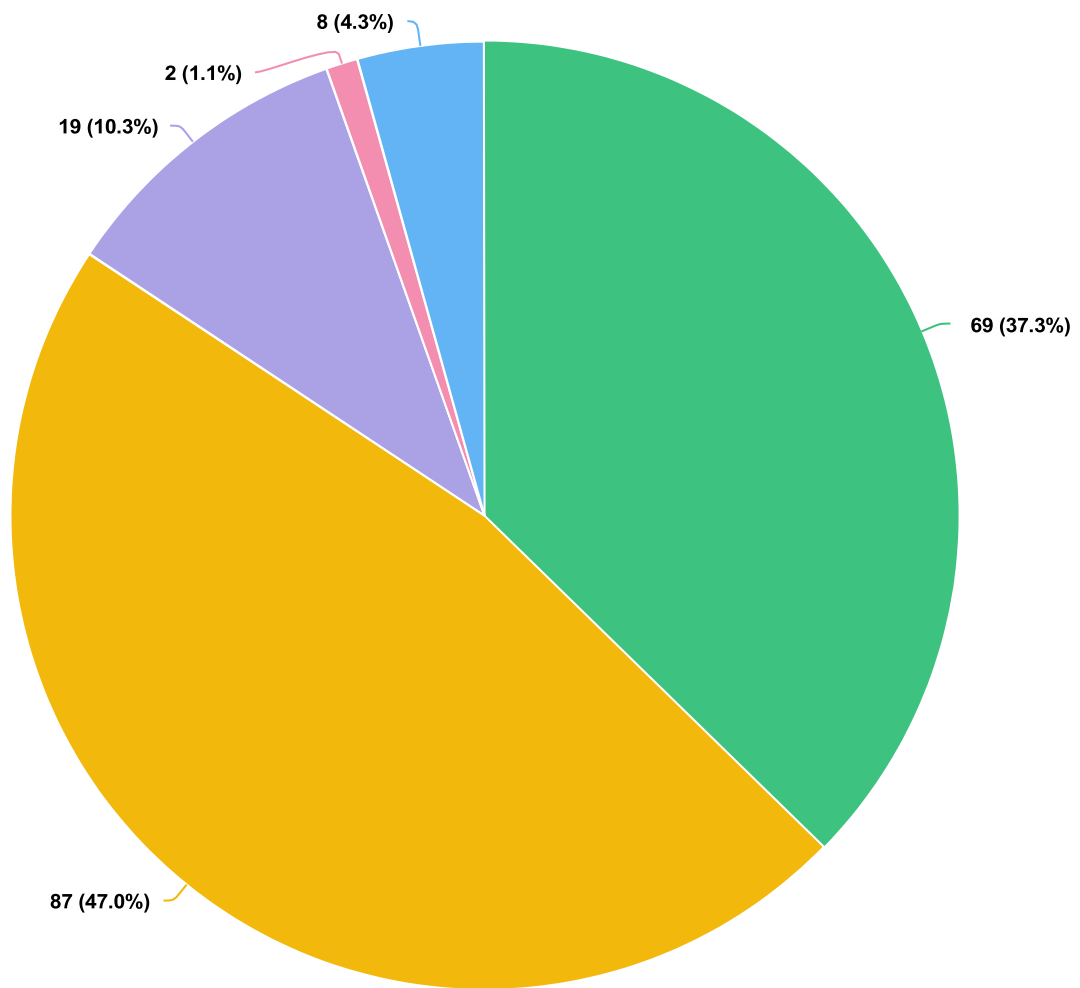
**Question options**

- ☒ Build affordable homes for rent ☒ Build homes for low-cost ownership ☐ Build and acquire innovative and specialist homes ☒ Make better use of our housing stock ☐ Other priority, please say:

*Optional question (184 response(s), 2 skipped)*

*Question type: Checkbox Question*

**Q3** | The Strategy's second priority is to 'improve housing quality'. Do you agree with this priority?



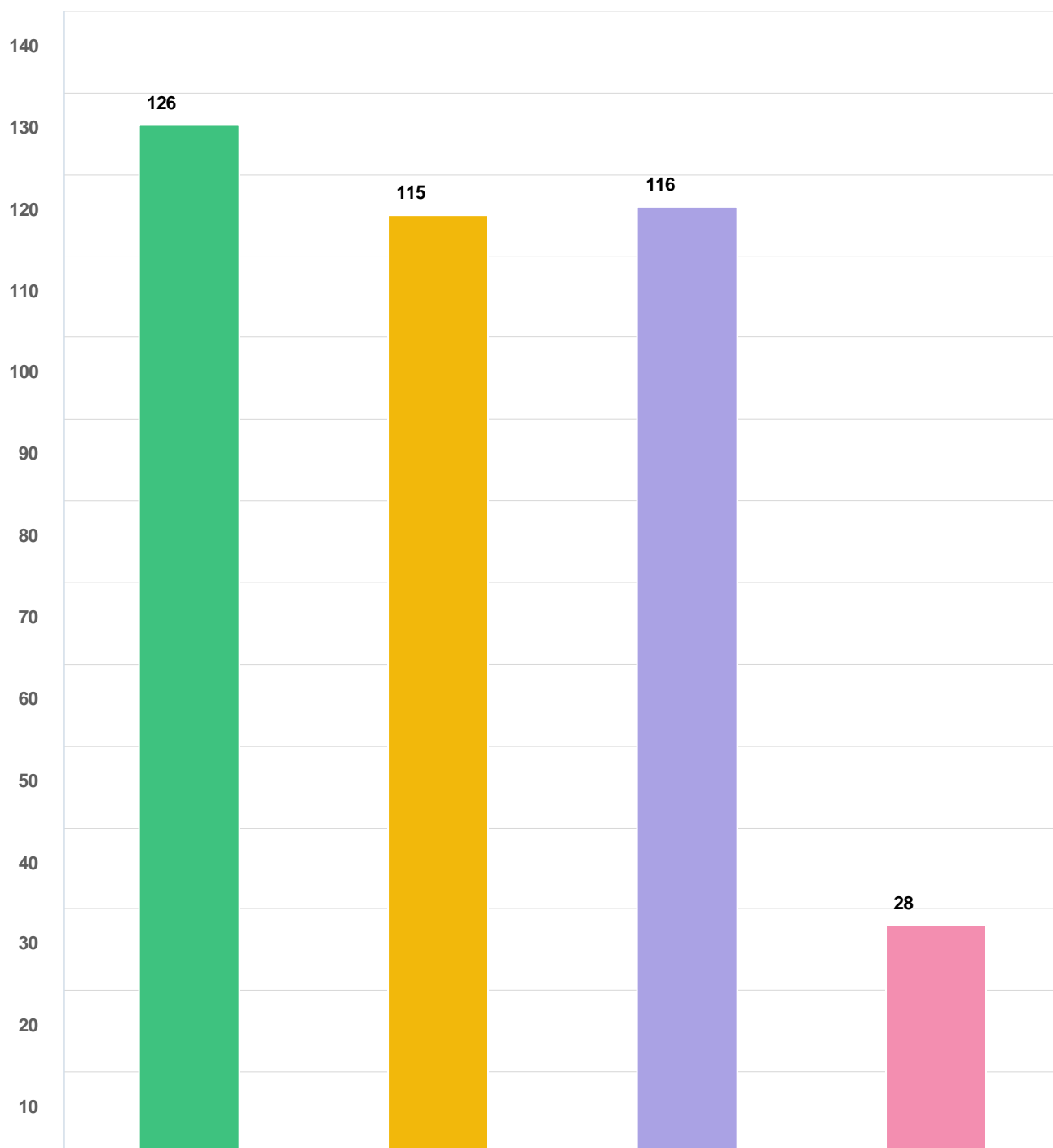
**Question options**

● Strongly agree ● Agree ● Neither agree, or disagree ● Disagree ● Strongly disagree

*Optional question (184 response(s), 2 skipped)*

*Question type: Radio Button Question*

**Q4** Under this priority we have identified 3 key actions. Which of the actions do you agree with? You can choose as many as you want.



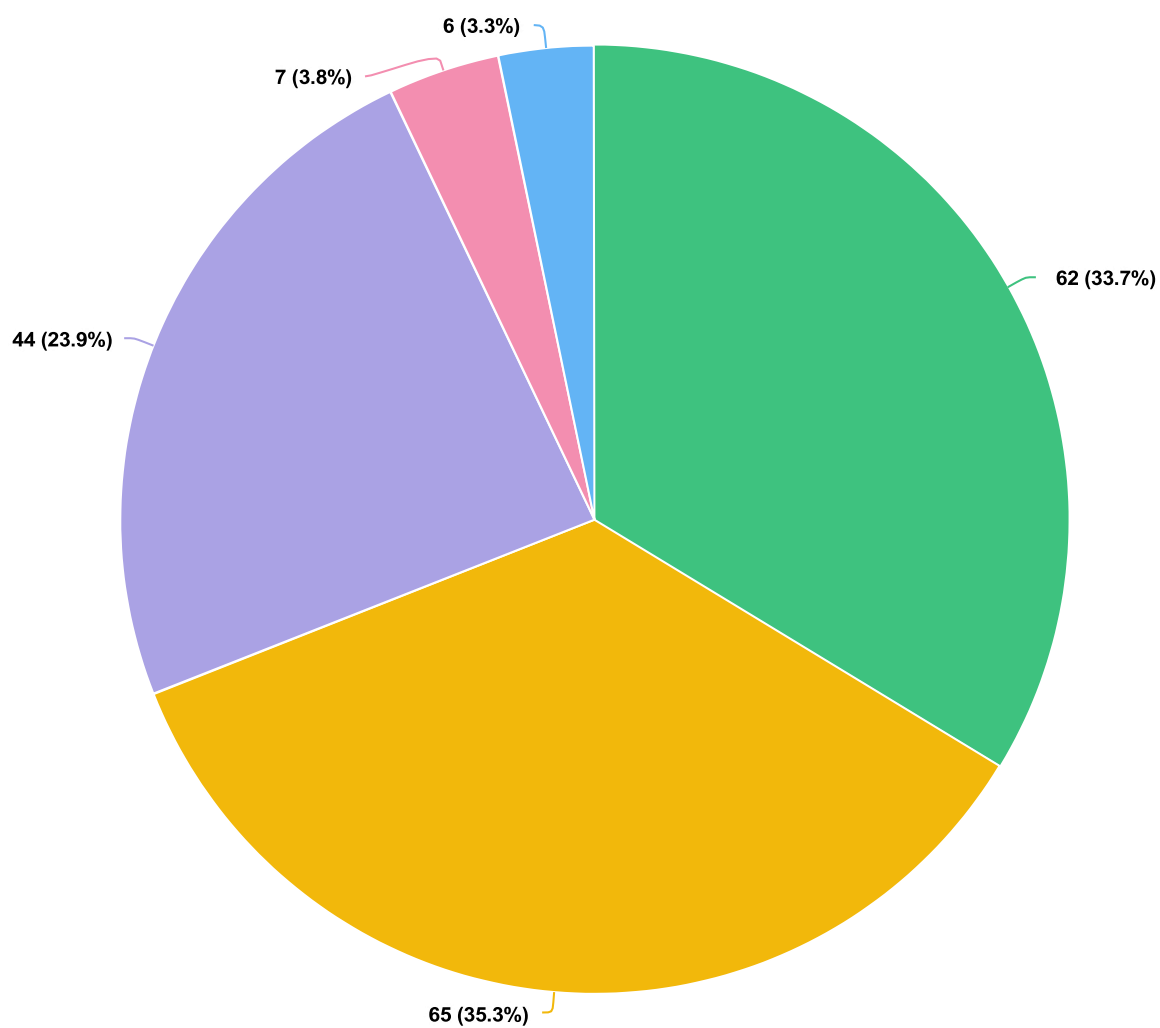
**Question options**

- ☒ Tackle conditions in the private rented sector ☒ Improve energy efficiency and reduce fuel poverty  
☒ Keep people independent at home ☐ Other priority, please say:

*Optional question (183 response(s), 3 skipped)*

*Question type: Checkbox Question*

**Q5** | The Strategy's third priority is to 'improve housing support'. Do you agree with this priority?



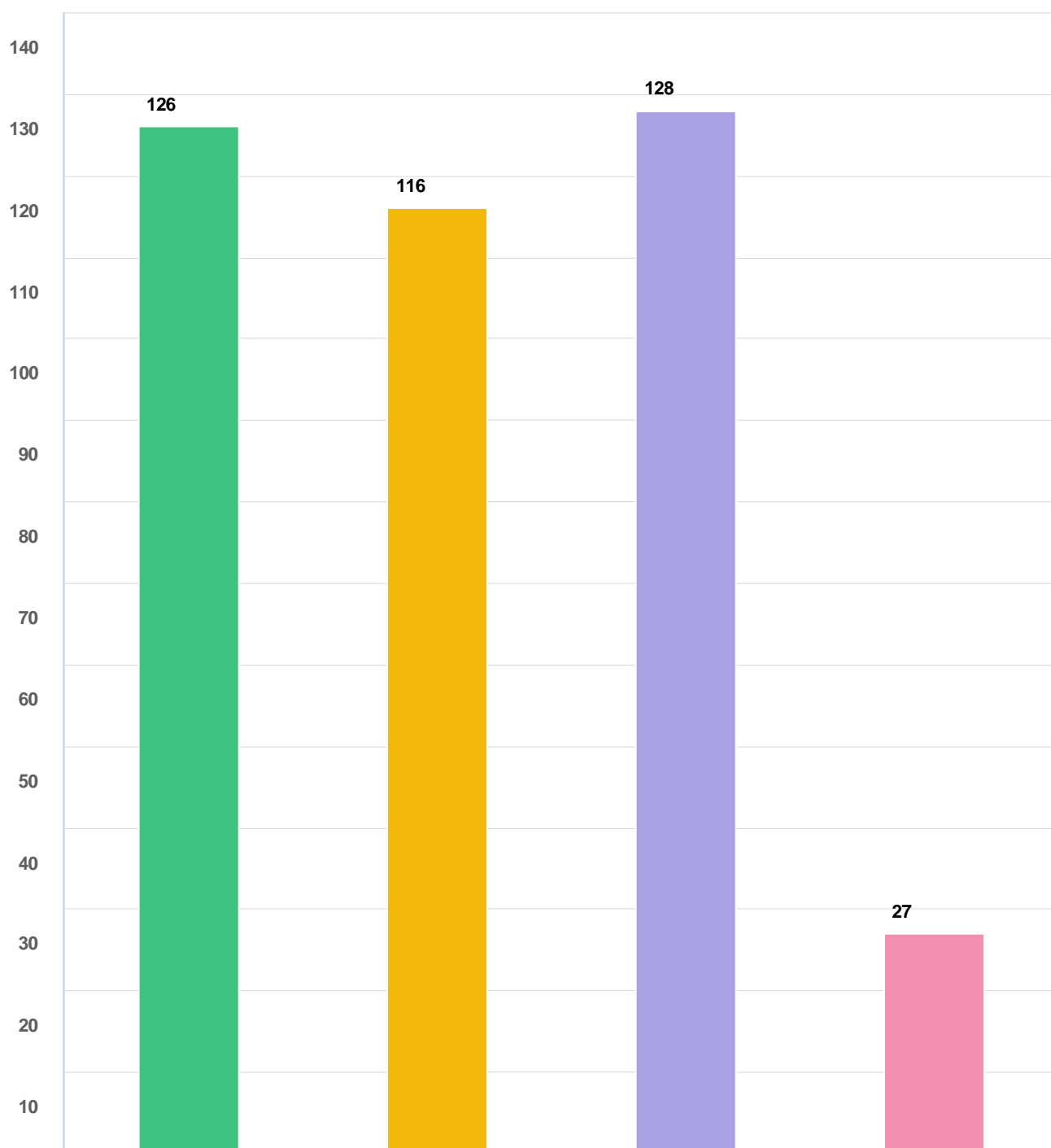
**Question options**

● Strongly agree ● Agree ● Neither agree, or disagree ● Disagree ● Strongly disagree

*Optional question (183 response(s), 3 skipped)*

*Question type: Radio Button Question*

**Q6** Under this priority we have identified 3 key actions. Which of the actions do you agree with? You can choose as many as you want.



**Question options**

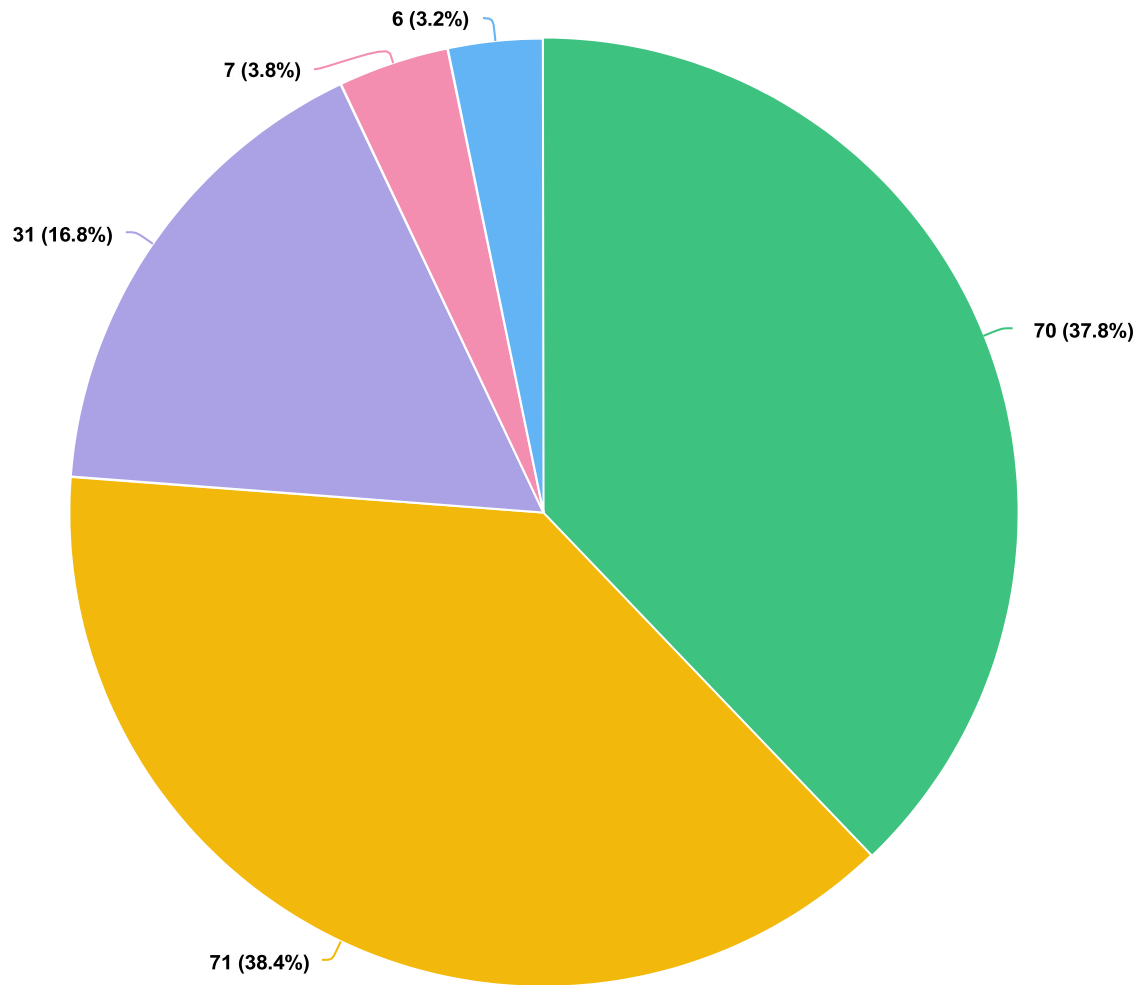
- Prevent homelessness   ● Offer intervention, for example, advice, support and temporary accommodation  
● Help households sustain accommodation   ● Other priority, please say:

*Optional question (182 response(s), 4 skipped)*

*Question type: Checkbox Question*



**Q7** | The Strategy aims to 'put the customer first'. Do you agree with this principle? See our Customer Service Standards



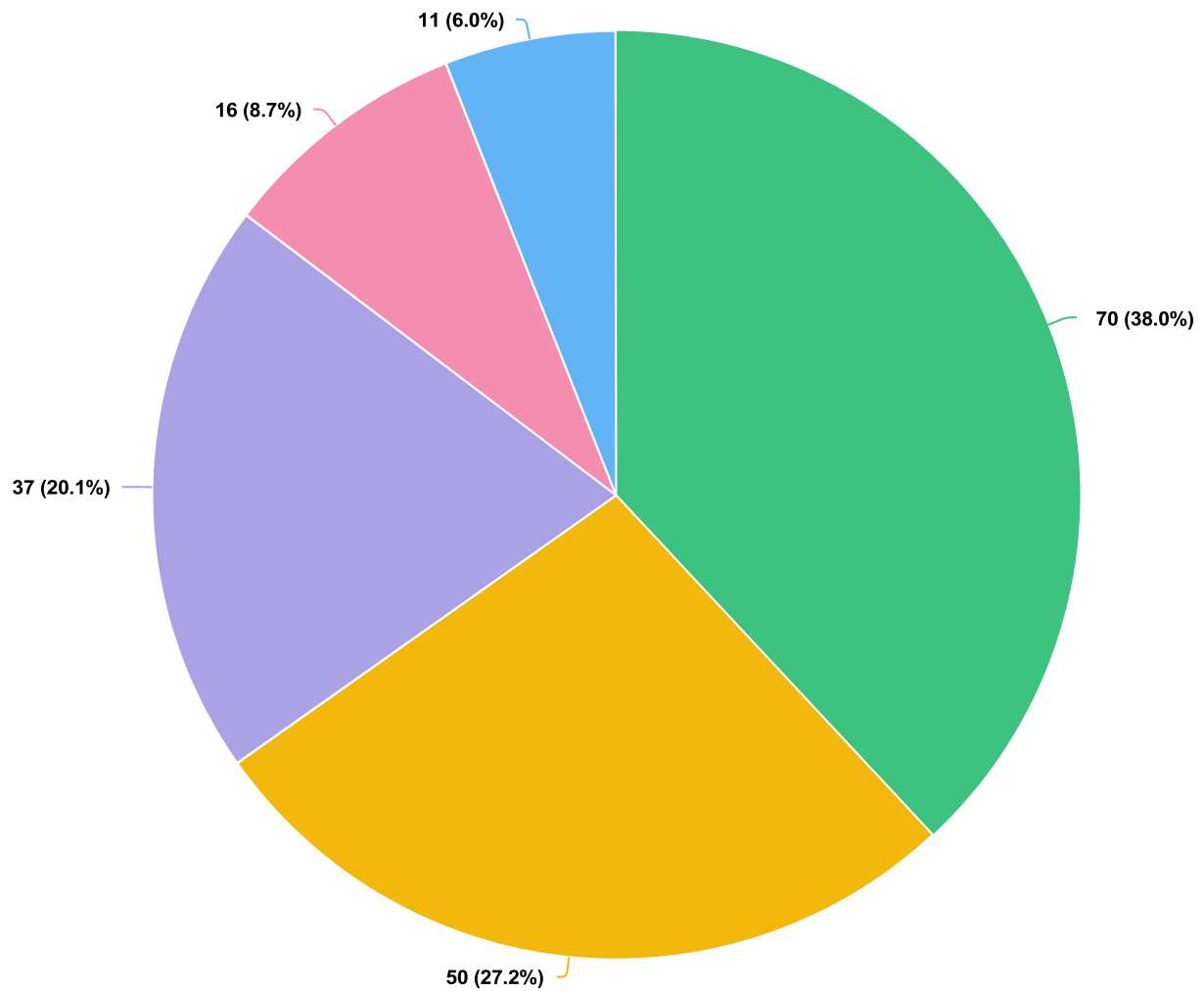
**Question options**

Strongly agree Agree Neither agree, or disagree Disagree Strongly disagree

Optional question (184 response(s), 2 skipped)

Question type: Radio Button Question

**Q8** The Strategy aims to 'tackle climate change'. Do you agree with this principle?



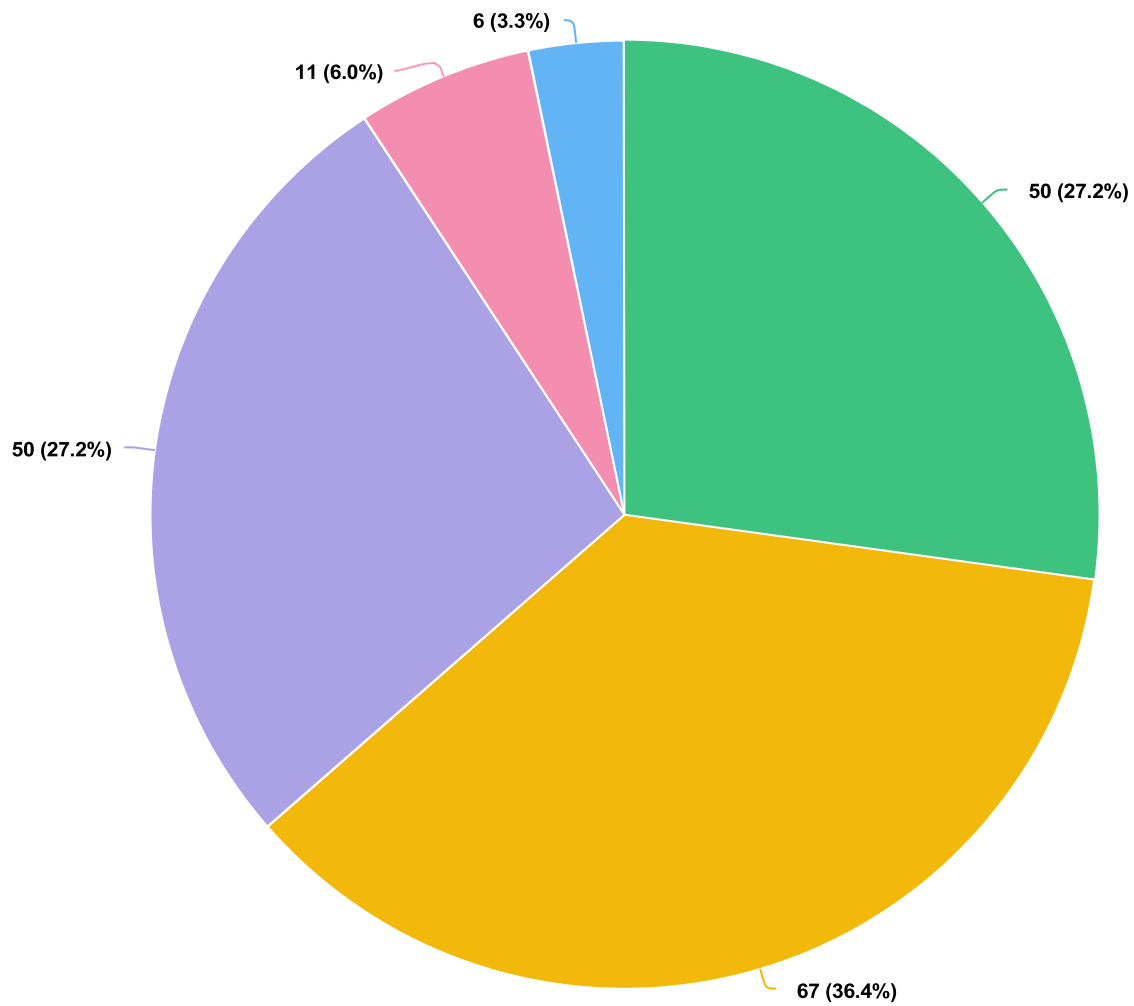
**Question options**

☒ Strongly agree ☒ Agree ☒ Neither agree, or disagree ☒ Disagree ☒ Strongly disagree

*Optional question (183 response(s), 3 skipped)*

*Question type: Radio Button Question*

**Q9** The Strategy aims to 'work in partnership'. Do you agree with this principle?



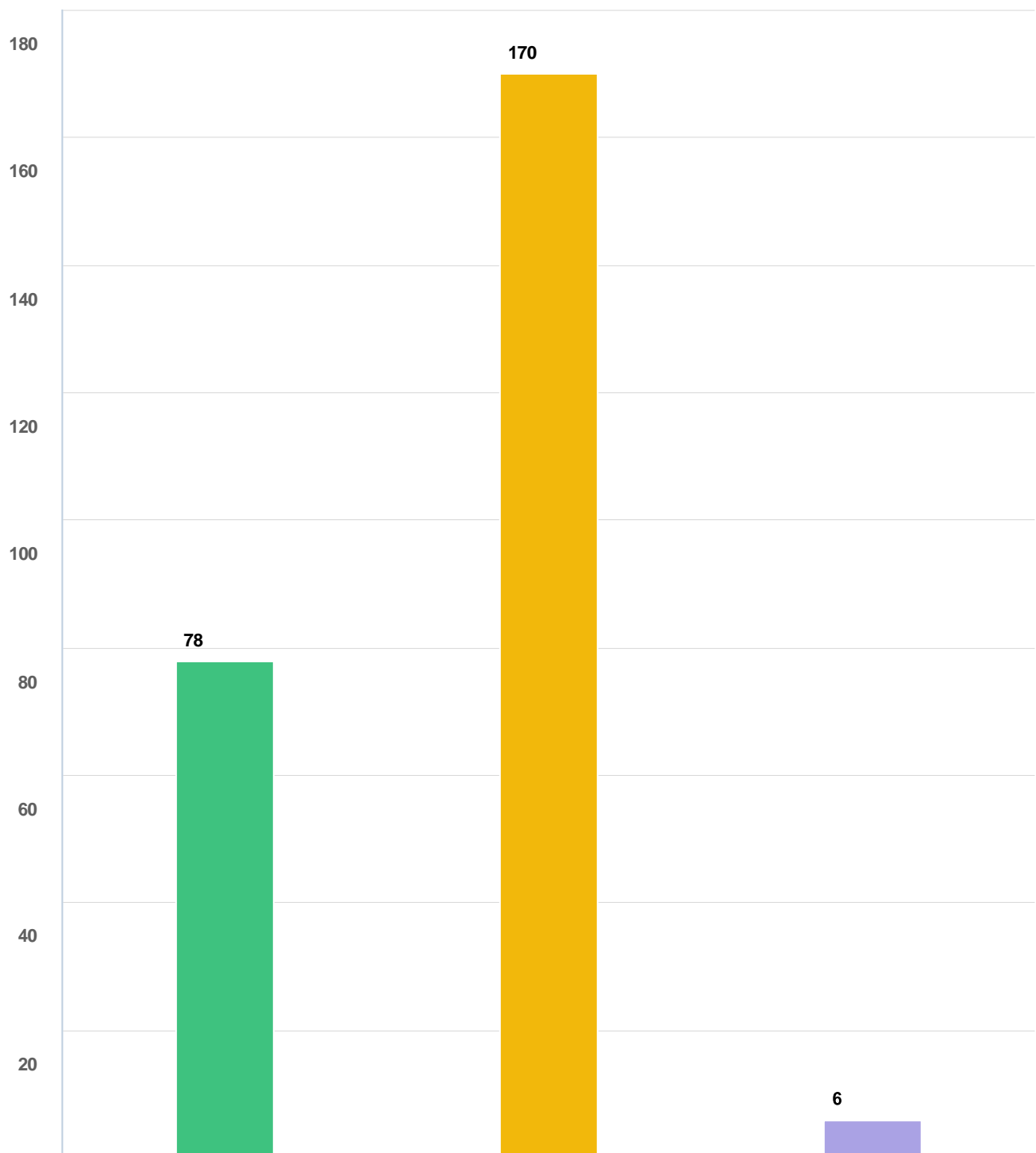
**Question options**

Strongly agree Agree Neither agree, or disagree Disagree Strongly disagree

Optional question (183 response(s), 3 skipped)

Question type: Radio Button Question

**Q10** Do you work, or live in Torbay?



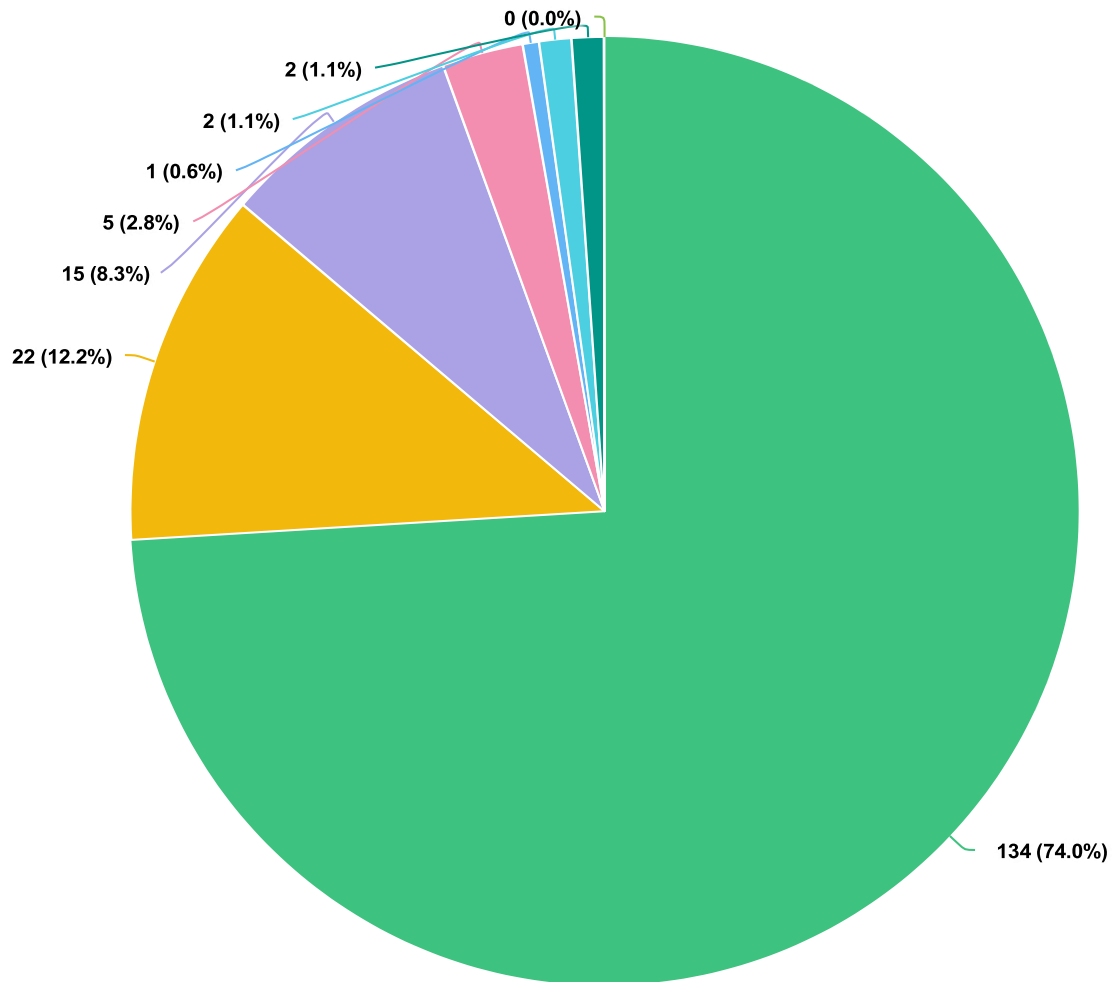
**Question options**

☒ Work in Torbay ☒ Live in Torbay ☐ Other, please say:

*Optional question (182 response(s), 4 skipped)*

*Question type: Checkbox Question*

Q11 Where do you live?



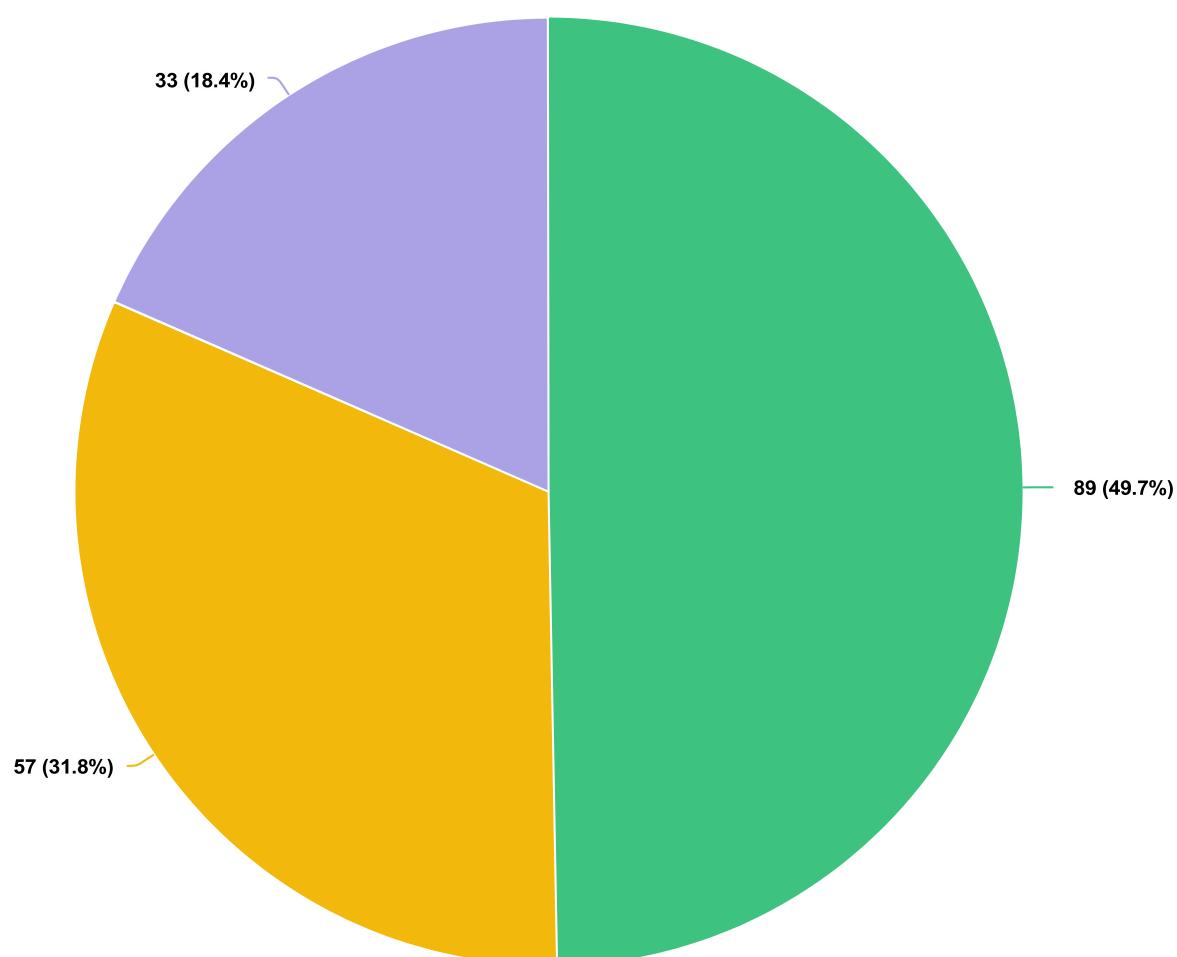
Question options

- Home owned outright, or with mortgage
- Private rented home
- Housing association home
- Living with family
- Living with friends
- Temporary accommodation
- Other, please say:
- Homeless

Optional question (180 response(s), 6 skipped)

Question type: Radio Button Question

**Q12** Is your annual income, including any benefits or pension:



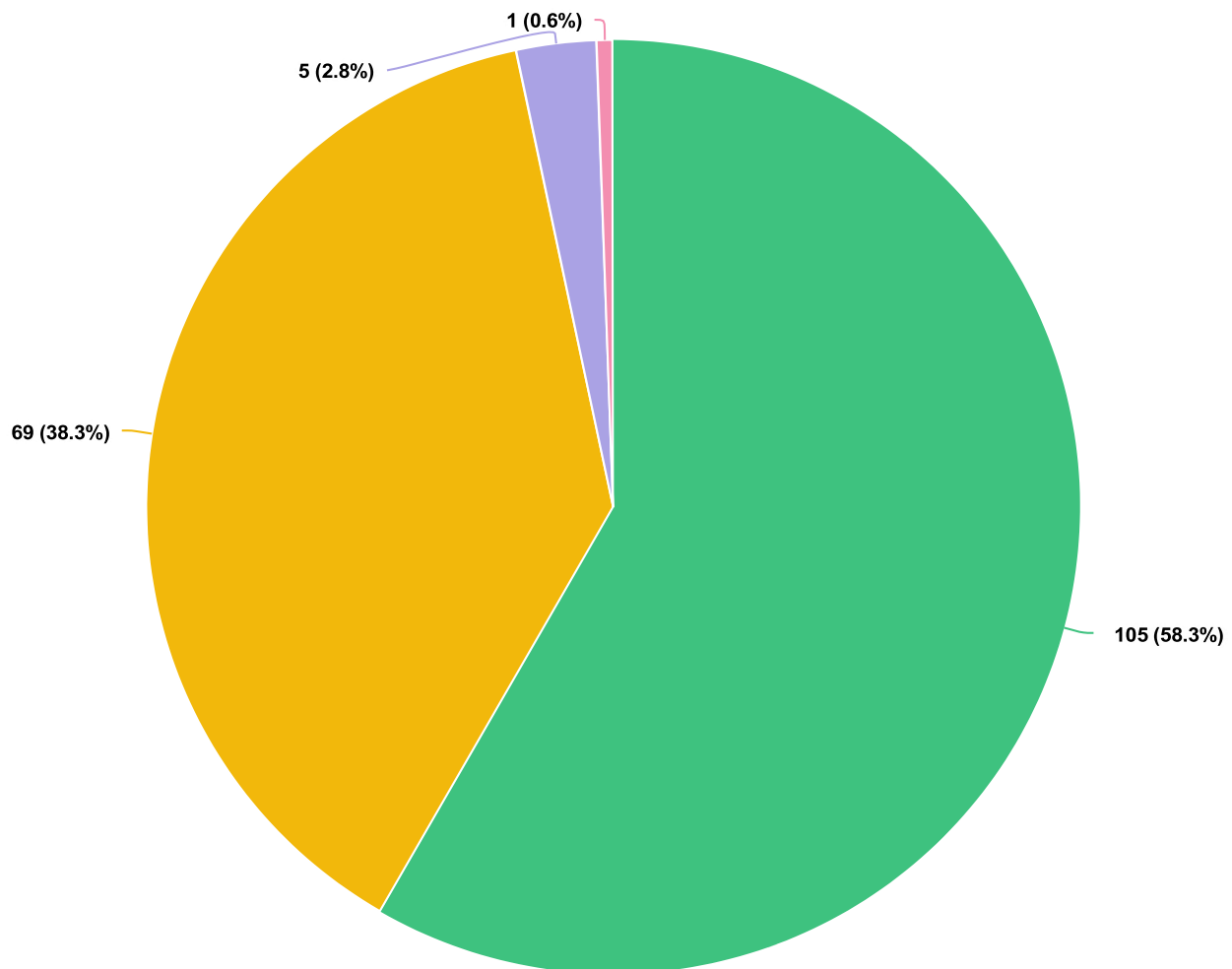
**Question options**

☒ Above £18,840 ☐ Below £18,840 ☐ Prefer not to say

*Optional question (178 response(s), 8 skipped)*

*Question type: Radio Button Question*

**Q13** What is your gender?

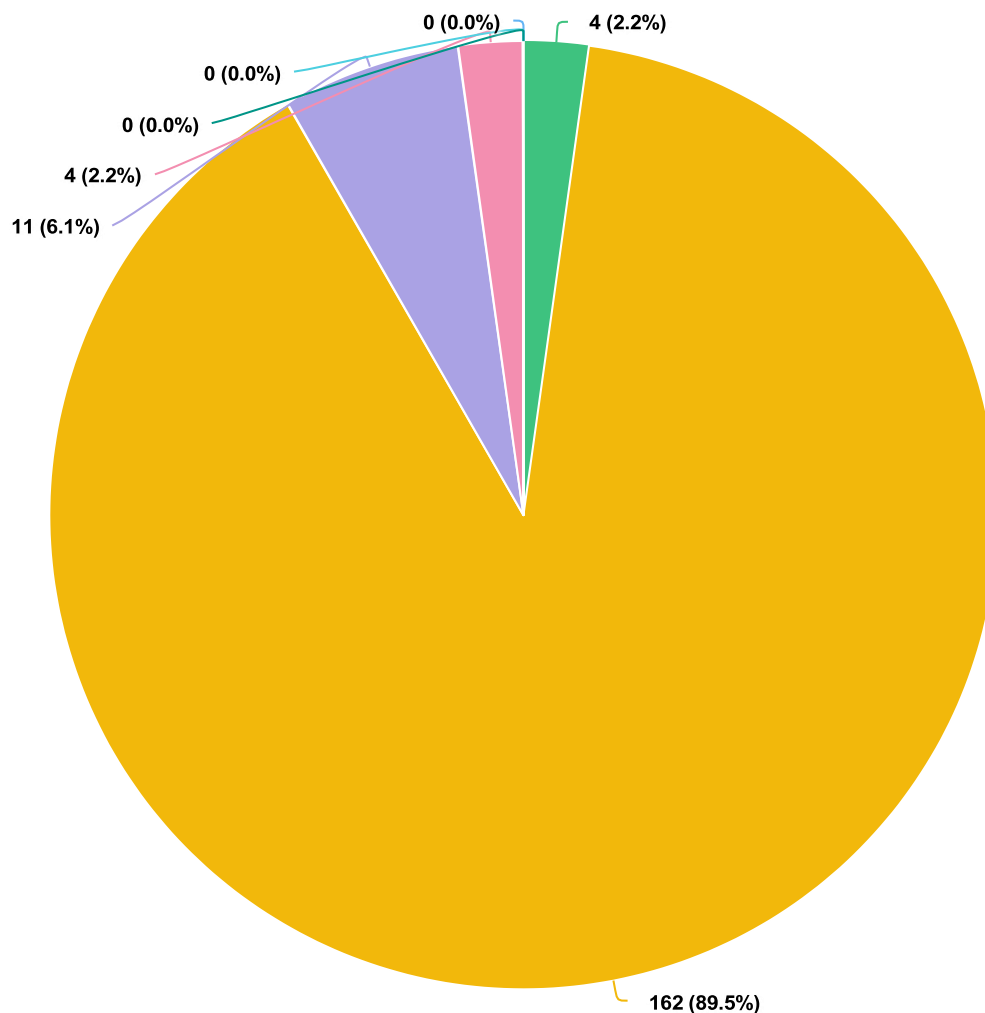


**Question options**

● Female ● Male ● Prefer not to say ● Other, please say:

*Optional question (179 response(s), 7 skipped)*  
*Question type: Radio Button Question*

**Q14** How would you describe your ethnic origin?



**Question options**

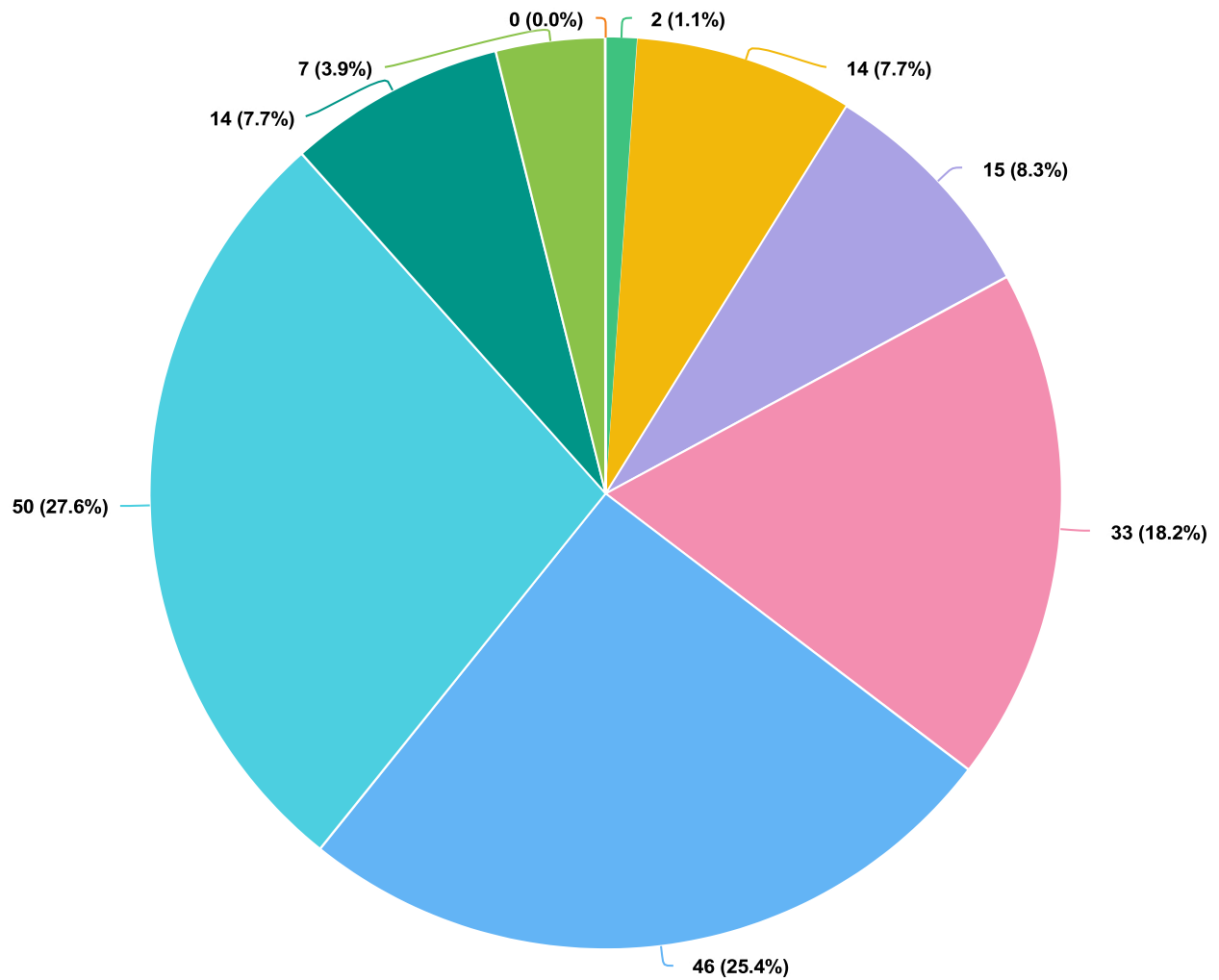
- ☐ Mixed or multiple ethnic groups ☐ White ☐ Prefer not to say ☐ Other, please say: ☐ Asian, or Asian British  
☐ Black, Black British, Caribbean or African ☐ Gypsy or Traveller

*Optional question (180 response(s), 6 skipped)*

*Question type: Radio Button Question*



**Q15** To which age group do you belong?

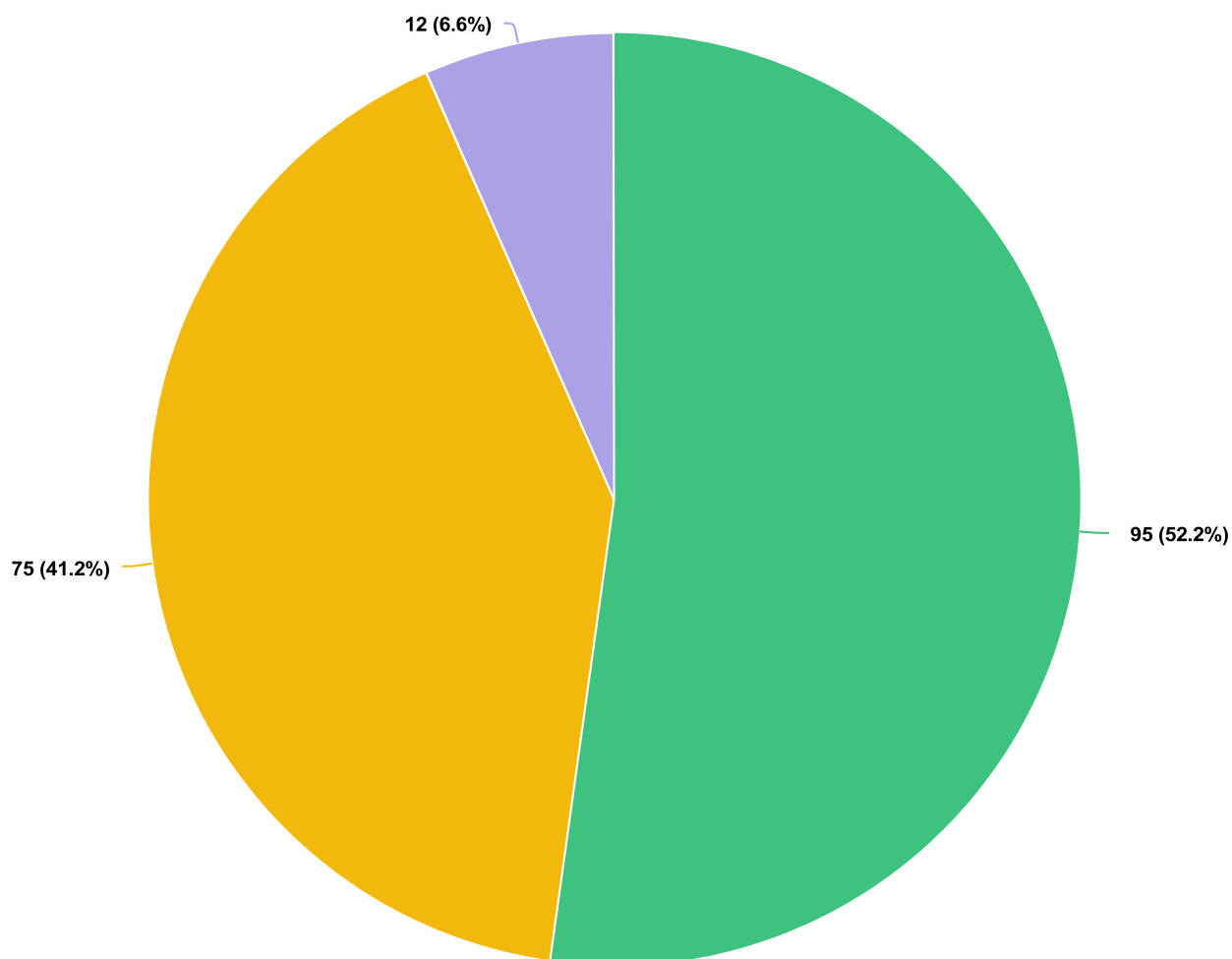


**Question options**

- 18 to 24 25 to 34 35 to 44 45 to 54 55 to 64 65 to 74 Over 75 Prefer not to say Under 18

Optional question (180 response(s), 6 skipped)  
Question type: Radio Button Question

**Q16** Do you, or anyone living with you, have a long-term illness, or condition?



**Question options**

☒ No ☐ Yes ☐ Prefer not to say

*Optional question (181 response(s), 5 skipped)*

*Question type: Radio Button Question*

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## 2 Comments and suggestions

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The comments and suggestions received were grouped by topic and can be categorised under the following themes:

Topic	Count	%
1 Develop on brownfield land, reduce the number of empty homes and curb the use of second homes	73	25%
2 Develop more affordable homes	31	11%
3 Homes should go to local households	29	10%
4 Preserve open countryside and green fields	28	10%
5 Prevent homelessness and address rough sleeping, particularly in town	23	8%
6 Help landlords and help tenants in private rented accommodation	23	8%
7 New homes require more infrastructure, like roads, NHS, schools, cycling, public transport etc	21	7%
8 Other: topics related to other Council functions	20	7%
9 Tackle conditions in the housing stock, both private and social	15	5%
10 Improve the design of new homes, including energy efficiency and parking	10	3%
Housing is unaffordable	8	3%
More eco and environmental measures, such as insulation, solar power etc	6	2%
Less luxury market homes and more for first time buyers	3	1%
More homes, including extra care for those with a disability	2	1%
Total	292	100%

Of these, around 57% were related to planning policy, such as policies on the open countryside, brownfield land and lack of infrastructure, with a further 7% related to other Council initiatives, such as tourism, waste collection etc. We will pass the comments to the relevant departments.

Officers have summarised a response for the most frequent topics and themes, where more than 10 responses were received:

### **1 Develop on brownfield land, reduce the number of empty homes and curb the use of second homes**

Unfortunately, there isn't sufficient brownfield land across the area to provide all the homes Torbay needs. Additionally, due to site clearance and contamination issues, viability of these sites reduces the delivery of affordable homes. The current economic climate is making the situation worse.

Torbay Council currently charges 100% Council Tax on properties from the day the property becomes empty. This increases to 200% if the property remains empty for over two years, increasing to 400% should it remain empty for up to ten years. The Council

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adopted an Empty Homes Policy in 2022 and is committed to bringing empty homes back into use to increase all of the available housing stock in the Bay.

To enable higher Council Tax levies on second homes would require changes to legislation. Torbay Council currently charges the maximum 100% Council Tax allowable for second homes. From April 2023, second homeowners will have to prove holiday lets are being rented out for a minimum of 70 days a year to access small business rates relief, where they meet the criteria.

## **2 Develop more affordable homes**

It is the Torbay Local Plan that provides the Council's blueprint for housing distribution and the level of development, including affordable housing. It establishes the level and need for supporting infrastructure and sets out a raft of policies, proposals and actions to meet the environmental, social and economic challenges facing the area.

Open market housing (in particular the contribution via affordable housing planning obligations) is the main route to securing the delivery of affordable housing. However, affordable housing can also be provided using government grants and the Council's assets, including land. The housing strategy proposes a mix of Homes England grant and local housing investment, such as Council land and assets, with a view to establishing affordable rents for Torbay residents on low incomes. Building more affordable homes is one of the Strategy's key priorities.

## **3 Homes should go to local households**

Social housing is managed by registered providers and lettings are governed by the Housing Register (Devon Home Choice) Allocation Policy. All applications are assessed and placed in one of four priority bands, which is based on our assessment of a household's housing need, and whether or not they have a local connection.

At the end of each weekly advertising cycle, a list is produced of all qualifying bids. The list initially sorts applicants by their priority banding and then on how long they have been waiting. All appropriate checks are carried out by the registered provider that owns the stock.

## **4 Preserve open countryside and green fields**

The Local Plan determines the level and need for development and sets out a raft of policies, proposals and actions to meet the environmental, social and economic challenges facing the area. The Local Plan consultation has just concluded and following a review, the Council will update its housing supply policies.

The Local Plan housing growth scenario will affect poverty, inequalities, and the delivery of affordable housing. Broadly speaking, a high growth scenario will provide the most affordable housing and economic prosperity; but will come at the cost of its environmental impact. Torbay has internationally important biodiversity associated with the South Hams Special Area of Conservation (SAC) at Berry Head, and the Marine Special Area of Conservation (SAC). The options will need to be assessed through a Habitats Regulations Appropriate Assessment (HRA), that will need to consider the in-combination effects of growth.

## **5 Prevent homelessness and address rough sleeping, particularly in town**

Homelessness has a serious and harmful effect on those who experience it. No household should ever have to experience homelessness. The Homelessness Reduction Act 2017

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took effect on 3 April 2018, placing new duties on councils to work with homeless families to prevent or relieve homelessness before a main homeless duty is accepted.

Our approach is to prevent homelessness at the earliest opportunity, before individuals, or families lose their home. We are developing a separate homelessness and rough sleeping strategy that will be published during the life of this strategy. It will contain a lot more detail about how we intend to tackle homelessness and its causes.

For many people there will be several reasons they become homeless; for some there will be multiple, complex reasons. Our primary focus is upon helping households to remain in their own home, provided that it is safe and suitable for them to do so. There are a number of in-house services available to help households remain in their homes, including:

- financial and debt advice
  - work with landlords and lettings agents
  - mediation with family and friends, or landlords
  - partnership work to tackle harassment and domestic abuse
  - partnership work to deal with anti-social behaviour
- taking a trauma informed approach to supporting those with complex needs

## **6 Help landlords and help tenants in private rented accommodation**

The housing conditions in the private rented sector are worse than for any other, so making sure that the quality and standard of the private rented sector is a priority for us. We also focus much of our work in this sector because tenants have little, or no control over getting remedial works carried out, so we use all the tools available to take action against poor standards.

In Torbay there is a large percentage of low-income households renting privately. A low-income household is defined as a household in receipt of one, or a number of benefits. In Torbay's private rented stock, 68% of households claim some sort of housing subsidy. This is significantly higher than national and regional averages. Legislation states that benefits are paid to the tenant, not direct to the landlord, unless there are extenuating circumstances. The cost of living crisis is making the situation worse, with the Housing Options Team receiving around 13,000 calls each year.

Our Enforcement Policy helps to promote efficient and effective approaches to regulatory inspection and enforcement that improve outcomes without imposing unnecessary burdens. We work with private landlords to drive up standards, but will also take action against any landlords who do not comply with legislation, in line with our Policy.

Although there are many reasons for homelessness, last year, the most common reasons recorded locally were: the loss of a private rented home (34%), family and friends no longer willing, or able to accommodate (19%) and domestic abuse (12%).

## **7 New homes require more infrastructure, like roads, NHS, schools, cycling, public transport etc**

It is the Torbay Local Plan that establishes the level and need for supporting infrastructure, which is considered alongside plans for new development. All existing Local Plan allocations are supported by policies that require specific types of infrastructure to be provided, whether that be roads, schools, community facilities etc.

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All new dwellings, or commercial premises are subject to what is effectively a tax on new development called the Community Infrastructure Levy. This money is retained in the Council's budget for infrastructure projects in the Bay. It often goes unnoticed that increased capacity of schools, GP surgeries, new roads, community centres or sports facilities have been paid for as a direct result of housing development.

### **8 Other: topics related to other Council functions**

A number of comments were received related to other Council initiatives, such as tourism, road works, waste collection etc. We will pass the comments to the relevant departments.

### **9 Tackle conditions in the housing stock, both private and social**

Torbay Council does not own housing stock at scale. In the late 1980s, along with the 'Right to Buy' Torbay undertook a 'Large Scale Voluntary Transfer' (LSVT) as part of the Government's programme to transfer the ownership, management, and repair of public housing from local government to private contractors and landlords. Subsequently, a number of local authorities created private housing associations, now called 'registered providers'. In Torbay Riviera Housing was created, the stock is now owned by Sanctuary Housing.

It is the Regulator of Social Housing who undertakes the economic regulation of social housing providers, focusing on governance, financial viability and value for money that maintains lender confidence and protects the taxpayer. It also sets consumer standards and will take action if these standards are breached, or if there is a significant risk of serious detriment to tenants.

If you rent your home from a social landlord, they're responsible for dealing with most repair problems. If you've reported repairs to your landlord and they haven't done anything, you can contact the Housing Ombudsman. Our advice would be to follow the registered provider's complaints process, however, over recent months we have received an increasing number of complaints from tenants in social housing requiring formal action to be undertaken by the Council.

### **10 Improve the design of new homes, including energy efficiency and parking**

Housing design is one of the issues under consideration in the emerging Local Plan update. Aspiration 4 aims 'to conserve and enhance the richness and diversity of the built, historic, marine and natural environments, and 'to avoid mediocre design by the application of clear design standards, including the use of Torbay's Design Review Panel to maintain quality development that is well integrated in its surroundings and responds successfully to local character'.

Aspiration 5 aims 'to end the cycle of deprivation linked to substandard accommodation and resist inappropriate conversions and poor design where this may exacerbate disadvantage and deprivation'. Policy SHS aims 'to end the cycle of deprivation linked to substandard accommodation and resist inappropriate conversions and poor design where this may exacerbate disadvantage and deprivation.'

## **3 Amendments to the strategy**

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Generally, the comments received tend to, either echo Torbay's Council's commitment to our housing function and practice, for example 'reduce the number of empty homes', or they contravene our statutory duties, for example 'pay rent direct to landlord'. Sometimes it's simply not possible to achieve the suggestions as there are insufficient resources to do so. It might

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therefore be beneficial to promote our housing duties and actions more widely as part of a communication campaign.

As a result of consultation with the public, partners and stakeholders we have taken on a number of comments and suggestions and have amended the Strategy accordingly. In summary they are:

- a. Clarify and better explain housing terms, such as 'housing support', geographic relief' and role of strategic partners
- b. Include the fact that affordable housing is key to attracting and retaining our workforce, supports the growth of our key employment sectors, such as tourism, fishing, hi-tech etc, reduces the levels of deprivation and meets the priorities in our Economic Growth Strategy
- c. Reinforce a partner approach and that we are open to all methods of affordable housing delivery and that it is the Local Plan that dictates overall housing targets, as well as affordable homes
- d. Update the number of affordable homes required over the next seven years to ensure all of our strategies reflect the same target. This is the function of the Local Plan, and, until it is updated, we must adopt the Government's 'standard method' calculation for the delivery of homes that places a requirement on Torbay to build 600 dwellings a year, plus a 20% (120) imposed 'buffer', due to the under-delivery of housing over the previous years. However, the Government is now looking at reducing its compulsory housebuilding targets, which will also be mentioned
- e. Ensure we include our partners in the voluntary sector to help us improve our support offer and take the opportunity to work closer to better understand how they can assist and support our work, as well as listen to what is happening at a local level

## **Conclusion**

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The refreshed strategy describes how the Council will continue to expand our innovative approach to deliver solutions to meet the wide variety of housing need in our communities. It has been updated in light of the consultation and where appropriate we have taken on board comments to prioritise the work we do.

Overall, it does look like the Strategy reflects the public mood and ambition, for example a demand for affordable homes for local people and increased energy efficiency in the Bay. As it is the Local Plan that dictates the delivery of affordable homes; we will feed consultation results into the Local Plan Update, which ran alongside the Strategy consultation.

Ref	Housing Strategy Project Plan: Year one 2023/24 (reported quarterly in July 23, Oct 23, Jan 24 , April 24)	
1	<b>Priority 1: Improving housing supply</b>	Lead
1.1	Enable 34 units of sheltered housing with care for older people, deliver 72 units of extra care at Tor Marine, 12 units for those with learning disabilities and autism and 6 units of supported living accommodation for people with enduring mental ill health by 2023/24 Q4 (based on the Adult Social Care Strategic Housing Requirements 2022)	AR
1.2	Provide a flexible approach to allow access to a mixed economy of 101 units of varying types of accommodation, to improve the housing outcomes for care experienced leavers by 2023/24 Q4 (based on Temporary Accommodation Care Experienced Young People Accommodation and Sufficiency Plan 2022)	BT
1.3	Work in partnership with organisations such as the NHS, Environment Agency, Natural England, Primary Care Trust, transport companies Homes England and other local authorities to assemble land for development by 2023/24 Q4	AD, DE
1.4	Purchase 36 self-contained, temporary accommodation for homeless households by 2023/24 Q1	TH
1.5	Deliver the Empty Homes Policy action plan to reduce the number of empty homes, by working with property owners and targeting those empty for over 2 years	TH
1.6	Work through the Housing Delivery Group to proactively address stalled sites, use compulsory purchase orders to buy brownfield sites at realistic prices, review exception sites in the Local Plan and regularly review the potential for 'off the shelf' purchases 2023/24 Q4	DE
1.7	Deliver Torbay Council's 'Right-Sizing Project' via Devon Home Choice to free up 16 larger family homes a year	TH
1.8	Review Council and social housing provider assets and land ownership, including car parks and other land appropriate for acquisition and link into the town centre masterplan and urban regeneration ambitions by 2023/24 Q3	DE
1.9	Establish formal strategic partnerships with registered providers on affordable housing sites to enable affordable and first time buyer homes by 2023/24 Q4	DE
1.10	Work with 'build for rent' developers to investigate a shared housing project within the Town Centre Master and Waterside Development Plans by 2023/24 Q2	DE, AD
1.11	Conduct an external assessment of potential residential development in the town centres, focussing on Council assets, viability, supply chain etc by 2023/24 Q4	AD, DE
2	<b>Priority 2: Improving housing conditions</b>	
2.1	Produce and deliver a private rented and social sector improvement plan to tackle disrepair and poor housing conditions, proactively target non-compliant landlords and take appropriate action where standards are not being met. Include improvement statistics and targets	TH
2.2	Develop business plan and seek funding for loans scheme to target those most in need to help improve energy efficiency, tackle fuel poverty and reduce carbon emissions for 2023/24 Q3	TH, DE
2.3	Develop and implement a robust Housing Assistance Policy to help residents remain independent at home in line with changing needs and legislative requirements. By 2023/24 Q2	TH
3	<b>Priority 3: Improving housing support</b>	
3.1	Undertake appropriate lobbying to increase the Local Housing Allowance rates to meet local need 2023/24 Q3	TH



3.2	Continue to improve and implement the Housing Options Service Improvement Plan, to make sure that we give residents high quality, accessible advice when they need it. (See action plan for key milestones)	TH
3.3	Work with members, partners and clients to develop a homelessness and rough sleeping strategy that is fit for purpose and meets statutory and legislative requirements. By 2023/24 Q4	TH
3.4	Implement the domestic abuse and sexual violence strategy and associated action plan with an emphasis on moving victims to safe and secure accommodation and preventing homelessness. (See action plan for key milestones)	TH
3.5	Work with the Department of Works and Pensions and the community and voluntary sector to improve options for employment, education and training for people who have experienced homelessness	TH, AD
3.6	Formalise our Rent Guarantor Scheme for care experienced young people, offering six months rent in advance and deposit by 2023/24 Q2	BT
3.7	Deliver a revised homeless hostel provision plan for the Leonard Stocks Centre, with the right level of support. See delivery plan for key milestones	TH
3.8	Develop a funding bid for the Single Homeless Accommodation Programme (SHAP) from the Department of Levelling Up, Housing and Communities for 23/24 Q2	TH
3.9	Undertake a cost benefit assessment and develop a business plan for people who require accommodation, but are not eligible under the Care Act (2014), (Housing Plus) to better understand potential cost savings by 2024/25 Q1	AR, TH

## **Housing Strategy Project Plan 2023-2024 – Report of the Overview and Scrutiny Board**

### **Report to Cabinet on 23 February 2023**

#### **Background**

1. The Overview and Scrutiny Board met on 9 February 2023 to consider the final draft Housing Strategy and Project Plan. The Leader of the Council, Councillor Steve Darling, introduced the revised Draft Housing Strategy, which had been updated following consultation, and the Housing Strategy Project Plan 2023-2024. Members asked the following questions which were answered by the officers in attendance and the Leader of the Council:
  - What action was being taken to address shops which had been empty for a long period of time.
  - How much social housing does Torbay need compared to the rest of the country.
  - Preston Down Road had gone out to tender for a registered social provider, why had this information not been shared with Councillors. Members requested information on the tender for Preston Down Road to be circulated to all Councillors after the meeting.
  - If a separate entrance was not available to premises above shops would that make it more difficult to lease those spaces for housing.
  - What action was being taken to ensure that landlords maintain their properties to an acceptable standard to prevent tenants having to move out of their existing properties.
  - A number of complaints had been received from members of the public relating to poor housing conditions e.g. damp and repairs how were these reported and what action could the Council take to support tenants.
  - How do we identify homeless residents and how were they registered as homeless.
  - It can be difficult for homeless people to access housing due to waiting to receive benefits what support was available to help them.
  - Who was responsible for dealing with antisocial behaviour outside flats and what could be done to support residents facing issues with antisocial behaviour.
  - The report refers to challenges of lack of local builders in the Bay, what was meant by this. Officers were requested to clarify this after the meeting.
  - What was affordable rent compared to social rent.

- Was the Council taking enough enforcement action to improve the quality of homes.
  - Had the population figures for Torbay been updated following publication of the latest census.
  - Were the figures for the number of affordable homes to be delivered realistic.
2. The Board reflected and debated the information provided to them, both in writing and orally and formed the following recommendation to the Cabinet. On being put to the vote, the motion was declared carried unanimously.
3. That the Cabinet be recommended:

**That the Cabinet recommends to Council:**

- 1 that the Torbay Housing Strategy 2023-2030, as set out in Appendix 1 to the submitted report be approved, subject to the latest population figures being checked against the latest census data; and**
- 2 subject to 1 above, the Cabinet approves the Housing Strategy Project Plan 2023-2024, subject to:**
  - **a realistic and attainable target for delivery of the number of affordable homes to be delivered each year; and**
  - **to include targets to deliver a private rented sector improvement plan to tackle disrepair and poor housing conditions, proactively target non-compliant landlords by and take appropriate action where standards are not being met (target 2.1) and include actions and targets for improving housing conditions in social rented housing.**

Recommendation to Overview and Scrutiny Board (Cabinet to note):

That the Overview and Scrutiny Board monitors the delivery of the Housing Strategy Project Plan 2023/2024 as part of their Work Programme for 2023/2024.

**Meeting:** Cabinet/Council

**Date:** 23 February 2023/7 March 2023

**Wards affected:** All

**Report Title:** Domestic Abuse and Sexual Violence Strategy

**When does the decision need to be implemented?** N/A

**Cabinet Member Contact Details:** Councillor Carter, Cabinet Member for Community and Customer Services, [Christine.carter@torbay.gov.uk](mailto:Christine.carter@torbay.gov.uk)

**Director/Divisional Director Contact Details:** Tara Harris, Divisional Director of Customer and Corporate Services, [Tara.harris@torbay.gov.uk](mailto:Tara.harris@torbay.gov.uk)

## 1. Purpose of Report

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- 1.1 The purpose of the report is to seek Cabinet's approval for the Domestic Abuse and Sexual Violence Strategy 2023 to 2023.
- 1.2 The Strategy has been updated following a 6 week public consultation on the draft Strategy which took place during October and November 2022, as approved by Cabinet on 18<sup>th</sup> October 2022.

## 2. Reason for Proposal and its benefits

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- 2.1 The proposals in this report help us to deliver this ambition by creating safe spaces, supporting victims, and addressing the behaviours of those causing harm, so that our vulnerable residents and their children can thrive.

- 2.2 The reasons for the decision are that the previous Domestic Abuse and Sexual Violence Strategy is due to end early in 2023. The new Strategy has been developed following a strategic review of the system response in 2021, and with the approval of the Domestic Abuse and Sexual Violence Executive Group (DASVEG) that the new strategy would continue to address both domestic abuse and sexual violence, however with an increased focus on sexual violence.

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

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That Cabinet recommends to Council:

That the Domestic Abuse and Sexual Violence Strategy as set out in Appendix 1 to the submitted report, be approved.

### Appendices

Appendix 1: Domestic Abuse and Sexual Violence Strategy

Appendix 2: Domestic Abuse and Sexual Violence Strategy – Report of the Overview and Scrutiny Board

### Background Documents

None

### 1. Introduction

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- 1.1 The current Domestic Abuse and Sexual Violence Strategy ends in March 2023. In preparation a strategic review of the domestic abuse response in Torbay was undertaken in 2021. The review incorporated a review of the Multi Agency Risk Assessment Conference (MARAC), the Safe Accommodation Needs Assessment as required by the Domestic Abuse Act 2021 (DAA21) and a lived experience listening exercise. All the recommendations have been incorporated into the findings to inform the direction and focus of the new Strategy.
- 1.2 The findings from the Call to Action sexual violence project that Torbay Council participated in during 2021 (with people with lived experience of sexual violence, Devon, Plymouth, the Office of the Police and Crime Commissioner, Devon CCG and the Innovation Unit); have been used to inform the focus and direction for sexual violence. In addition data about sexual violence services and demand has been gathered to inform a local position statement on sexual violence in Torbay.
- 1.3 A theory of change was devised following analysis of all the review findings, which has informed what change needs to happen, what outcomes have been identified and how we deliver them. This revealed a commonality of themes between both domestic abuse and sexual violence that are a focus for the strategy. A small number of themes specific to domestic or sexual violence are also included.
- 1.4 The Strategy focuses on lived experience, prevention, identification, disruption, evidence and understanding; aiming to:
  - a) Elevate responses to sexual violence to achieve parity with domestic violence over the lifetime of the Strategy
  - b) Ensure that all victims disclosing Domestic Abuse and/or Sexual Violence feel that they are believed
  - c) Hold those who harm accountable and not their victims
  - d) Change the narrative and address myths and victim blaming language and practice
  - e) Embed trauma informed practice and improve understanding of how trauma frames victims' responses
  - f) Develop a robust evidence base and consistent monitoring
  - g) Broaden knowledge and understanding of what constitutes domestic and sexual violence and abuse both in the workforce and across the general public, framed in the context of relationships.

1.5 Domestic Abuse and Sexual Violence needs to be considered as a whole system response across the life course. There is a risk that separating out various themes can lead to fragmentation and poor oversight of the overall strategic response. However, this is necessary as some areas of activity fit more appropriately with, for example, children's safeguarding. It will be the responsibility of the Domestic Abuse and Sexual Violence Executive Group to ensure connectivity and line of sight between the main Domestic Abuse and Sexual Violence Strategy and related strategies or workstreams so that everything is aligned to the overall strategic direction. Changes to direction or focus resulting from legislative or policy changes will be incorporated into reviews of the strategy which will take place at regular intervals.

1.6 The Strategy has been updated to incorporate feedback from the public consultation, as outlined in 5 below.

1.7 The Delivery Plan that will sit below this Strategy will necessarily be a multi-agency, partnership document. In keeping with the Strategy principles it will be co-produced with people with lived experience as well as services and practitioners working with people experiencing domestic abuse and sexual violence. For this reason, the Delivery Plan is not yet in place however will be overseen by the Domestic Abuse and Sexual Violence Executive Group.

## 2. Options under consideration

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- 2.1 An alternative option would be to do nothing. However this was discounted as the current policy was set to expire this year and would not take account of the information gathered from the review and the high profile nature of domestic abuse and sexual violence in Torbay.
- 2.2 An option of having two individual strategies for domestic violence and abuse, and sexual violence was discounted by the Domestic Abuse and Sexual Violence Executive Group (DASVEG) as this would fragment the strategic response, create areas of overlap and duplication and ineffective use of resources.

## 3. Financial Opportunities and Implications

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- 3.1 None

## 4. Legal Implications

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- 4.1 The Strategy sits above the statutory Safe Accommodation Strategy that is required by the Domestic Abuse Act 2021 and which was approved by Cabinet on 14 December 2021.

## 5. Engagement and Consultation

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- 5.1 The draft Strategy was published for public consultation between 19 October 2022 and 30<sup>th</sup> November 2022. It was published on the Council's website and a link to the consultation was added to the Torbay Community Safety Partnership Are You OK website, which serves as a repository and resource for public information on domestic and sexual violence and abuse.
- 5.2 The draft Strategy and link to the consultation page was widely circulated by email to partner agencies and stakeholders, including the Office of the Police and Crime Commissioner, Devon and Cornwall Police, NHS Devon, internal Council stakeholders, the Standing Tall Community and Voluntary Sector Partnership, and commissioned and non-commissioned provider services and charities including the Sexual Assault Referral Centre and Devon Rape Crisis. The consultation was also promoted via social media and during the latter part of the consultation period, promotion was linked to the annual international 16 Days of Action campaign which raises awareness of domestic abuse and sexual violence.
- 5.3 There were 50 responses to the survey. The page was visited 397 times during the consultation period and related documents on the page were downloaded 170 times. The survey itself was viewed 159 times. Responses to the survey show that:
- 92.0% of respondents either agree or strongly agree with the areas for change identified in the draft strategy.
  - 88.0% either agree or strongly agree with the outcomes we want to achieve.
  - 84.0% either agree or strongly agree with the five key activities we will do to deliver the outcomes.
  - 86.0% either agree or strongly agree with the principles we will work to.
  - Most respondents to the survey live in Torbay (70.0%). The highest proportion of respondents live in Torquay (32.0%)
  - 72.0% of respondents were female.
  - The majority of respondents are aged between 35 and 64 (84.0%). There were no responses from people aged under 25.
  - 82.0% of respondents did not consider themselves to be disabled in any way.
- 5.4 The draft Strategy was also presented to Overview and Scrutiny Board on 9<sup>th</sup> November 2022 and provoked interest and discussion. The Board acknowledged that training was provided to Council staff and Councillors on safeguarding, bystander and domestic abuse but felt that more could be done to challenge our partners and our communities to encourage everyone to report any areas of concern. The Board unanimously approved that Cabinet be recommended to support the draft Strategy, subject to the inclusion of a glossary of terms and acronyms, which has now been added. The Domestic Abuse and Sexual Violence Strategy – Report of the Overview and Scrutiny Board is set out in Appendix 2 to the submitted report.



5.5 The demographic profile of the consultation responses revealed an absence of responses from people aged 16 to 25. To address this, steps are being taken to ensure involvement of this age group in co-producing the Strategy Delivery Plan, which will set out the actions and workstreams to delivering the Strategy outcomes.

5.6 The main themes from the survey feedback concerned:

- More emphasis required on addressing impacts on children and taking a whole family approach
- Education for children and young people on healthy relationships
- The need for a more systemic approach
- Community and Voluntary Sector is part of the solution
- Family court
- How the outcomes will be achieved

5.7 The Strategy has been updated to include taking a whole family approach, learning and education, challenging social norms, using existing resources more effectively, collaboration, and maximising funding opportunities to develop local support for those experiencing sexual violence; as fundamental to the approach to achieve culture change and parity for those experiencing sexual violence in Torbay.

## 6. Purchasing or Hiring of Goods and/or Services

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6.1 Not applicable

## 7. Tackling Climate Change

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7.1 Not applicable

## 8. Associated Risks

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8.1 Domestic abuse and sexual violence rates are disproportionately high in Torbay and can have life-changing effects for those directly and indirectly victimised, it has been and continues to be a strategic priority for these reasons. An effective response can only come from coordinated efforts across the system, inclusive of our communities and the voluntary sector. Not having a strategy that unites, challenges and drives these efforts risks ineffective and inadequate responses, which ultimately would leave people at heightened risk, the perpetuation of all the harms associated which are significant and in worse case scenarios deaths.

## 9. Equality Impacts - Identify the potential positive and negative impacts on specific groups

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	Positive Impact	Negative Impact & Mitigating Actions	Neutral Impact
Older or younger people	DA and SV are generally under-reported. Prevalence across older people is recognised but requires more insight and response. Younger people form part of a priority group as a preventative measure to stop any abuse from happening, but also to prevent chances of repeat victimisation and negative outcomes across the lifecourse.		
People with caring Responsibilities			Impact is neutral (although may link to other groups)
People with a disability	Having a disability is a known risk factor associated with being vulnerable to DA and or SV		
Women or men	Women are more likely to experience DA and or SV than men. Although men are also victims too.		
People who are black or from a minority ethnic background (BME) (Please note Gypsies / Roma are within this community)	The strategy seeks to be more responsive to Torbay's diversity, in doing so will seek to ensure that people can identify with service responses and resources available		
Religion or belief (including lack of belief)			Neutral

People who are lesbian, gay or bisexual	Services offers have historically been less visible and responsive to LGBTQ community – Strategy seeks to address		
People who are transgendered	Services offers have historically been less visible and responsive to LGBTQ community – Strategy seeks to address		
People who are in a marriage or civil partnership			Neutral
Women who are pregnant / on maternity leave	Pregnancy is an identified risk factor for occurrence of DVA		
Socio-economic impacts (Including impact on child poverty issues and deprivation)	DA and SV cuts across socio-economic boundaries, although there is a correlation with Torbay's more deprived areas (in terms of reporting)		
Public Health impacts (How will your proposal impact on the general health of the population of Torbay)	Domestic Abuse and sexual violence are determinants of a range of social, economic, mental and physical ill's – this strategy contributes very directly to promoting the general health of Torbay, including sexual health.		

## 10. Cumulative Council Impact

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### 10.1 None

## 11. Cumulative Community Impacts

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- 11.1 None from the local perspective. However continuing and worsening economic hardship in our communities is expected to result in increased incidences of domestic violence and abuse.

# Breaking the Chain Domestic Abuse and Sexual Violence Strategy

2023 – 2030



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Warning - this document contains references and quotes that may be triggering for some people.

## Foreword

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Domestic Abuse and Sexual Violence have devastating impacts for individuals, families and communities, which is why this Strategy is so important to the Council and our numerous partners committing to breaking the chain.

There has been significant progress throughout the delivery of the previous Strategy, which has put Torbay in a much stronger position to be even more ambitious in tackling these massive issues. We are pleased to adopt a Strategy that is and needs to be ambitious, committed to long term change and absolutely focussed on responding to people experiencing domestic abuse and sexual violence. What sets this approach aside is how it has been developed with people sharing their lived experience – of their trauma, aspirations, things that have helped and where they have felt let down. These stories are the motivation and insight that will drive action forward and help the right responses to be delivered at the right time in the right way.

There can be no hiding from the fact that the prevalence of and response to sexual violence remains unacceptable, a national problem. It is necessary that this Strategy recognise this fact and address it as a priority, putting into purposeful use the Devon-wide sexual violence Call to Action, which again was informed by people with lived experience.

This Strategy aims to be responsive to all people experiencing domestic abuse and sexual violence and challenge all those who cause harm, but in doing so we recognise the disproportionate experience of women and girls as victims of male behaviour. Torbay will not shy away from bold conversations where they need to be had, or innovation where needed.

Our heartfelt thanks go to all the people who have taken their time to relay their experiences, no matter how difficult, to help develop this Strategy and improve our response for others now and in the future. We shall not stop listening, learning and striving for better – this Strategy is our commitment to that.

Councillor Christine Carter, Cabinet Member for Equality & Diversity and Corporate and Community Services

# Introduction

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“it definitely started off completely mental, not physical, but it was just literally putting me down all the time. Keeping me in my place. Making sure I was where I was supposed to be”

Domestic abuse survivor, Torbay

Since our last Domestic Violence and Sexual Violence Strategy, which was launched in 2018, there have been a number of significant events and policy changes which have brought the emotive subjects of domestic violence and abuse (DVA) and sexual violence (SV) to the forefront of our attention.

Firstly, the Covid-19 pandemic led to an almost overnight change in the way front line domestic abuse and sexual violence services were delivered. Virtual (online) support, which had previously been unthinkable, became the norm. Practitioners and support workers had to develop skills in using unfamiliar technology to ensure they could still see clients face to face and keep them safe. Forensic services for victims of sexual violence had to find ways to continue to safely provide forensic examinations whilst keeping victims and their staff protected from the virus. Strategic partnerships between local authority domestic abuse and sexual violence commissioners, the Office of the Police and Crime Commissioner for Devon and Cornwall (OPCC) health colleagues in Devon and Cornwall Clinical Commissioning Groups, as well as Devon and Cornwall Police, became stronger and more robust. New relationships were forged as together we worked through the pandemic to listen to and learn from our services and communities to ensure victims and survivors of domestic abuse and/or sexual violence were able to access and receive support.

In 2021 the Domestic Abuse Act came into force, and amongst a range of measures - for the first time - a statutory duty was placed upon local authorities to provide support to victims of domestic violence living in what is defined as "safe accommodation" (such as a refuge). Importantly, the Act provides for children to be recognised as victims of domestic violence in their own right.

The same year brought the terrible crimes of sexual violence and murders of Sarah Everard and Sabina Nessa, and closer to home of Bobbi-Anne McCleod in Plymouth; and the advent of the "Everyone's Invited" campaign. Ofsted carried out a themed inspection of sexual harassment and abuse in schools. The Home Office produced its End to End Rape Review. Torbay undertook a Multi-Agency Case Audit of harmful sexual behaviour across Torbay.

Torbay's Partnership commitment to addressing DVA and SV has remained steadfast throughout the events and change of this period, with much progress being made in developing and expanding our response. Some key activities have included:

- Expanding the number of Independent Domestic Violence Advocate roles, including within Torbay hospital, sexual health services and for the LGBTQ community
- Specialist roles within Children's Services



- IRIS pilot established sensitive clinical enquiry enabling identification of domestic abuse and sexual violence in primary care
- White Ribbon re-accreditation
- Standing Tall DASV CVS Partnership developed and delivering support within the community
- Numerous training opportunities, webinars and awareness campaigns delivered
- Meeting statutory requirements of the Domestic Abuse Act 2021
- Part of the NHS England Peninsula Sexual Violence Trauma Pathfinder with Peninsula Authorities, NHS Devon and the Office of the Police and Crime Commissioner

Torbay Council has procured a new Alliance of services that will work together - comprising the domestic abuse service, homeless hostel and adults' drug and alcohol services. These services, which go live in 2023, will work collaboratively with the Council as equal partners to provide trauma informed, integrated and holistic support for people experiencing a range of challenges in their lives. Instead of having to move around between different services and organisations, people can engage with one service that will work with them to address the underlying causes of their issues and support people in the way that best works for them.

"We need services to talk and listen to us rather than talk at us"

Domestic Abuse survivor, Torbay

Our understanding of the issues around domestic violence and the partnerships in which we work have matured considerably since the last Strategy was written. Sadly however, the same cannot be said of sexual violence. Sexual violence remains a taboo subject for general discussion, cloaked in discomfort and shrouded in prejudicial myths that are systemically prevalent. We have found there is an inadequacy of support for victims of sexual violence and assault, particularly if a criminal justice response is not wanted or is not successful. The rates for successful prosecution are low nationally and regionally.

In this Strategy we aim to elevate the issue of sexual violence and our systemic response to it so that it becomes equal to that of domestic violence. That is not to say that we will not continue to address and improve our response to domestic violence; instead that we approach this work in the knowledge that those experiencing sexual violence in Torbay receive limited support, unequal to the support received by those who experience domestic violence and abuse.

"It's a cultural thing. As soon as you say: 'I've been in a domestic violence relationship.' 'What did you do to deserve it? Or what did you do to annoy them' as if that makes it all okay"

To aid understanding and avoid stigmatisation we look to frame our conversations and language around relationships as this is the enduring context of most domestic abuse and sexual violence. We fully acknowledge that DVA & SV is perpetrated against women and girls and is rooted in gender based patriarchal, misogynistic, historic, and cultural norms. However, we want to make our response as inclusive as possible in consideration of the broader nuances of violence and abuse within relationships and in keeping with the Domestic Abuse Act 2021 definition of DVA, as well as gender identity and sexual orientation. As Torbay works to become a more trauma informed Council, we want to consider the impacts of trauma not only on victims and survivors of domestic and sexual violence and abuse, but also on those who are causing these harms; whilst still holding them fully accountable for their actions.

This Strategy is aligned to the **Council Fit for the Future** and **Thriving People** objectives set out in Torbay Council's Community and Corporate Plan, working in partnership to promote community resilience, promote good mental and physical health, and protect our children and young people.

## Legal Framework and Definitions

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“...I didn't see that I was in an abusive relationship because it wasn't physical”

Domestic abuse survivor, Torbay

## Legal Framework

The list below sets out the key legislation, national policies and strategies relating to domestic violence and abuse and sexual violence:

- Domestic Abuse Act 2021
- National Violence Against Women and Girls Strategy 2021
- End to End Rape Review 2021
- Crown Prosecution Service Rape and Serious Sexual Offences Strategy (RASSO) 2020
- The Victims Code (2020)
- Victim's Bill 2022
- Police Crime, Sentencing and Courts Act 2022 - Serious Violence Duty
- Serious Crime Act 2015
- Domestic Violence, Crime and Victims Act (2004)
- The Care Act 2014
- The Children Act 1989
- Police Response to Violence Against Women and Girls Final inspection report -Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (September 2021)

Violence Against Women and Girls National Statement of Expectations - Home Office (March 2022)

“A Patchwork of Provision– How to meet the needs of victims and survivors across England and Wales” - Domestic Abuse Commissioner’s Office (November 2022)

## Regional and Local Strategies

The following regional and local strategies are relevant:

Torbay Safe Accommodation Strategy 2021 to 2024

Devon Clinical Commissioning Group Domestic Abuse and Sexual Violence GP Policy

Devon & Cornwall Police Violence Against Women and Girls Delivery Plan 2022/2023

## Definitions

The World Health Organisation defines **sexual violence** as:

“Any sexual act, attempt to obtain a sexual act, unwanted sexual comments, or advances, or acts to traffic, or otherwise directed, against a person’s sexuality using coercion, by any person regardless of their relationship to the victim, in any setting including but not limited to home and work.”

The Domestic Abuse Act 2021 defines **domestic violence and abuse** as follows:

Behaviour of a person (“A”) towards another person (“B”) is “domestic abuse” if:

A and B are each aged 16 or over and are personally connected to each other, and the behaviour is abusive.

Behaviour is “abusive” if it consists of any of the following:

- physical or sexual abuse;
- violent or threatening behaviour;
- controlling or coercive behaviour;
- economic abuse;
- psychological, emotional, or other abuse; and it does not matter whether the behaviour consists of a single incident or a course of conduct.

“Economic abuse” means any behaviour that has a substantial adverse effect on B’s ability to:

- acquire, use, or maintain money or other property, or
- obtain goods or services.

For the purposes of this Act: A’s behaviour may be behaviour “towards” B despite the fact that it consists of conduct directed at another person (for example, B’s child).

## Abbreviations and terms used in this document

<b>Bystander Training/Approach</b>	For the purposes of this document this refers to active bystander training in the community, whereby a person observes abusive or disrespectful behaviour, knows it is wrong and intervenes safely to prevent the situation escalating or to disrupt the situation.
<b>Coercive Control</b>	An act or a pattern of acts of assault, threats, humiliation and intimidation or other abuse carried out by the abuser that is used to harm, punish, or frighten their victim in the context of people in or who have been in an intimate relationship.
<b>Domestic Abuse Act 2021 (DAA21)</b>	Legislation enacted in 2022 that created a new definition of domestic abuse, defined children as victims in their own right, and created a statutory requirement upon Tier 1 (county/unitary) Local Authorities to develop a Safe Accommodation Strategy overseen by an accountable Local Partnership Board.
<b>Domestic Abuse and Sexual Violence Operational Group (DASVOG)</b>	Multi agency group comprising representatives from Torbay Council community safety and children's services, housing, domestic abuse services, sexual violence services, Devon and Cornwall Police, MARAC (as below), Health, community, and voluntary sector organisations. This operational group works on activities as directed by the DASVEG.
<b>Domestic Abuse and Sexual Violence Executive Group (DASVEG)</b>	Multi agency group comprising senior managers from Torbay Council community safety and children's services, housing, domestic abuse services, sexual violence services, Devon and Cornwall Police, MARAC (as below), Health and community and voluntary sector organisations. This strategic group is responsible for the delivery of the statutory duties set out in the Domestic Abuse Act, takes the role of the local domestic abuse partnership board, and drives the activities needed to implement the DASV strategy
<b>DA Champions</b>	People who have undertaken Domestic Abuse Champions Training run by the organisation Reduce the Risk. Champions act as an access point in their workplace to provide guidance on domestic violence and signpost to appropriate services.
<b>DVA/DA</b>	Domestic Violence and Abuse – as defined in the Domestic Abuse Act 2021 above.
<b>Health and Wellbeing Board</b>	A partnership between the Local Authority and NHS overseeing the plans to improve the health and wellbeing needs of the local population.
<b>Independent Domestic Violence Advocate (IDVA)</b>	IDVAs are specially trained to work with the highest risk cases to address the safety of victims and their children within a multi- agency framework, acting as the victim's primary point of contact. Their tasks include risk assessment, safety planning and implementing actions from the MARAC (see below).
<b>Independent Sexual Violence Advocate (ISVA)</b>	ISVAs provide advocacy and support to victims and survivors of recent and non-recent rape, sexual abuse, and sexual assault. The Office of the Police and Crime Commissioner separately commission them.
<b>Lived Experience</b>	Personal knowledge of someone who has direct experience of domestic violence or abuse and/or sexual violence.

<b>Multi –Agency Risk Assessment Conference (MARAC)</b>	The Domestic Violence MARAC is a meeting where a range of agencies discuss the risk of future harm to people experiencing domestic abuse and draw up plans to help manage that risk
<b>NHS Devon</b>	A partnership of health and social care organisations working together with local communities across Devon, Plymouth, and Torbay to improve people's health, wellbeing, and care.
<b>Office of the Police and Crime Commissioner for Devon and Cornwall (OPCC)</b>	The Police and Crime Commissioner is an elected representative who makes sure that local police meet the needs of the community.
<b>Person displaying harmful behaviour/person causing harm</b>	These terms are what we prefer to use to describe those perpetrating DVA or SV – otherwise known as perpetrators
<b>Safe Accommodation Strategy</b>	The Strategy required by the Domestic Abuse Act 2021 which sets out how victim and survivors of domestic abuse will be supported in safe accommodation (such as refuge or safe houses)
<b>Safety Planning</b>	A personal safety plan is a way for a person experiencing domestic violence or abuse to protect themselves and their children in the event of future abuse
<b>Sexual Assault Referral Centre (SARC)</b>	Provides specialist medical and forensic services for anyone who has been raped or sexually assaulted in a safe, private, and comfortable environment
<b>Sexual Assault</b>	Sexual assault is any act of physical, psychological, and emotional violation in the form of a sexual act, inflicted on someone without their consent. It can involve forcing or manipulating someone to witness or participate in any sexual acts
<b>Sexual Violence (SV)</b>	Sexual violence is any sexual act, attempt to obtain a sexual act, or other act directed against a person's sexuality using coercion, by any person regardless of their relationship to the victim, in any setting
<b>Torbay Children's Safeguarding Partnership (TSCP)</b>	The TSCP is comprised of the statutory Safeguarding Partners; Police, Clinical Commissioning Group and Local Authority, who work in close collaboration with other identified agencies to safeguard and promote the welfare of all children and young people in Torbay
<b>Torbay Community Safety Partnership</b>	Also known as Safer Communities. Community Safety Partnerships (CSPs) exist by law and their job is to bring agencies and people together to reduce crime and disorder and make areas safer.
<b>Trauma Informed(Approach)</b>	Where the signs and symptoms of trauma in people using services is recognised and understood. The service response takes into consideration the trauma that a person has experienced/ may have experienced in the past and how this may continue to affect them. TIA keeps an awareness of the effects of trauma at the forefront of the approach to providing support and seeks to avoid re-traumatization.
<b>Victim Support (VS)</b>	Charity supporting victims of crime in England Wales. In Devon and Cornwall, VS is the Strategic Delivery Partner of the Police and Crime Commissioner and is

	responsible for commissioning victim support services across the Peninsula including some domestic abuse and sexual violence services.
<b>White Ribbon Ambassadors</b>	Men (usually) who act as formal representatives of White Ribbon UK, part of a global movement to prevent men's violence against women and girls. They are positive role models taking a stand against all male violence against women and girls and encouraging other men and boys to do so too.
<b>Whole Family Approach</b>	Where the needs of all the individuals in the family are taken into consideration when carrying out support assessments and developing support plans. (In this context in relation to people using domestic abuse and sexual violence services and their children).

## Data on Domestic Abuse and Sexual Violence

### National Data

Sources: Crime Survey of England and Wales (CSEW) 2020; Office of National Statistics (ONS) 2020

- **74%** of victims of DVA crimes recorded by police In the year ending March 2020 were female
- In the year 2020 to 2021 unwanted sexual touching was **the most common type** of sexual assault experienced by both men and women
- Of sexual offences recorded by the police in the year ending March 2020, the victim was female in **84%** of cases. This is a prevalence rate of approximately 3 in 100 women and 1 in 100 men (ONS 2020)
- In **57%** of all adult rape cases the victim feels unable to pursue the case
- **One-third** of all female SV victims were aged under 15 years old
- More than half (**55%**) of all male victims were aged under 15 years.
- Adults with a disability **are more likely** to have experienced DVA in the last 12 months than non-disabled people (CSEW 2020)
- People from black and minoritised ethnic communities suffer DVA for **1.5 times** longer than those with White British or Irish backgrounds (Safelives 2020)
- LGBT+ victims of domestic abuse are more likely to be abused by multiple perpetrators - **15%** compared to **9%** of non-LGBT+ victims (Safelives 2018)
- Adults are **six times** as likely to experience rape or assault by a partner or ex-partner than a family member (ONS 2020)

“...constantly having to, like, justify everything because your abusers of the same sex, and it's really, really difficult. Because it's like 'oh a woman is capable of doing

that?.' It's like 'yes, they're very capable.' A man is capable, a woman is capable, it doesn't matter. If somebody wants to be abusive, they're going to be abusive"-

Domestic Abuse survivor, Torbay

"we're not just talking about t-shirt sizes, it doesn't fit all, genders don't fit all, religion, doesn't fit all, you know, and trauma doesn't feel, it's all different and we all come out of it differently"

Domestic Abuse survivor, Torbay

## Torbay Domestic Abuse Headlines

- There were **2,005 police incidents** of domestic abuse in Torbay in 2020/21.
- Domestic abuse accounts for **22% of all crimes** in Torbay.
- **217** Marac referrals in 2020/21
- **72%** of victims reporting to the police over the past 3 years have been female (2018-21)
- **84%** of domestic abuse offenders were male in 2020/21
- **126** Domestic Violence Protection Orders were granted in 2020/21
- Almost a quarter (**24%**) of DVA related crimes are for stalking and harassment.
- **80%** of DVA incidents are assessed as being standard or medium risk.
- **113** Victims of domestic abuse presented as homeless in Torbay in 2020-21
- It is projected that **30%** (667) of referrals to Children's Services in 2020/21 had domestic abuse as a factor. **40%** of these came from the police.
- **164** children became looked after where domestic abuse was a factor over the three years 2018-2021
- Almost half (**47%**) progressed to a Child Protection Plan
- It is estimated that only **33%** of people experiencing DVA in Torbay are known to services

## Torbay Sexual Violence Data Headlines

The data below is sourced from:

- First Light Independent Sexual Violence Advocate (ISVA) service data 2021/22
  - Devon and Cornwall Police data provided to Torbay Council Community Safety Team
  - Devon Rape Crisis service data
  - Torbay Council online Are You OK survey 2021
- 
- The police received **166** reports of rape in the year ending March 2022
  - There were **264** sexual offences reported to the police in 2021/22
  - **41.2%** of all ISVA referrals in 2021/22 were from Devon (including Torbay)
  - In **81%** of cases, the person causing the harm was known to the victim

- In **43.5%** of cases the person causing harm was a family member, relative, or partner/ex-partner
- In 2021/22 **31%** of referrals to Devon Rape Crisis were self-referrals, **36%** were from mental health providers
- **More than half** of females responding to the Are You OK survey who had experienced sexual abuse/violence, said they had been raped
- **More than half** of both males and females survey respondents who had experienced sexual abuse/violence reported they had experienced inappropriate touching.
- **97%** of those whose drinks had been spiked or thought they probably had been spiked were female
- **41%** of survey respondents did not recognise it as sexual abuse or violence at the time and **13%** were not sure.

Estimated of Proportion of Adults in Torbay who have experienced recent rape and/or sexual assault in the last 12 months, since the age of 16, or in childhood (based on self-reporting module of the CSEW<sup>1</sup> and MYE Population 2019):

	Males	Females
Since the age of 16	2,085	11,164
Last 12 months	406	1,542
In Childhood	1,655	5,613

“I thought it was you know, husband and wife or living partners. I didn't really think that domestic abuse applied to boyfriend and girlfriend”

Domestic abuse survivor, Torbay

## Developing our strategy

“So it was controlling, it's like walking on eggshells. You just, you know, something flared up, you kind of try and diffuse a situation as quickly as you can”

Domestic abuse survivor

<sup>1</sup> Local Authority Population Estimates MYE 2019 - <https://tinyurl.com/ybzvaomb>



"This needs some sophisticated, cutting edge thinking and not the usual. While "dealing with" episodes of sexual violence is essential, it will not change anything. Finding the way to change is at least an equal priority."

Respondent to public consultation on draft Domestic Abuse and Sexual Violence Strategy

In 2021 the Torbay Community Safety Partnership commissioned a strategic review of the system response to domestic violence in Torbay. The result was 241 pages of analysis of the strengths, weaknesses, and identifiable areas for change across the system's responses. It produced 44 recommendations of how and where improvements could be made, with further recommendations from accompanying reports. This work also incorporated:

- a review of Torbay's Multi-agency Risk Assessment Conference (MARAC),
- the Safe Accommodation Needs Assessment as required by the Domestic Abuse Act 2021 (DAA21)
- a lived experience listening exercise
- analysis of the responses to the Council's online Are You OK? Survey conducted in late 2021.

The draft Strategy was published for public consultation during October and November 2022. Responses and suggestions have been incorporated into this final version.

The findings and recommendations from all of these activities have been collated to inform the direction and focus of this new Strategy and will be directly referenced in its Delivery Plan.

The Safe Accommodation Strategy 2021 (required by the DAA21) sits beneath this Strategy.

Torbay Council also participated in the Call to Action sexual violence project with Devon County Council, Plymouth City Council, the Office of the Police and Crime Commissioner, the Devon Clinical Commissioning Group, and the Innovation Unit. This included a mapping exercise of the support available to victims of sexual violence across wider Devon, and a listening exercise with people who have experienced sexual violence and abuse and practitioners working with them. The aim was to develop an understanding of what support victims and survivors want and need to help them recover and make sense of what has happened to them. The findings from this project have provided the strategic direction for sexual violence. In addition data about sexual violence services and demand has been gathered to inform a local position statement on sexual violence in Torbay.

There are some areas of DVA & SV activity which, out of necessity and pragmatism fit more appropriately with, for example, the children's safeguarding arena. This Strategy aims to consider DVA & SV in the context of a whole system response across the life course. There is a risk that the exclusion of some areas of work could lead to fragmentation and poor oversight of the overall strategic response. This risk will be addressed through the oversight and governance structures in place, ensuring connectivity and line of sight between the main DVA & SV strategy and related

strategies or workstreams. Changes to the strategic direction or areas of focus resulting from legislative or policy changes will be incorporated into reviews of the strategy.

## Scope of the Strategy

The scope of this Strategy includes adult victims of domestic abuse and violence (i.e. those aged 16+) and adult victims of sexual violence (including historic child sexual abuse).

The DAA21 statutorily defines children and young people as victims in own right. For the purposes of this Strategy the scope includes children and young people who are victims of domestic violence and abuse and who are occupying safe accommodation with their parent/carer as part of the DAA21 duties, as well as the wider needs of children and families experiencing DVA. We know that we need to better understand the profile of children and families who experience domestic violence and abuse in order to improve and mature the system response.

..it takes a while to get into and realise 'oh I can have a phone. I can wear t-shirt in the sun. I can put makeup on'

Domestic Abuse survivor, Torbay

## Out of scope

There are number of areas that are out of the scope of this Strategy because they require a specialist response and/or because the safeguarding of children is involved. By separating out these different issues, the protection of children is ensured and the complex and specialist nature of subjects like child sexual abuse and exploitation can be addressed in detail. Overlaps and alignment of activities will be identified during the development of the Strategy Delivery Plan.

Issues which sit alongside but which are out of the scope of this Strategy are:

- Child Sexual Abuse – this is within the remit of Torbay Safeguarding Children's Partnership (TSCP)<sup>3</sup>
- Child Sexual Exploitation – this is included in the TSCP Exploitation Strategy<sup>4</sup>
- Child against Parent Violence and Abuse (CAPVA) – this is within the remit of Children's Services; except for those aged 16 and over which can be raised at MARAC where risk level indicates it is appropriate to do so
- Peer on Peer abuse – this is in the remit of Children's Services except where both parties are aged 16 and over and there is evidence of coercive control. These will be raised at MARAC where risk level indicates.

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<sup>3</sup> <http://torbaysafeguarding.org.uk/cyp/cse/>

<sup>4</sup> <http://torbaysafeguarding.org.uk/cyp/cse/>

- Human Trafficking – this is within the remit of the Devon and Torbay Anti-Slavery Partnership<sup>5</sup>
- Prostitution – this within the remit of the Devon and Torbay Anti-Slavery Partnership<sup>6</sup>

## What people have told us

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“.... people need to be carried. Because you don't have the, just don't have the will to walk anymore. And for some of them, absolute horror, some of them don't have to will to live anymore”

Domestic Abuse survivor, Torbay

“We need the voices of children, young people, communities and people with lived experience to inform us about what activity we should take”

Call to Action project participant

People don't always know that what they have experienced is domestic violence or sexual assault. This might be because they are not living together (so it's not “domestic”), it's not physical violence but coercion and control, or a rape took place within marriage. Some said that they did not feel what had happened was sufficiently serious to report to the police, many felt that they would not be believed.

Many described negative experiences of the system when they did report domestic violence or abuse to the Police, and Children's Services becoming involved having been alerted by the Police. Women spoke of feeling that they were being held accountable for the behaviour of the person causing the harm, because they had to take all the responsibility for protecting their children. Meanwhile the person who had harmed them was ignored or “invisible.” Many felt that professionals did not understand how domestic abuse affected their ability to take action, nor of how the Family Court system re-traumatises the victim survivor and their children and allows the person who caused the harm to continue to exercise control over them.

“.... I'd call the police. They said, 'don't open the door,' but that's okay when they tell you not to open the door, but what they do is, they report it to social services. And social services then say that you're not protecting your kids. But you tell me

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<sup>5</sup> <https://www.aspartnership.org.uk/devon-and-cornwall>

<sup>6</sup> <http://www.torbaysafeguarding.org.uk/media/1483/tsa-business-plan-2021-2024.pdf>

how that works, if you phone the police and the police come and you've obviously phoned the police to get them removed and they removed them, how's that not you protecting your kids?"

Domestic Abuse Survivor, Torbay

"when you leave the abusive relationship that escalates the domestic violence more. But what people don't understand is it escalates even more four years, five years down the line. They get really, really bitter. And that's when they fight and they'll fight until they're blue in the face"

Domestic Abuse Survivor, Torbay

Those people who left their abusive relationships spoke of the difficulties finding somewhere to live and of navigating the rehousing process with the Council.

"the one thing that seems so hard at first was actually housing. It was literally one thing is you have nowhere to go. And first, obviously when I walked down that road, the first day, the hardest bit was walking and realising my children were still there. And so it was 'where am I gonna go?'"

Domestic Abuse survivor, Torbay

People feel guilt and shame about what has happened to them. This is reinforced by the prevailing myths and negative stereotyping surrounding rape and sexual assault, which hold the victim responsible for their attack because they were out late/drinking/of what they were wearing and so on. This is compounded by negative national media about the police – including sexual offences carried out by serving officers – the low conviction rate, the time it takes to progress to court (if the case does go to court), and the re-traumatisation of the court proceedings for what is often an unsuccessful outcome.

We heard that sexual violence is complex, often taking place in an intra-familial context, with patterns of behaviour repeating into the next generation. Victims and survivors of sexual violence suffer trauma long into adulthood – the stories we heard, information from Devon Rape Crisis, and the feedback in the Are You Ok survey show that many victims of Child Sexual Abuse (CSA) don't disclose their experiences until many years after the event/s occurred. People are holding years of unresolved trauma that can present in a number of ways – through poor mental health, physical illness, or self-medication in the form of substance misuse for example. When a number of these factors co-exist, we see people who might be rough sleeping, some being coerced into prostitution by drug dealers in order to feed their habit; adding to their sense of shame and poor self-worth.

“some people are so traumatised, that it’s hard for them to reach out for help. It doesn’t mean that they don’t want help, it just means that person is a bit more fragile..... Spend time and I’ll open up with you and you’ll see that I’m not that person and I need more help than what I ever let onto”

Domestic Abuse survivor, Torbay

Practitioners working in a range of support services – not specialist rape and sexual assault services and including the community and voluntary sector – spoke of the challenges in trying to help victims who disclose sexual violence during support. The fragmented funding and commissioning arrangements for sexual violence services mean that there is a “postcode lottery” of support with very limited support in Torbay itself, making it difficult for both victim survivors and practitioners to navigate. The services that exist tend to be in Exeter or Plymouth and have long waiting lists. This sometimes leaves practitioners who are not trained in working with victims of sexual violence and trauma, “holding” the person because there is no specialist support immediately available to them. This is risky for both the practitioner and the individual.

Examples have been provided that demonstrate the “silo” nature of working in the system, with sexual violence victims being referred to mental health services because of their trauma, only to be referred on to a sexual violence service – there is limited recognition of the long term impacts of trauma. As the Chief Executive of Devon Rape Crisis told us:

“people are being referred to [Devon Rape Crisis] if they have any history of sexual violence or abuse, regardless of whether this is causing the most difficulty for them or not.”

When support is obtained, it is often constrained by time or a restricted number of support sessions is available. Victims of sexual violence may not want a criminal justice response and just want to be listened to by someone who understands their experience. Some may want to follow the criminal justice process a period of time after the incident/s, others want to be able to access support at different points of the process but don’t have the choice.

“I think I would have found it easier if I was talking to somebody else who had been through it, rather than somebody who hadn’t.”

Domestic Abuse survivor, Torbay

There is limited availability of targeted support for victims and survivors of sexual violence in Torbay. Much of what is available is not directly funded or commissioned by statutory agencies and is instead reliant on non- recurrent short term grant arrangements, or in some cases “topped up” with grant funding. This means that the support provision is insecure and therefore unstable.

Finally, loud concerns were voiced around the role of pornography on social media and how this is impacting on the attitudes and behaviours of children and young people. The suggested solutions to this were several and wide ranging – and cannot be solved through the Relationships and Sex Education curriculum in isolation.

“Schools work is vital - with teachers, pastoral care and students”

Respondent to public consultation on draft Strategy

We did also hear stories that were positive and complimentary about the support people had received, including praise for individual workers, organisations, and agencies. Those that shared their stories with us wanted to make sure that their experiences were used to make things better for others.

## Summary of our Findings

While some of the quotes below are from survivors of domestic abuse, the underpinning narrative of lack of belief, victim stereotyping and re-traumatisation are equally as applicable to people who have experienced sexual violence:

“....they just need to believe the person that’s sat in front of them. That’s all anybody needed to do for me, and nobody did it. Nobody believed me”

Domestic Abuse survivor, Torbay

“You hear this criticism all the time about ‘Oh, why did she go back to him?’ It’s very obvious why women go back, because they’re convinced that it’s their fault, that they deserve to be mistreated and it’s so bloody difficult to get away. It’s so hard”

Domestic Abuse survivor, Torbay

"I was a person that was middle age by that stage. I did have a disability and I was challenged because people often discriminated against me because of my race."

Domestic Abuse survivor, Torbay

“Feels like the system is organised to support perpetrators not victims.”

Call to Action project participant

"The onus is on you to get out and escape, it kind of enables the abuser, doesn't it?"

Domestic Abuse Survivor, Torbay

"The whole court scenario is just horrendous. Family court is just the worst experience anyone could ever go through ever. So you go through all this horrible abuse, you try to come the other side and then you have to face family courts, where they tear you and your children apart in front of you..."

Domestic Abuse survivor, Torbay

Many consistent messages have been heard from the feedback that people have given us. These can be summarised as follows:

- Victims don't report because they think they won't be believed
- Victims are not always sure that what they have experienced is DVA/SV
- Victims are fearful of repercussions if they report, especially they fear statutory interventions (e.g. having their children removed) because the police inform Children's Services when they receive a report
- Victims who do report have negative experiences
- The impact on children and young people as victims is not being addressed
- The system focuses on the victim rather than placing accountability on the person who harmed them
- Victims find it difficult to find a safe place to live if they choose to leave
- System responses are not trauma informed - instead they re-traumatise
- Risk management by the MARAC could be more effective
- Culture of victim blaming and myths evident within parts of the system
- Limited or no understanding of the needs of victims from minoritised communities, or those with multiple and intersectional needs
- Lack of consistent and coordinated data recording – the strategic response is not always evidence based
- Response to sexual violence is limited and immature despite having a high public profile
- Voice of victims is unheard in strategic response
- People feel shame, guilt, blame and anger
- Victims and survivors of sexual violence feel let down by those supposed to help them and that their experiences are minimised or not believed
- People want choice around when and how they access support.



## What needs to change

“...I wasn't listened to, I was belittled. Can you imagine being stood in a dock with no, you've got no legal representation. Yet you've been told by judges and told by social services that the domestic violence isn't an issue now, because you're not in it. Now, my child is now suffering. He has a tracker on his phone when he's with me. So I'm being trapped when my son's with me. There's nothing I can do. I can't afford to go to court and if I could go back in time, I'd stay with him, I wouldn't have left him. I wouldn't. Because there's no ongoing support”

Domestic Abuse Survivor, Torbay

“Our society doesn't want to talk about sex so to talk about sexual abuse and intrafamilial harm is an underlying issue to address - we all need to feel confident to do this.”

Call to Action project

Based on all of the information collected, the following areas for change have been identified:

- We must listen to the voices of those with Lived Experience if we want to design services and responses that will effectively address DASV
- Understanding and addressing Sexual Violence must be brought to the forefront as it is the poor relation to DVA
- We need more focus on the impacts on children and young people as victims
- We must manage risk more effectively BUT
- We must stop holding the victim responsible for the behaviour of the person harming/who has harmed them
- We must believe victims and validate them to build trust and safety
- The system must stop re-traumatising victims
- We must address the fear of reporting - otherwise we will not address the causal link between high levels of DVA and the fear of statutory interventions
- We must better understand the needs of minoritised groups and those with intersectional needs so we can respond to them
- We need to understand the different drivers and typologies of DA & SV
- Professionals and practitioners must understand the dynamics of power and control - and the power they hold as actors within the system
- We must accept discomfort in order to challenge cultural norms and attitudes in the system



- We must accept that not all victims and survivors want a criminal justice response
- We must collect consistent, meaningful data and use it to inform and develop the system response.

## Our Strategy

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".. So, if you had somewhere where, you know, people that have been victims in the past could help people that were victims now, then that would be amazing because I don't think anybody else would believe it."

Domestic Abuse survivor, Torbay

"Dig deeper into the cultural imbalance of services and how to equalise it."

Respondent to public consultation on draft Strategy

We have built a strong base of evidence of the need to strengthen the strategic response to domestic and sexual violence and abuse in Torbay that will inform our work over the life course of this Strategy.

We want to:

**Work in partnership with individuals, communities, and organisations to break the chain of domestic abuse and sexual violence in Torbay, to enable our residents to live safely and to thrive.**

To achieve this:

- Support for victims and survivors and their families must be **trauma-informed**
- We must **prevent harm** in the first place whilst **disrupting harmful behaviour**
- We must **hold those who harm accountable** for their actions
- We must ensure that know they are **believed**
- We **address** victims and survivors **fears about system generated reprisals**
- We **recognise that sexual violence is the poor relation** to domestic abuse in terms of the strategic response and take bold steps to **address the imbalance**
- We must ensure we **support children and young people** as victims in their own right

# Our Principles

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We will work to the following principles and will proactively encourage and challenge others to do so:

1. Connect different parts of the system together to create a coordinated community response to domestic abuse and sexual violence
2. Hear and learn from people with lived experience
3. Be trauma informed and shame sensitive
4. Make the best use of existing resources and assets
5. Elevate, develop, and improve our responses to sexual violence.

When working with families, including those who are causing harm, a whole family approach will be taken to address the needs of each individual in the household.

## What We Want to Achieve

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From what people have told us, and the areas that have been highlighted for change, we have identified the outcomes that we want to achieve over the short, medium, and long term:

### Short term outcomes

- People understand that domestic abuse is not just physical and can occur in any intimate relationships
- People understand consent, and that rape and sexual assault can occur in intimate relationships.
- Victims and survivors know that they will be believed
- Victims and survivors know how and where to get advice on their options in a range of ways, that responds to what they say they need at the time
- The response to domestic and sexual violence and abuse is designed with victims and survivors, and informed by their lived experiences and needs

### Medium term outcomes

- Victims and survivors receive peer support and advice before, during and after their experiences to help them recover
- People who harm others by using domestic and/or sexual violence and abuse are identified and disrupted
- Professionals understand the impacts of DVA/SVA and trauma on victims and survivors and/or their families and the coping mechanisms they use to keep themselves and their children safe

- Professionals and statutory agencies understand the range of ways that people who harm use and continue to use coercive control and harassment to continue to abuse long after relationship has ended
- Professionals understand that coping mechanisms may be maladaptive and that someone choosing to remain in an abusive relationship does not mean they are complicit in the abuse

## Long term outcomes

- A greater range of local support is available for victims and survivors of sexual violence
- A coordinated system response is in place that breaks the cycle of abuse
- Support and interventions are provided via a mixed market of statutory and voluntary sector organisations
- Services and interventions are informed by a developing evidence base supported by robust data and monitoring of trends; including understanding why people who harm do and the typologies of harmful behaviour.
- The strategic system response to sexual violence is prioritised and continually evaluated to achieve parity with the DVA response

## Delivering the outcomes

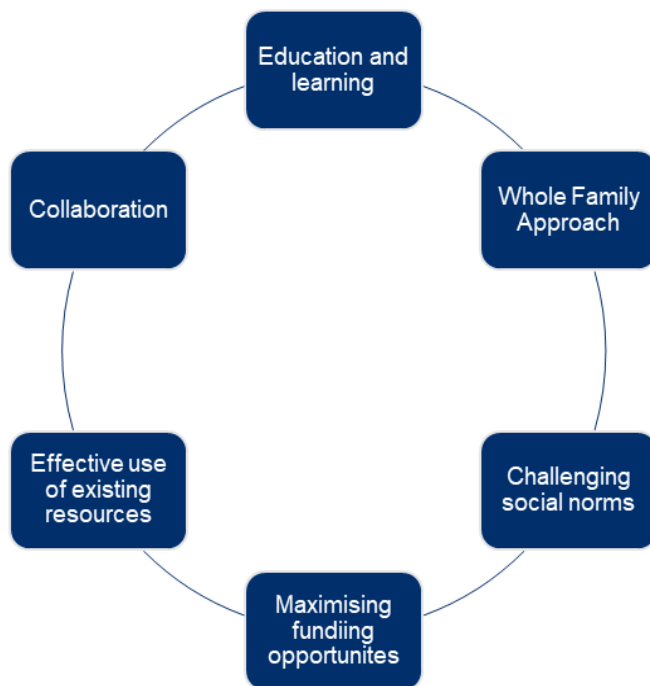
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“Be compassionate and hold people safely when they disclose”

Call to Action Project participant

Our outcomes are ambitious and challenging, particularly in view of the resource and capacity pressures that exist in our systems in the aftermath of the Covid-19 pandemic. However the impact of Covid-19 and other external factors that are influencing our economy will also be affecting people living with, and those who carry out, domestic abuse and sexual violence.

Investment in services alone will not address the fundamental issues that lie behind sexual violence and domestic abuse. Changing the way people think will, however this change in culture and beliefs will be slow and difficult. Central to our approach will be the following:



These fundamentals will flow through the five key activities that we will undertake to meet the outcomes we want to achieve:

1. Embed lived experience and co-production
2. Prevent victimisation and harmful behaviours
3. Identify victimisation and harmful behaviours
4. Disrupt harmful behaviour
5. Develop data and understanding

These key activities will form the basis of a Strategy Delivery Plan, which will be co-produced with multi-agency partners, services, and people with lived experience. Beneath each activity there will be a range of actions and workstreams designed to deliver the outcomes over the life course of the Strategy.

## Activity 1- Embed lived experience and co-production



We will:

- Develop mechanisms to hear and learn from people with experience of DA&SV, including children and young people
- Ensure contributions are recognised, valued, and appropriately reimbursed
- Utilise and build upon existing community assets

## Activity 2 - Prevent victimisation and harmful behaviours

We will:



- Grow the Healthy Relationships Education offer in schools
- Implement the findings from the Harmful Sexual Behaviour Project
- Frame awareness raising and communications in the context of relationships
- Develop and deliver the Bystander training offer across Torbay
- Increase the pool of DA Champions and White Ribbon Ambassadors
- Implement relational approaches across the system
- Challenge cultural norms and attitudes in respect of victims of sexual violence and domestic abuse

## Activity 3 – Identify victimisation and harmful behaviours

We will:



- Exercise belief and let victims know they will be and are believed
- Identify early people who harm others and work with them to address their behaviour
- Develop a skilled workforce that are confident in handling disclosures of DVA &/or SV and know what to do next (competency framework)
- Ensure that people working with victims and survivors of DVA & SV have an understanding of trauma (including the judiciary)
- Ensure that children and young people are recognised as victims and receive specialist support
- Ensure that services are inclusive and understand how DVA &SV may present differently amongst minority communities
- Establish simple pathways that easily connect services
- Ensure compliance with statutory requirements

## Activity 4 - Disrupt harmful behaviour

We will:



- Implement the MARAC review recommendations
- Establish pathways to support for those who harm others
- Ensure effective safety planning with focus on the person causing the harm
- Ensure a co-ordinated approach to disrupt the person causing harm whilst supporting the victim survivor and any children as part of a Whole Family Approach

- Focus on the person who harms, not the victim
- Develop peer support and recovery options in the community for victims and survivors including children and young people

## Activity 5 - Develop data and understanding



We will:

- Develop wider understanding of the different types of behaviour and motivations of those who harm to improve our system response to them and better protect victims and survivors
- Establish consistent data collection and monitoring including for protected characteristics and people with intersectional needs
- Establish a baseline dataset and evaluation to check how we are doing
- Consider a systems/case management system to improve reporting
- Develop a quality assurance approach to ensure the system response meets the needs and aspirations of all victims and survivors

## Monitoring and Oversight

The Domestic Abuse and Sexual Violence Executive Group (DASVEG) will be responsible for strategic oversight of this Strategy and delivery of the action plans. This group also acts as the statutory Domestic Abuse Local Partnership Board for the purposes of the Domestic Abuse 2021 Part 4 and the delivery of the associated Safe Accommodation Strategy.

The Domestic Abuse and Sexual Violence Operational Group (DASVOG) will be responsible for undertaking the work required in the Delivery Plan. This includes connecting with other agencies and practitioners and involving them in specific workstreams.

DASVEG reports into Torbay Community Safety Partnership, Torbay Children's Safeguarding Partnership, and the Health and Wellbeing Board.

## Review

The Delivery Plan will be kept under review to ensure that we are achieving our outcomes. As part of that review, consideration will be given to whether this Strategy remains fit for purpose. This will include consideration of the impact of any significant change in legislation or policy.

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This document can be made available in other languages and formats.  
For more information, please contact [safercommunities@torbay.gov.uk](mailto:safercommunities@torbay.gov.uk)

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## **Domestic Abuse and Sexual Violence Strategy – Report of the Overview and Scrutiny Board**

**Report to Cabinet to be considered as part of the public consultation.**

### **Background**

1. The Overview and Scrutiny Board met on 9 November 2022 to consider the consultation draft Domestic Abuse and Sexual Violence Strategy. The Domestic Abuse and Sexual Violence Commissioning and Strategy Lead, Shirley Beauchamp, outlined the submitted Strategy (Policy Framework document) and responded to questions on the following:
  - the need for a cultural change and education from an early age as well as adults so that people can recognise what was good and not good in a relationship;
  - what work was being done to listen to the voice of the perpetrator to understand why they have behaved in a certain way, it may have been that they were victims of abuse themselves or have other problems and may need to be supported themselves;
  - how close the Domestic Abuse Team worked with the Drugs and Alcohol Team to see if they can recognise victims when working with their clients;
  - the need to ensure support for people who have suffered from historic sexual abuse;
  - the importance of a supportive approach so that victims know that people will believe them and support them;
  - the use of acronyms within the Strategy and the importance of a glossary of terms to help people to understand them; and
  - how do we challenge our partners, social landlords and others so that they can learn to spot signs and refer or report the issue to the appropriate agency.

The Board acknowledged that training was provided to Council staff and Councillors on safeguarding, by stander and domestic abuse but felt that more could be done to challenge our partners and our communities to encourage everyone to report any areas of concern.

2. The Board reflected and debated the information provided to them, both in writing and orally and formed the following recommendation to the Cabinet. On being put to the vote, the motion was declared carried unanimously.

3. That the Cabinet be recommended that the Overview and Scrutiny Board supports the draft Domestic Abuse and Sexual Violence Strategy, subject to the inclusion of a glossary of terms.



<b>Agenda Item 8, Officer Revised Recommendation</b>
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## **Cabinet Meeting**

**23 February 2023**

**(Revisions shown in bold text)**

- 1.1 Discussions between officers and the Neighbourhood Forum applicants have been ongoing to seek the amendments proposed in the published report. Please refer to full report for further details about the extent and need for changes.
- 1.2 Following a meeting of the Forum Steering Group, the Council have been notified of changes to the previously submitted constitution which address points raised in the recommendation 3.1 ii) and iii) and 3.2 i) of the Report. Our Legal Services Team have also provided some additional advice.
- 1.3 The Forum has amended the Constitution Section 8.3 to follow the same Code of Conduct as Community Partnerships. This code of conduct as been included in Appendix C for reference.
- 1.4 In response to recommendation 3.2 v) this has been removed as it is a point of clarification sought from the forum rather than a change to be made. Officers will work with the Forum to seek more clarity on this arrangement but it is not considered necessary for it to be considered in the decision making for members.
- 1.5 Given the changes made the recommendation has been amended as follows:

### **Revised Recommendation:**

That Cabinet recommends to Council

- 3.1 Following consideration of all representations received at the close of consultation on 23rd January 2023 **and that a refreshed TNF Constitution has been received (22<sup>nd</sup> February 2023)**; that the ~~Torquay~~ **Torquay** Neighbourhood Forum be designated as the Neighbourhood Planning body ("Qualifying Body") for the **existing/previously approved** Torquay Neighbourhood Area, subject to:

- i) Evidence, **presented prior to Council on 7 March 2023**, that the Forum meets the minimum Forum requirements (section 61F(5) & (7) of the Town and Country Planning Act 1990 as applied to neighbourhood plans by section 38A of the Planning and Compulsory Purchase Act 2004) **(this documentation should demonstrate that the criteria are met (the criteria are set out in more detail in para 1.7 of the Supporting Information to this the Report))**.
- ii) ~~Agreement to alter the TNF Constitution Section 12.1 relating to further Constitutional Amendments as set out below:  
Hereinafter, this Constitution may be amended with approval of the LPA through a vote of the Steering Group by not less than a two thirds majority vote of the Steering Group members in a quorum meeting or by email vote. Proposed amendments must be agreed at a Steering Group meeting and circulated at least 14 days in advance of the next meeting or not less than 14 days prior to close of email voting. Any amendments by the Forum must be notified and agreed by Torbay Council.~~
- iii) ~~Agreement to Delete Section 8.5 of the TNF Constitution: The Local Planning Authority will indemnify Forum members against reasonable legal costs and expenses arising from the content of the Neighbourhood Plan~~

3.2. **and that** ~~In addition,~~ the following amendments and clarification are ~~made requested as follows~~ **to the proposed Neighbourhood Forum's constitution to support the transparency of the forum in response to the concerns raised during the consultation:**  
~~That the proposed Forum's Constitution be amended as follows;~~

- i) ~~to ensure that Forum executive and steering group members follow the same Code of Conduct as elected Torbay Council Members—  
amend Section 8.3 as follows: All members of the Forum shall act in meetings of the Forum and any Representative Group(s) in the best interests of the Forum and the community of the area and shall follow best practice guidance on governance following the same Code of Conduct as elected Torbay Council Members.~~
- ii) i) To fulfil Sections 6.4, 7.3 and 7.4 of the Constitution: The Forum provide an undertaking to publish on a website, appropriate and timely manner: meeting agendas, minutes and associated documents (where appropriate) within a reasonable period.  
~~Minor Factual corrections~~
- iii) ii) **In Section 3.6 to modify wording to “other areas of Torbay” instead of reference to Paignton and Brixham only**  
~~Liaise and co-operate with any Forums or Qualifying Bodies for~~

~~other areas of Torbay.~~

- ~~iv) iii) In Section 4.1 to modify wording to “automatically eligible as members”, including eligible, to reflect that membership is voluntary as set out in Section 4.2. For the avoidance of doubt all members of the Community Partnerships of Torquay are automatically *eligible* as members of the Forum. This request is to accord with the following statement in Paragraph 4.2 ‘Membership is voluntary’.~~

~~Clarification sought:~~

- ~~v) Section 5.3 Officers of the Forum are to be a Chairperson, Vice Chairperson, Communications Officer and Treasurer to be elected by the steering group of the Forum on an annual basis.~~

~~Clarification is sought in the roles identified in terms of the Communications Officer and Secretary. It is noted that a Secretary has not been identified as an ‘Officer of the Forum’ and will not be voting member of the Forum Steering Group.~~

**Appendix 1a: Updated Constitution Submitted by Torquay Neighbourhood Forum (Track Changes)**

**Appendix 1b: Updated Constitution Submitted by Torquay Neighbourhood Forum (Final Version)**

**Appendix 1c: Community Partnership Code of Conduct (January 2013)**

**Meeting:** Cabinet/Council      **Date:** 23 February 2023/07 March 2023

**Wards affected:** Mainly Barton with Watcombe, Cockington with Chelston, Ellacombe, St. Marychurch, Tormohun, Wellswood, but also adjoining Preston and Furzeham with Summercombe, St Peters with St Marys. Indirect effect upon all Wards (see report).

**Report Title:** Application to re-designate a Torquay Neighbourhood Forum (TNF)

**When does the decision need to be implemented?** By 14<sup>th</sup> March 2023 (13 weeks from the day after publication of NF application (12<sup>th</sup> December 2022)).

**Cabinet Member Contact Details:** Councillor Mike Morey, Cabinet Member for Infrastructure, Environment and Culture

**Director/Assistant Director Contact Details:** David Edmondson Divisional Director, Planning, Housing and Climate Emergency.

## 1. Purpose of Report

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- 1.1 An application has been submitted to Torbay Council as the Local Planning Authority, to re-designate a Torquay Neighbourhood Forum for the existing Neighbourhood Area, comprising the Wards of Barton with Watcombe, Cockington with Chelston, Ellacombe, St. Marychurch, Tormohun, Wellswood. To clarify, the existing Torquay Neighbourhood Area consists of all parts of the Torquay Wards excepting any area that lies within the sea or which is currently within the Brixham Peninsula Neighbourhood Plan Area or within the administrative boundaries of Brixham Town Council.
- 1.2 If the application is agreed, the Torquay Neighbourhood Forum (TNF) would be re-designated for a period of five years, covering the Torquay Community Partnership Areas listed in the application and Torquay Wards listed above.
- 1.3 A copy of the application and the previously approved Torquay Neighbourhood Area boundary (2012) are included at Appendix 1. To clarify, no application is necessary to redesignate the area, only the forum.

## 2. Reason for Proposal and its benefits

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We want Torbay and its residents to thrive.

*We want Torbay to be a place where we have turned the tide on poverty and tackled inequalities; where our children and older people will have high aspirations and where there are quality jobs, good pay and affordable housing for our residents.*

*We want Torbay to be the premier resort in the UK, with a vibrant arts and cultural offer for our residents and visitors to enjoy; where our built and natural environment is celebrated and where we play our part in addressing the climate change emergency.*

- 2.1 The proposals in this report help us to deliver this ambition by giving the residents of Torquay a greater say in planning proposals in their area by re-designating a Neighbourhood Forum body.
- 2.2 Forum designations, in accordance with the Neighbourhood Planning Regulations 2012 (as amended) and section [61F of the Town and Country Planning Act 1990](#); last for a five year period. Both Torquay and Paignton Neighbourhood Forums (designated on 7<sup>th</sup> December 2017) ceased to formally exist in December 2022. Many volunteers have worked tirelessly on the preparation of Neighbourhood Plans across Torbay, which were adopted ('made') in 2019 and now form part of the Development Plan for Torbay. The Forum status does not affect the validity of the Neighbourhood Plans. No Forum application has been received for the Paignton area.
- 2.1 The Torquay Neighbourhood Forum wish to be re-designated as the Neighbourhood Planning body for the Torquay Neighbourhood Area as set out in the main report below, the National Planning Practice Guidance relating to Neighbourhood Forums has changed since the original designation. The proposed Forum Group have indicated that they wish to refresh the existing Torquay Neighbourhood Plan.
- 2.2 The local planning authority should assess the neighbourhood forum application against the conditions for designation and appropriate guidance. For the purposes of any refresh of the Torquay Neighbourhood Plan envisaged, it is noted that the Neighbourhood planning framework does not have the power to set a strategic housing level for the area outside of the Local Plan's strategic framework. This situation will endure until the Local Plan is updated. This could lead to community frustration.

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

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- 3.1 Following consideration of all representations received at the close of consultation on 23<sup>rd</sup> January 2023. That the TNF Neighbourhood Forum be designated as the Neighbourhood Planning body ("Qualifying Body") for the Torquay Neighbourhood Area, subject to:
  - i) Evidence that the Forum meets the minimum Forum requirements (section 61F(5) & (7) of the of the Town and Country Planning Act 1990 as applied to neighbourhood plans by section 38A of the Planning and Compulsory Purchase Act 2004). .
  - ii) Agreement to alter the TNF Constitution Section 12.1 relating to further Constitutional Amendments as set out below:

*Hereinafter, this Constitution may be amended **with approval of the LPA** through a vote of the Steering Group by not less than a two thirds majority vote of the Steering Group members in a quorum meeting or by email vote. Proposed amendments must*

*be agreed at a Steering Group meeting and circulated at least 14 days in advance of the next meeting or not less than 14 days prior to close of email voting. Any amendments by the Forum must be notified **and agreed by** Torbay Council.*

- iii) Agreement to Delete Section 8.5 of the TNF Constitution: *The Local Planning Authority will indemnify Forum members against reasonable legal costs and expenses arising from the content of the Neighbourhood Plan*

3.2. In addition, the following amendments and clarification are requested as follows:  
That the proposed Forum's Constitution be amended as follows;

- i) to ensure that Forum executive and steering group members follow the same Code of Conduct as elected Torbay Council Members - amend Section 8.3 as follows: *All members of the Forum shall act in meetings of the Forum and any Representative Group(s) in the best interests of the Forum and the community of the area and shall follow best practice guidance on governance **following the same Code of Conduct as elected Torbay Council Members.***
- ii) To fulfill Sections 6.4, 7.3 and 7.4 of the Constitution: The Forum provide an undertaking to publish on a website, appropriate and timely manner: meeting agendas, minutes and associated documents (where appropriate) within a reasonable period.  
Minor Factual corrections
- iii) Section 3.6 Liaise and co-operate *with any **Forums or Qualifying Bodies** for **other areas of Torbay.***
- iv) Section 4.1 *For the avoidance of doubt all members of the Community Partnerships of Torquay are automatically **eligible as** members of the Forum ...* this is to accord with the following statement in Paragraph 4.2 'Membership is voluntary'.  
Clarification sought:
- v) Section 5.3 *Officers of the Forum are to be a Chairperson, Vice Chairperson, Communications Officer and Treasurer to be elected by the steering group of the Forum on an annual basis. **Clarification is sought in the roles identified in terms of the Communications Officer and Secretary. It is noted that a Secretary has not been identified as an 'Officer of the Forum' and will not be voting member of the Forum Steering Group.***

## Appendices

Appendix 1: Application including submitted Neighbourhood Forum Area boundary.

Appendix 2: Proposed amendments to TNF Constitution

Appendix 3: Summary of consultation representations received.

Appendix 4: Neighbourhood Development Plan "Road Map".

## Background Documents

Consolidated version of the Neighbourhood Planning Regulations 2012 (as amended).

Regulations most relevant sections.

National Planning Policy Framework. Online Planning Practice Guidance. section [61F of the Town and Country Planning Act 1990](#)

# Supporting Information

## 1. Introduction

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- 1.1 Torbay has placed great emphasis on Neighbourhood Planning and has bay wide Neighbourhood Plan coverage. Neighbourhood Plans, along with the Torbay Local Plan form the legal starting point for determining planning applications. Neighbourhood Plans are prepared by Neighbourhood Forums and a great deal of voluntary work goes into their preparation. The Torquay Neighbourhood Plan was “made” by Torbay Council in June 2019, following referendum in May 2019 and remains in force regardless of the Forum’s status.
- 1.2 The neighbourhood planning body (The “Qualifying Body”) has a life of five years. The Torquay Neighbourhood Forum (TNF) was designated (approved) by Torbay Council in 2012, and again in December 2017 but its status expired in December 2022. Torbay Council has received an application to re-designate the Torquay Neighbourhood Forum, the subject of this Report.
- 1.3 The Neighbourhood Area subject to the Torquay Forum application is as previously designated and does not ‘expire’ in the same way. The Torquay Neighbourhood Area currently comprises the Wards of Barton with Watcombe, Cockington with Chelston, Ellacombe, St. Marychurch, Tormohun, Wellswood. To clarify, the proposed Torquay Neighbourhood Area consists of all parts of the Torquay Wards excepting any area that lies within the sea or which is currently within the Brixham Peninsula Neighbourhood Plan Area or within the administrative boundaries of Brixham Town Council. The Torquay Neighbourhood Area is therefore not the direct subject of this Report.
- 1.4 Paignton Neighbourhood Forum (PNF) was the neighbourhood planning body (The “Qualifying Body”) for the Paignton Neighbourhood Plan Area, which was also approved by Torbay Council in 2012, and again in December 2017; its status also expired in December 2022. The Paignton Neighbourhood Plan was also “made” by Torbay Council in June 2019, following referendum in May 2019 and remains in force regardless of the PN Forum’s status. No application has been received from a body in Paignton to be designated at the time of writing.
- 1.5 The Broadsands, Churston and Galmpton Neighbourhood Area (BCGNA) and Forum (BCGNF) were designated in November 2021, with the consequent creation of the Brixham Neighbourhood Area, for the ‘parished’ wards, in which Brixham Town Council automatically becomes the ‘Qualifying Body’. The adopted Brixham Peninsula Neighbourhood Plan (BPNP) adopted in 2019, comprising both these areas, remains in force ( [Brixham Peninsula Neighbourhood Plan - Torbay Council](#)).
- 1.6 When considering the application by the Forum for re-designation as a neighbourhood planning body, the LPA needs to assess if the organisation or body can demonstrate that it

is capable of meeting the conditions for designation (see [section 61F\(5\) of the of the Town and Country Planning Act 1990 as applied to neighbourhood plans by section 38A of the Planning and Compulsory Purchase Act 2004](#) (summarised in 1.7 below).

- 1.7 The National Planning Policy Guidance (Paragraph: 016 Reference ID: 41-016-20140306 Revision date: 06 03 2014) states: *.. A group or organisation must apply to the local planning authority to be designated as a neighbourhood forum (a forum application). Those making a forum application must show how they have sought to comply with the conditions for neighbourhood forum designation. These are set out in [section 61F\(5\) of the Town and Country Planning Act 1990](#) as applied to neighbourhood plans by section 38A of the Planning and Compulsory Purchase Act 2004. To be designated a neighbourhood forum must have a membership that includes a minimum of 21 individuals who either:*
- *live in the neighbourhood area*
  - *work there; and/or*
  - *are elected members for a local authority that includes all or part of the neighbourhood area*

Para 17 explains that a prospective neighbourhood forum is not *required* to have a member from each membership category in order to be designated but should have an open membership policy. Therefore the LPA *must* consider whether the prospective neighbourhood forum has secured or taken reasonable steps to attempt to secure membership from each category and from different places and sections of the community in that area (see [section 61F\(7\)\(a\)\(i\) and \(ii\) of the of the Town and Country Planning Act 1990 as applied to neighbourhood plans by section 38A of the Planning and Compulsory Purchase Act 2004](#)).

- 1.8 In considering the TNF application, it is worth noting that the associated Torquay Neighbourhood Area, originally designated in 2012, does have implications for the scope and identity of the proposed Torquay Forum and the scale of the consequent Neighbourhood Plans covered. Paragraph 033 (Revision date: 06 03 2014) of the NPPG sets out a number of criteria to assist setting Neighbourhood Areas and states: *Electoral ward boundaries can be a useful starting point for discussions on the appropriate size of a neighbourhood area; these have an average population of about 5,500 residents.* The proposed Torquay Neighbourhood Forum will represent a population of approximately 64,000 plus residents; eleven times the quantum of the suggested starting point. There is a steer from the Government guidance that smaller, more local, Neighbourhood Forums, Areas and Plans are envisaged. This is examined further in the section 1.17 to 1.20 below.

- 1.9 It is noted that, if designated as a neighbourhood planning body, the Torquay Neighbourhood Forum has a statutory duty to be notified of planning applications; Torbay Council has an 'informal agreement' to make Torbay Forums a consultee on planning applications. There will be cross boundary issues where it is appropriate to seek the views of more than one Neighbourhood Planning body e.g., for applications close to an area's border.



- 1.10 The prospective Torquay Neighbourhood Forum has also indicated that it will seek to refresh the adopted Torquay Neighbourhood Plan (2019). Whilst a recent Government Ministerial Statement and consultation draft NPPF indicates shift in the weight applied to the Standard Method for calculating housing need and the requirement to sustain a five year housing land supply; a key and understandable concern of Forum Members is to achieve a five year housing land supply, and therefore regain local control over planning decisions. This will not be easily achievable, for reasons set out below.
- 1.11 Officers have assessed the neighbourhood forum application against the statutory conditions for designation and evaluated the consultation responses received.

### **Consultation**

- 1.12 Torbay Council has published and consulted on the proposed Forum in accordance with the legal requirements under the Neighbourhood Planning Regulations. Consultation began on Monday 12<sup>th</sup> December 2022 and closed at 23:59 on Monday 23<sup>rd</sup> January 2023. The Torquay Neighbourhood Forum consultation received 25 online representations, of which the majority expressed support for the creation of the Forum, whilst a third didn't know or where not in favour. Five email responses were received. Responses included comments about the content of the Torquay Neighbourhood Plan rather than the proposed Forum.
- 1.13 There have, however, been a small number of concerns raised to the proposed Forum. These related to the issue of lack of awareness of what is happening, the scope and scale of representation in the Forum and the need for open access by the community.
- 1.14 The issues in 1.13 are dealt with below. Officers consider that they are not a reason for refusing Forum status, but there is a case to request amendments to the draft constitution to address objectors' concerns. The Forum applicants are requested to demonstrate a more open and transparent approach by making further amendments to their constitution.

### **Neighbourhood Plans and Housing Supply**

- 1.15 Government planning guidance is that LPAs should avoid prejudging the content of neighbourhood plans when considering Forum (and Area) applications. Having been "made" in June 2019, all of the existing Neighbourhood Planning bodies are looking to update their Neighbourhood Plans. The prospective 'TNF' has expressed a wish to take an updated Neighbourhood Plan forward. Any substantial refresh of the Torquay Neighbourhood Plan has to be written, undertake two rounds of consultation, independent examination and (if necessary) modification prior to referendum. The preparation of a refreshed Neighbourhood Plan will take months and up to years to achieve. A diagram showing the stages of preparing a neighbourhood plan is included at Appendix 4 for information.
- 1.16 The National Planning Policy Framework (NPPF) indicates that Neighbourhood plans are not the strategic plan for the area and cannot set a housing requirement. That is set out in

the existing adopted Torbay Local Plan 2012-2030 (or the emerging Local Plan update to 2040). Nor can they propose less development than is set out in the Local Plan or undermine strategic priorities (NPPF paragraph 29). Housing numbers must be set at the Local Plan level, and are beyond the scope of this report.

### **Neighbourhood Forum (and Area) identity and scope.**

- 1.17 It is worth considering if a Forum covering an extensive population (64,000 plus residents) is appropriate. For Torbay, the three original NP areas have already been subject to change. The Brixham Peninsula Neighbourhood Plan Area was the subject of a division in November 2021- separating the Brixham Town Council Wards (approx. population of 15,000) and creating a new Brixham Peninsula Neighbourhood Area (approx. population of 3,000). The Paignton Neighbourhood Forum (PNF) Area covers a population of approximately 45,000 residents. The Paignton neighbourhood body (originally designated in 2012 and again in 2017) has found it difficult to sustain an active Forum. As above, the PNF designation has now expired, and no Forum application has been received to re-designate.
- 1.18 It is recognised that the workload for a small group of all active Neighbourhood Forum members over a number of years, could over-burden volunteers. The National Planning Policy Guidance Paragraph 033 (also set out in 1.8 above) indicates that Forums should be 'local' in nature, with electoral ward boundaries being a useful starting point (covering a population of 5,500 residents) and suggests considerations such as *'the catchment area for walking to local services such as shops, primary schools, doctors' surgery, parks or other facilities'* when setting Neighbourhood Area boundaries. The need to have a minimum of 21 members is also based on this localised expectation. There is an argument that a representative body for a larger scale area should itself be of larger number and this should be considered as part of this application.
- 1.19 It is understood the proposed Torquay Forum will be open to all Ward Members and Torquay Community Partnerships as follows: Torre and Upton; Torquay Town Centre; Shipway; Wellswood; St. Marychurch and District; Ellacombe; Cockington, Chelston and Livermead; Watcombe, Willows and Higher Barton; and Hele and Lower Barton. However, the proposed re-designated TNF would have representation for over 64,000 residents. Members may wish to consider whether the proposed Forum is an appropriate, and sustainable body or whether alternatives should be considered, such as Forums at a Ward or Community Partnerships level. Brixham Neighbourhood Area covers the two wards of Furzeham with Summercombe and St Peter's with St Mary's and the new BCG Area covers less than the Churston with Galmpton Ward.
- 1.20 Although there has been no consultation response (directly) suggesting the above scenario by residents, a couple of responses did indicate a lack of knowledge about the Forum and if they represent the general views of residents of Torquay. Members may also wish to ensure neighbourhood planning body volunteers are able to comfortably sustain workloads over months and years, when making Forum Designations. A smaller Neighbourhood Plan Area and Forums are clearly suggested as a better 'operational level' and may allow small groups to have a more manageable scope of work. They may also

help to address some of the concerns raised (see 1.22 below) by being more approachable at a smaller scale. However, this option would represent a significant change in NP boundaries in this area, on this basis, this option is open to consideration but not currently recommended by officers.

### **Consultation responses on the Forum Application.**

1.21 The TNF consultation was promoted on the Torbay Council website and social media with 350 plus emails sent out to Local Plan database contacts. The consultation was announced at the Agents' Forum in December 2022. Reminders were sent out before the close of the consultation. A total of 25 responses to the on-line survey have been received, 21 responders live or work in Torquay and 7 of those are active or former Community Partnership or TNF members; 75% of responders were over the age of 55. A majority of replies, 68% (17), expressed support for the creation of the Forum and 34% didn't know (5) or were not in favour (3). Twelve fuller text comments were made under question nine, broadly supportive comments were received, comments include of support for the hard work of the Forum and ongoing input into planning on behalf of the TNP, however, there were some concerns raised, examined below. Five email responses were received neutral (2), supportive (1) and, representations (2) that relate more to the content of the Torquay Neighbourhood Plan rather than the proposed Forum. The Engagement HQ summary of online activity and a summary of email responses are set out in more detail in Appendix 3.

1.22 A small number of representations express a lack of confidence in the Forum and raise a concern as to a lack of awareness/transparency. Some representations have raised the following concerns:

- *"I don't know who the Forum is and that it should be more open to the people of Torquay."*
- *"Previous members of the Forum have not responded when asked to engage with employment providers in the Forum area."*
- *"I do not believe Torquay NPF represents the general views of residents of Torquay"*

Officer recommendations include changes to the TNF constitution and seek to secure wider public access and publication of forthcoming NF meeting agendas and publishing minutes on their website in a timely manner.

1.23 It is noted, that there is an active Torquay Neighbourhood Forum Facebook Page [Torquay Neighbourhood Plan - Home | Facebook](#), however, the Torquay Neighbourhood Plan website <https://torquayneighbourhoodplan.org.uk/> appears to require updating (Section 6.4 of the Constitution states that *"update and maintain the Forum website"* is the responsibility of the Forum Communications Officer). Section 7.3 states: *At least 7 days notification must be given to its members for a Forum or Group meeting. The details of the time and place of meetings will be made widely available including on the Forum's website.* The Constitution submitted to the LPA, does not accord with the Constitution dated 2012 on the TNF website and there are no published Torquay Neighbourhood Plan/Forum minutes since September 2022. This is not a 'direct' consideration under the legislation, however this

would seek to mitigate comments from some representations made and be more in accord with the Council's Community Engagement and Empowerment Strategy, supporting the Forum to be as accessible and transparent as the community expects.

- 1.24 To be consistent with other recent Forum designations, it is suggested that the TN Forum constitution is amended, such that post-holders or those representing the Forum at meetings etc. agree to the same Code of Conduct governing Council Members and officers and ensuring there is a sufficient quorum attendance and open access to attend meetings or see minutes. Agreeing to the code of conduct would also ensure that Forum representatives took equalities matters fully into account. In addition, it is recommended that the Forum's Constitution undertakes to publish minutes of public meetings online within a reasonable period. The Government has prescribed neighbourhood forums' roles and powers. The Neighbourhood Plan, when published, will be subject to independent examination, referendum and consideration by Torbay Council as the Local Planning Authority. Accordingly, it is considered proportionate to request that the Forum considers these suggestions, rather than seeking to require them. Appendix 2 sets out the suggested changes.
- 1.25 Officers emphasise that the above is suggested as a response to the representations received and for consistency and are not intended to impugn the good faith, or strenuous efforts for the community, of those involved in Neighbourhood Planning or promoting the Forum.

## 2. Options under consideration

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- 2.1 In summary, Officers have considered there is an option for the LPA to refuse to agree to the re-designation of the Forum, in the light of Government Guidance which indicates that Forums should be 'local' with electoral ward level (5,500 residents), being a possible starting point, this may also provide a more sustainable group size and manageable workload. This is relevant consideration of the recent demise of the Paignton Neighbourhood Forum and the division of the original BPNF, into the Brixham Town Council and the approval of the BCG Forum. However, Torbay Council has committed to empowering the community through Neighbourhood Planning and there is a strongly supported wish for the Torquay community to form a Forum. Therefore the LPA only seeks reassurance that the proposed TNF are confident that the body is capable of both sustaining their desired activities through volunteers and have appropriate community networks to ensure access. Refusal of the designation is not recommended at this time.

## 3. Financial Opportunities and Implications

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- 3.1 Funding from Locality may be available directly to the forum to support preparation of any refreshed Neighbourhood Plan. The costs of preparing a neighbourhood plan including council support and the required referendum on the plan will have a financial impact, although some of this cost may be offset from central government funding. Once the value and timing of these costs can be estimated the council will need to identify the

funding.

- 3.2 The LPA has a duty to provide support to the Forum. The previous period of extensive planning work with the Neighbourhood Forums coincided with a period where less development plan work was underway. Spatial Planning is not resourced to support neighbourhood planning to that same extent alongside the Local Plan update, and taking resources from one will necessarily impact upon the other. The support provided by the LPA to the forums can vary and previously this included regular attendance at forum meetings and advice on the development of planning policies, but with all areas updating their plans the minimum requirements will be to respond to forum consultations, arrange the LPA consultation, prepare committee/council reports, organisation of examinations including procurement of examiners as appropriate and managing any modifications process that follows, and arranging referendums.
- 3.3 Any substantially refreshed Neighbourhood Plans are subject to independent examination and referendum. There is expense involved with appointing an Examiner. There is the cost of a referendum on a plan proposal, if the referendum is not carried out in conjunction with an existing election it will cost much more. However, the additional costs of Neighbourhood Plan examination etc., are not reasons to refuse the creation of an Area or Forum and to some extent the authority can claim grant funding for the costs.
- 3.4 The CIL Regulations (2010 as amended) indicate that a neighbourhood portion of Community Infrastructure Levy be spent in the area in which development takes place. Outside of the parished area of Brixham, Torbay Council retains the 25% neighbourhood proportion and determines how this should be spent accounting for national Government guidance. It is noted that the Cabinet (13 December 2022) has resolved that the Neighbourhood Proportion of CIL monies collected will, be subject to the following process: That, the Divisional Director of Planning, Housing and Climate Emergency be given delegated authority to determine submissions from community groups, in consultation with a newly established CIL Spend Panel, which are endorsed by the Neighbourhood Forums or an agreed alternative. The membership of the Panel to include the Leader of the Council, the Cabinet Member for Finance, the Cabinet Member for Infrastructure, Environment and Culture and representatives of the Neighbourhood Forums, (or if not available from the Neighbourhood Forums) representatives from the Local Community Partnerships and the Torbay Community Development Trust. If the current application for designation was refused, then, (as per PNF expired status) Local Community Partnership representatives would need to be selected in replacement of TNF representatives.

## 4. Legal Implications

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- 4.1 Neighbourhood Areas and Forums are governed by the Localism Act 2011 and Neighbourhood Planning Regulations (2012 as amended) and the Regulations set out below. The process of advertising and considering forum application is set out in Regulations 6 and 9, and considered in more detail above.

- 4.2 A local planning authority must take a decision on an application to designate a neighbourhood forum within 13 weeks the day after publication, provided there is no other neighbourhood forum application already under consideration for all or part of the area. These time periods are prescribed in the Neighbourhood Planning (General) and Development Management Procedure (Amendment) Regulations 2016
- 4.3 It is noted that, [under Section 61F\(9\) of the TCPA](#) - A local planning authority may withdraw an organisation or body's designation as a neighbourhood forum if they consider that the organisation or body is no longer meeting the conditions by reference to which it was designated, or any other criteria to which the authority were required to have regard in making the designation; and, where an organisation or body's designation is withdrawn, the authority must give reasons to the organisation or body.
- 4.4 A key role of the Forum will be to carry out an update of the Torquay Neighbourhood Plan. Neighbourhood Planning legislation governs the preparation and examination of neighbourhood plans and the various steps required in that process. Appendix 4 sets out this roadmap.

## 5. Engagement and Consultation

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- 5.1 A local planning authority must publicise a neighbourhood forum application in accordance with regulation 11 of The Neighbourhood Planning (General) Regulations 2012.
- 5.2 As noted, the Council consultation on the proposed area and Forum status ran between 12<sup>th</sup> December 2022 to 23<sup>rd</sup> January 2023, in accordance with the requirements of Sections 61F and G of the Town and Country Planning Act 1990 (as amended) and Regulations 5 to 11 of the Neighbourhood Planning (General) Regulations 2012 (as amended).
- 5.3 The council sent out a general newsflash and press release. The council also sent out messages and reminders on its social media platforms and over 350 emails to contacts on the Local Plan data base. A summary of online representations received formally by the Council is set out at Appendix 3.

## 6. Purchasing or Hiring of Goods and/or Services

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- 6.1 No direct impact. The LPA may commission individual or joint research to support neighbourhood planning, but this is a separate matter from the current proposal.
- 6.2 The Council will be required to procure an examiner for the Neighbourhood Plan. For this area alone it would not be at the same scale as the previous round of examinations and an appropriate process will be determined in due course ahead of the submission of a plan from the forum.

## 7. Tackling Climate Change

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- 7.1 The application for a Neighbourhood Forum status does not directly affect the Climate Emergency. However, the Forum through its work can promote a range of sustainability objectives. For example policies in the existing Neighbourhood Plan promote the reuse of urban brownfield sites and encourage sustainable design and construction.

## 8. Associated Risks

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- 8.1 The main risks are outlined in the main report. The key risk is of community disillusionment about the powers of neighbourhood plan, and the time it takes to prepare them, alongside the long term time commitments from volunteer members of the community, over months and years to deliver refreshed Neighbourhood Plans. This is discussed above.
- 8.2 Officers have considered the representations raised to the Forum designation, and possible remedies in terms of amending the Constitution and requesting a higher level of accessibility (including publication of Forum meetings/minuets etc) and consideration of the extent and scope of the proposed Forum. For the reasons set out in the main report, Officers consider that the Forum is acceptable, if the constitutional amendments and associated measures requested can reasonably address concerns.

## 9. Equality Impacts - Identify the potential positive and negative impacts on specific groups

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- 9.1 The LPA notes the that the Community Partnerships include the promotion of the economic, social, health and environmental well-being of the Community within each Partnership area and that in section 1:1 it states *The express purpose of the Torquay Neighbourhood Forum will be to promote or improve the social, economic and environmental well-being of Torquay (...through those objectives and those in section 3).*
- 9.2 The impact of the Forum depends upon the policies it pursues in practice, particularly in relation to the preparation of a Neighbourhood Plan. These cannot be pre-judged at this stage. Requesting the Forum members to be subject to Torbay Council Member Code of Conduct would require them to have regard to equalities duties.

## 10. Cumulative Council Impact

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- 10.1 As outlined above. These would include legal, procurement and governance services.

## 11. Cumulative Community Impacts

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- 11.1 As outlined above.



## Town and Country Planning, England The Neighbourhood Planning (General Regulations) 2012

Application is hereby made to Torbay Council as the Local Planning Authority for the re-designation of (1) a Neighbourhood Area and (2) a Neighbourhood Forum in accordance with the above Regulations.

### **(1) Application for designation of a Neighbourhood Area (Regulation 5)**

A Map which identifies the area to which the Application relates and the Wards covered is included at Page 3 (Regulation 5a)

Statement explaining why this area is considered appropriate to be designated as a Neighbourhood Area (Regulation 5b)

The current Neighbourhood Area has been successfully designated and functioning since July 2012. It was re-designated in December 2017.

The proposed Neighbourhood Plan area (as identified by the map on page 3) covers the Torbay Community Partnership areas of:

- Torre and Upton
- Torquay Town Centre
- Shiphay
- Wellswood
- St Marychurch and District
- Ellacombe
- Cockington, Chelston and Livermead
- Watcombe, Willows and Higher Barton
- Hele and Lower Barton.

All are in the Torquay area of Torbay and have community identities that bond them together through a shared town centre as well as development, infrastructure and access challenges. Close working of the Partnerships has been the norm for the community. It has been agreed collectively this should be continued by maintaining and updating a Neighbourhood Plan for the proposed Neighbourhood Area, and providing input on Planning Applications as appropriate. This would mean that the Plan truly reflects the wishes of the community and of a Forum that would include a wide range of community members with different viewpoints on all aspects the Plan covers.

No part of the Neighbourhood Area proposed overlaps any part of any other Neighbourhood Area (Section 61G(7) of the Act).

Statement that the organisation or body making the area application is a relevant body for the purposes of section 61G of the 1990 Town & Country Planning Act (Regulation 5c)

The network of Torbay Community Partnerships has been operating for many years. All sixteen Community Partnerships agreed with Council representatives at a meeting on 17<sup>th</sup> September 2011 to the proposal that three Neighbourhood Plans should be produced covering Torbay – one each for Torquay, Paignton and Brixham. To give effect to this, the nine Community Partnerships of Torquay as previously referred to above agreed to establish the Forum for Torquay covering the area identified by the Map on page 3. This arrangement will continue.





No part of the specified Neighbourhood Area consists of or includes the whole or any part of the area of a parish council (Section 61G(3b) of the Act)

This application is submitted by the elected Chair and elected Vice Chair on behalf of the Torquay Neighbourhood Plan Forum as a relevant body (Section 61G(2b)).

**(2) Application for designation of a Neighbourhood Forum (Regulation 8)**

The name of the proposed Neighbourhood Forum (Regulation 8a) is:

**‘Torquay Neighbourhood Plan Forum’ (TNPF) with the shorter title of ‘The Torquay Neighbourhood Forum’ (TNF)**

The written Constitution of the proposed Neighbourhood Forum (Regulation 8b) is attached at Annex 1 to this application (see page 4).

The name of the proposed Neighbourhood Area to which this Application relates is **‘Torquay Neighbourhood Plan Area’** and the Map which identifies the area is provided on page 3 of this Application (Regulation 8c).

Contact details of members of the proposed Neighbourhood Forum (at least 1) are (Regulation 8d):

(1) Name: Dr Rodney Horder (Chair) Email: [chair@torquaynp.org](mailto:chair@torquaynp.org)

(2) Name: Darren Cowell (Vice Chair) Email: [darren@darrencowell.co.uk](mailto:darren@darrencowell.co.uk)

**Statement explaining how the proposed Neighbourhood Forum meets the conditions contained in Section 61F(5) of the Act (Regulation 8e)**

(a) the constitution of the Forum proposed (see Annex 1) and each of the Community Partnerships have the express purpose of promoting or improving the social, economic and environmental well-being of the proposed Neighbourhood Area (Section 61F(5)a);

(b) membership is open to (Section 61F(5)b)–

- (i) individuals who live in the proposed neighbourhood area,
- (ii) individuals who work there (whether for businesses carried on there or otherwise), and
- (iii) individuals who are elected members of Torbay Council whose area falls within the neighbourhood area concerned,

(c) membership includes a minimum of 21 individuals each of whom (Section 61F(5)b) —

- (i) lives in the neighbourhood area concerned,
- (ii) works there (whether for a business carried on there or otherwise), or
- (iii) is an elected member of Torbay Council

(d) it has a written constitution (Section 61F(5)d), and

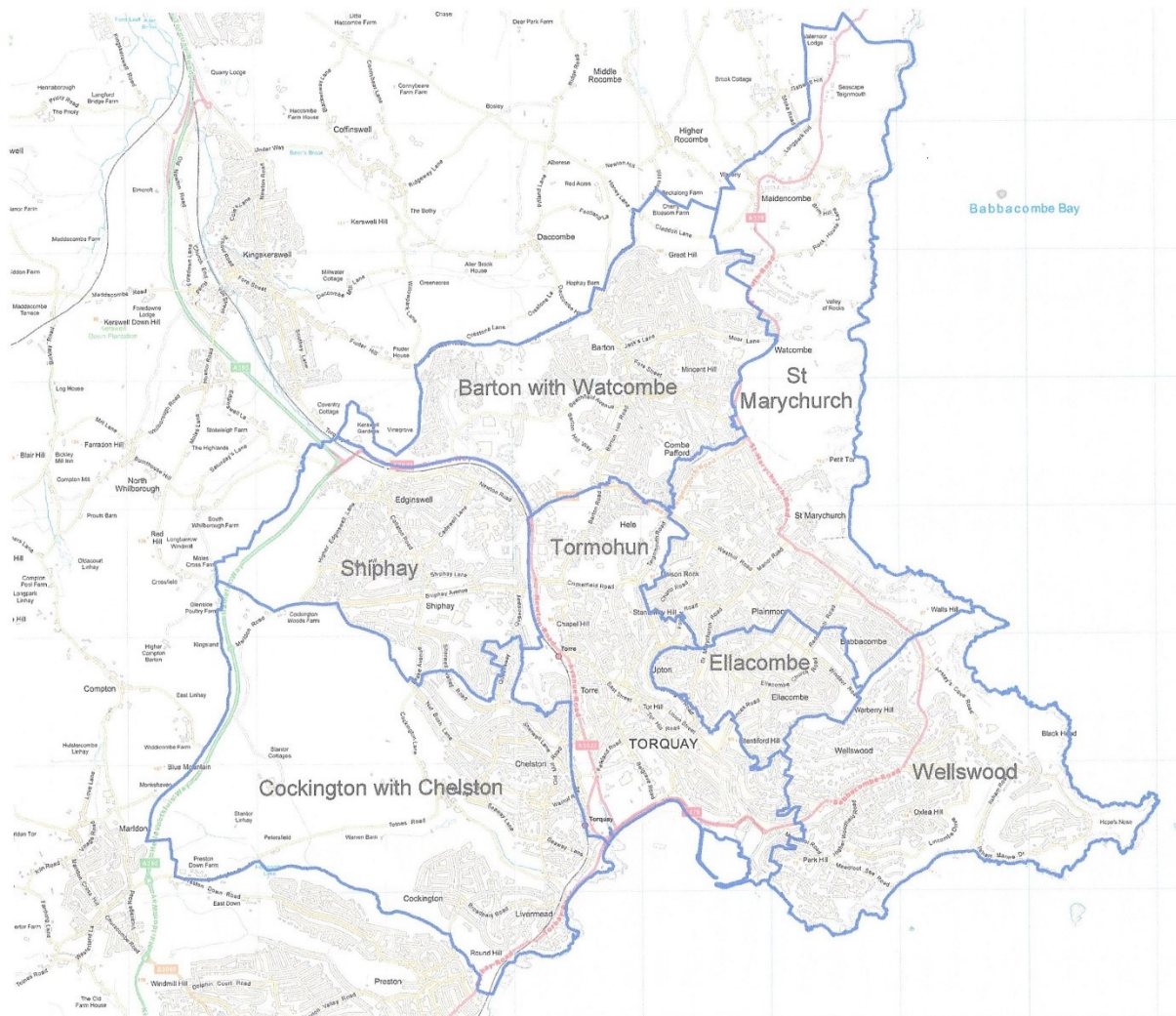
(e) there are no other conditions that have been prescribed (Section 61F(5)e).

Further, the Forum has already secured a membership that meets the “desired” criteria of Section 61F(7) of the Act, namely:-

- (i) has secured membership that includes more than one individual falling within each of the subparagraphs (i) to (iii) of subsection (5)(b),
- (ii) membership drawn from different places in the neighbourhood area proposed and from different sections of the community in that area, and
- (iii) whose purpose reflects (in general terms) the character of that area



Map of the Neighbourhood Area proposed:





## **Annex 1**

### **Torquay Neighbourhood Plan Forum**

#### **Constitution**

##### **1.0 Introduction**

- 1.1 Torbay Council is the Local Planning Authority for the area of Brixham, Paignton and Torquay. Torbay's Community Partnerships were established by the Torbay Strategic Partnership in September 2004. Each Community Partnership has the following Aim and Objectives under the Constitution last reviewed and revised in March 2011,:-

Aim:

To bring together local people to add value and achieve a better quality of life for the local community.

Objectives:

- To promote the economic, social, health and environmental well-being of the Community within each Partnership area;
- To provide an opportunity for local people to influence local decision making;
- To encourage openness and transparency amongst statutory agencies and provide an opportunity for local people to influence the priorities and services of these agencies;
- To improve community leadership for the benefit of the whole area;
- To improve democratic participation by local people;
- To develop area plans to benefit the local community and Torbay as a whole.

The express purpose of the Torquay Neighbourhood Forum will be to promote or improve the social, economic and environmental well-being of Torquay through those objectives and those in section 3 below.

- 1.2 The Localism Bill encouraged local communities to set up a Neighbourhood Forum to lead the preparation of a Neighbourhood Plan. It was agreed by the Community Partnerships and Torbay Council that three Neighbourhood Plans would be prepared – one for each of Brixham, Paignton and Torquay.
- 1.3 In October 2011, representatives and Councillors from all nine Community Partnerships in Torquay met and agreed to establish the Neighbourhood Forum for Torquay.
- 1.4 Each Plan has now been made and form part of the Development Plan for Torbay and will be used in making development decisions.

##### **2.0 Forum name and the Neighbourhood area**

- 2.1 The name of the Forum shall be "Torquay Neighbourhood Plan Forum" hereinafter referred to as "the Forum".
- 2.2 To ensure no overlap with the Brixham and Paignton Neighbourhood Plans, Torquay Neighbourhood area, hereafter referred to as "the Neighbourhood Area", consists of the Community Partnership areas of Torre and Upton; Torquay Town Centre; Shiphay; Wellswood; St Marychurch and District; Ellacombe; Cockington, Chelston and Livermead; Watcombe, Willows and Higher Barton; and Hele and Lower Barton.

##### **3.0 Objectives**

The objectives of the Forum are:



- 3.1 To produce or modify the Neighbourhood Plan for Torquay and to monitor, support and defend its implementation as part of the Development Plan and its interpretation in decision making.
- 3.2 To make changes to the Plan in response to changes in the Local Plan and to planning decisions and to consultations in as timely a fashion as possible to further the social, economic and environmental well-being of individuals living, or wanting to live, work or visit Torquay.
- 3.3 To establish appropriate project groups, with appropriate members to support the Plan
- 3.4 Ensure full community involvement in all work relating to the Neighbourhood Plan.
- 3.5 Make appropriate arrangements for providing public information about the Plan
- 3.6 Liaise and co-operate with the Forums for Brixham and Paignton

#### **4.0 Forum membership**

- 4.1 Membership of the Forum is open to individuals:-

- (a) who live in Torquay
- (b) who work in Torquay
- (c) who are Torbay Councillors in Torquay
- (d) who own property in Torquay
- (e) who are retailers in Torquay
- (f) who represent local organisations operating in Torquay
- (g) who own businesses in Torquay

For the avoidance of doubt all members of the Community Partnerships of Torquay are automatically members of the Forum

- 4.2 Membership is voluntary.
- 4.3 The number of members shall be not less than 21.
- 4.4 For the avoidance of doubt, no person who qualifies under paragraph 4.1 above shall be excluded or refused membership from the Forum unless expressly authorized by the Steering Group.

#### **5.0 The Steering Group and responsibilities**

- 5.1 The Forum will be managed by a Steering Group consisting of:-

- (a) An Executive Committee made up of the Forum Chairperson, Vice Chairperson, Communications Officer, and Treasurer;
- (b) the Chairperson, or designated representative of each of the Community Partnerships of Torquay;
- (c) up to 4 Councillors, ensuring a political balance.
- (d) other members of the Forum determined by the Steering Group from time to time, and co-opted as appropriate to achieve the objectives.
- (e) all members of the Steering Group will represent a wider network. There will be no individual members of the Steering Group.



- 5.2 Membership is on a voluntary basis
- 5.3 Officers of the Forum are to be a Chairperson, Vice Chairperson, Communications Officer and Treasurer to be elected by the steering group of the Forum on an annual basis.
- 5.4 New members may join by applying either verbally or in writing (including by email) to the Forum Secretary or to the Community Partnership office.
- 5.5 The decision on acceptance of individual membership applications is the responsibility of the Steering Group. Refusal to accept an application for membership must be given to the applicant by the Chairperson, or the Vice Chairperson, including the reason for refusal.
- 5.6 The Secretary will update the list of members and maintain a list in conjunction with the Community Partnership Office.
- 5.7 If a member is unable to attend a Forum meeting s/he should send a substitute representative from the network s/he is representing unless exceptional circumstances make this impossible.
- 5.8 The list of Steering Group members shall be made available for inspection to Forum members as soon as possible when requested.
- 5.9 Subject to any statutory requirements relating to the release/access to information, the lists of members are the sole ownership of the Forum. Any outside organisation or individual that is not a member of the Forum must request a list of members to the Forum secretary in writing. The request must include the reasons for requesting the list. It is the Steering Group's decision on whether the request is accepted or refused. No decision on refusal needs to be given.
- 5.10 Members may be excluded from the Steering Group. Only the Steering Group shall have authority to exclude a member from the Steering Group and must be authorised by the Forum Chairperson. Exclusion and the reason for exclusion must be given in writing to the excluded member by the Forum Chairperson.
- 5.11 Should the Steering Group need to vote to resolve an issue their members will take into account the views of the wider Forum membership. The vote will require a majority of Steering Group members present or votes can also be taken purely by email providing 7 full days are allowed for responses. The results of a vote, including the details of each Steering Group member's ballot, will be made available to all Forum members.
- 5.12 Steering Group meetings are open to observers. Observers can participate in the meeting at the discretion of the chairperson, but they will not have any voting rights.
- 5.13 The Steering Group will lead preparation or modification of the Neighbourhood Plan, and monitoring implementation after adoption
- 5.14 The Community Partnership volunteer representatives will ensure that their respective Partnerships are kept informed and involved in the preparation or modification of the Neighbourhood Plan and monitoring of the Plan before and after adoption





- 5.15 The Steering Group will ensure that their respective networks and partnerships are kept informed and involved in the preparation or modification of the Neighbourhood Plan and monitoring of the Plan after adoption.
- 5.16 The elected Council representatives will ensure that the views of the Forum are taken fully into account when the Plan is considered by the Council.
- 5.17 The Forum contact details and all Plan information will be held in a central site (with back up facilities) agreed by the Steering Group members and will be held in accordance with Data Protection, Freedom of Information and Environmental Information requirements.

## **6.0 Executive committee**

- 6.1 The Executive Committee of the Forum shall be the central point of contact on all communication and consultation between the Forum and Torbay Council and any other organisation or individual on matters concerning the Neighbourhood Plan.

### **6.2 The Chairperson will:-**

- be the chief presiding officer, call and chair meetings of the Forum and the Steering Group;
- have the casting vote in any tie of votes only;
- be the Forum's spokesperson with external organisations and individuals. Should the Chairperson feel it necessary to express a personal opinion on any matter regarding the Neighbourhood Plan and its wider context they should make it clear this is a personal opinion and not that of the Forum Steering Group, not the Forum as a whole;
- have the power to take decisions on urgent matters between meetings of the Forum, in consultation with at least one other committee member, and communicate these decisions as soon as possible to the Steering Group;
- provide leadership and motivation, and facilitate the involvement of the community of Torquay in the Neighbourhood Forum;
- enforce the Constitution and ensure meetings are conducted efficiently, fairly, and harmoniously;
- report to the Forum on all related administrative matters in conjunction with the officers of the Council.

### **6.3 The Vice Chairperson will:-**

- be the Chairperson's alternate in their absence, with all the duties and responsibilities of the Chairperson during the Chairperson's absence;
- be from another area of the neighbourhood than that of the Chairperson.

### **6.4 The Communications Officer will:**

- Be responsible for general communications on the work of the Neighbourhood Forum;
- Oversee the consultation and campaign activities of the Forum;
- Update and maintain the Forum website;
- Oversee the Forum's social media presence.

### **6.5 The Treasurer will:**



- maintain and report on the financial accounts and insurance requirements of the Forum in conjunction with the Community Partnership office;
- report to each meeting of the Forum the finance held by, or on behalf of, the Forum and funds uncommitted and available for use by the Forum;
- ensure there are 3 signatories to the Forum's bank account at all times, with cheques and transfers signed by 2 of the 3 signatories;
- ensure the Forum remains solvent at all times;
- ensure invoices are paid on a timely basis and in accordance with the budget or by agreement of the Officers;
- ensure the Forum accounts are audited on an annual basis.

6.6 The officers will be supported by a Secretary. The Secretary will support the Steering Group but will not be a voting member of the Steering Group, s/he will:

- prepare and issue notes and reports for the Forum meetings;
- issue minutes for the Chairperson's approval prior to circulation;
- maintain a database of members and Steering Group members, with support from the Community Partnerships Office;
- Provide general administrative support to the Steering Group and the Forum.

## **7.0 Location of meetings and frequency**

- 7.1 The place of meeting for the Forum (or a Project Team) will be decided by the Chairperson or any leaders of any Project groups associated with the Forum.
- 7.2 The Steering Group will meet at such a frequency necessary to fulfill its function.
- 7.3 At least 7 days notification must be given to its members for a Forum or Group meeting. The details of the time and place of meetings will be made widely available including on the Forum's website.
- 7.4 To reflect the principle of a community led approach, at least 6 non-council members must be present at the start of a Forum or a Steering Group meeting for it to be declared quorate. Any Forum meetings shall be open to any member of the public to observe.

## **8.0 Affiliations, operations and independence:**

- 8.1 The Forum is a collaborative working arrangement of the Council and the Community Partnerships and other local groups and shall not be affiliated to any political party or organisation.
- 8.2 The Forum may comment on planning applications or proposals that could reasonably be expected to impact upon the objectives of the plan. Where such comments are made, they shall be submitted to the Council following consultation with the Community Partnership in whose area the development is taking place and the Steering Group of the Forum.
- 8.3 All members of the Forum shall act in meetings of the Forum and any Representative Group(s) in the best interests of the Forum and the community of the area and shall follow best practice guidance on governance



- 8.4 The Forum shall seek to work collaboratively with the Local Planning Authority to achieve a successful Plan
- 8.5 The Local Planning Authority will indemnify Forum members against reasonable legal costs and expenses arising from the content of the Neighbourhood Plan.

#### **9.0 Confidentiality**

- 9.1 It is understood, and agreed to, that the disclosure of confidential information may provide certain information that is, and must be kept, confidential. To ensure the protection of such information, and to preserve any confidentiality necessary under patent and/or trade secret laws, it is agreed that:
- (i) The Recipient shall limit disclosure of Confidential Information to members of the Forum having a need to know. Forum members will not disclose the confidential information obtained from the discloser unless required to do so by law.
  - (ii) This Agreement imposes no obligation upon the Recipient with respect to any Confidential Information (a) that was in the Recipient's possession before receipt from the Discloser; (b) is or becomes a matter of public knowledge through no fault of the Recipient; (c) is rightfully received by the Recipient from a third party not owing a duty of confidentiality to the Discloser; (d) is disclosed without a duty of confidentiality to a third party by, or with the authorization of, the Discloser; or (e) is independently derived by the Recipient.

#### **10.0 Conflict resolution within the Forum**

- 10.1 At all times, the Forum will recognise the primary need to encourage community involvement in, and support for, the Neighbourhood Plan. The Forum will also comply with the strategic policies in the Local Plan prepared by the Council.
- 10.2 If it proves not possible for the Forum to reach agreement during any stage of preparing or modifying the Plan, every effort shall be made by the membership of the Forum to resolve the difference by negotiation.
- 10.3 If serious conflict arises within the Forum regarding any issue and is unable to be resolved, then the Steering Group will intervene and come to a decision regarding the issue by way of a majority vote of the Steering Group members. This vote may be instigated by way of 50% of the Steering Group members making it known to the Chairperson that a vote is required. All members of the Forum, including those who are not members of the Steering Group, may propose that an issue is put to the Steering Group for a vote.

#### **11.0 Complaints Procedure**

- 11.1 If a Forum member wishes make a complaint about an action of the Forum, or about a member of the Forum regarding an issue of relevance to the Forum's business, they should first and foremost address this complaint to the Chairperson of the Forum. If the complaint is directed at the Chairperson, the complainant should address one of the other Executive Committee members. The receiver of the complaint shall endeavor to bring about an acceptable conclusion to the matter through informal dialogue.
- 11.2 If an informal dialogue has not brought about an amicable conclusion a presentation by the respective parties to the steering group will take place at the next Steering





Group meeting and the matter will be determined though a vote, in line with article 5.11. The vote of the Steering Group is final.

## **12. Constitution Amendments**

- 12.1 Hereinafter, this Constitution may be amended through a vote of the Steering Group by not less than a two thirds majority vote of the Steering Group members in a quorum meeting or by email vote. Proposed amendments must be agreed at a Steering Group meeting and circulated at least 14 days in advance of the next meeting or not less than 14 days prior to close of email voting. Any amendments by the Forum must be notified to Torbay Council.

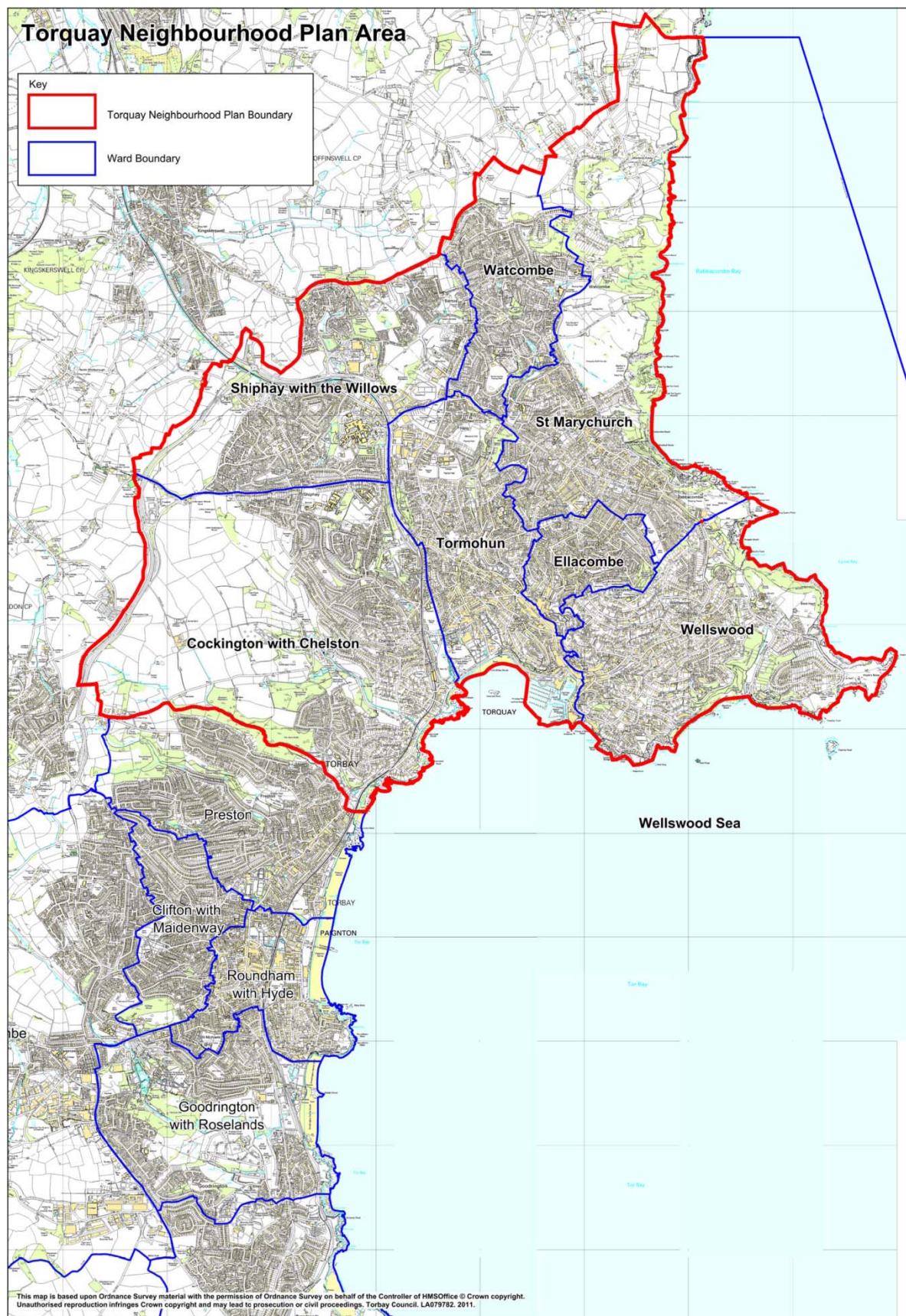
## **13.0 History of the Constitution**

Adopted: 18.06.2012

Amended: 02.06.2014

Amended: 12.07.2022

Map of the Neighbourhood Area proposed:



## Appendix 2 Proposed amendments sought to the proposed TNF Constitution.

### Appendix 4

- Amend Section 12.1 relating to further Constitutional Amendments as set out below:  
*Hereinafter, this Constitution may be amended **with approval of the LPA** through a vote of the Steering Group by not less than a two thirds majority vote of the Steering Group members in a quorum meeting or by email vote. Proposed amendments must be agreed at a Steering Group meeting and circulated at least 14 days in advance of the next meeting or not less than 14 days prior to close of email voting. Any amendments by the Forum must be notified **and agreed by Torbay Council***
- Delete Section 8.5 of the TNF Constitution: *The Local Planning Authority will indemnify Forum members against reasonable legal costs and expenses arising from the content of the Neighbourhood Plan*

### In addition, the following amendments and clarification are requested as follows:

- to ensure that Forum executive and steering group members follow the same Code of Conduct as elected Torbay Council Members - amend Section 8.3 as follows: *All members of the Forum shall act in meetings of the Forum and any Representative Group(s) in the best interests of the Forum and the community of the area and shall follow best practice guidance on governance **following the same Code of Conduct as elected Torbay Council Members.***
- To fulfill Sections 6.4, 7.3 and 7.4 of the Constitution: The Forum provide an undertaking to publish on a website, appropriate and timely manner: meeting agendas, minutes and associated documents (where appropriate) within a reasonable period.

### Minor Factual corrections:

- Section 3.6 Liaise and co-operate *with any **Forums or Qualifying Bodies** for **other areas of Torbay***
- Section 4.1 For the avoidance of doubt all members of the Community Partnerships of Torquay are automatically **eligible** as members of the Forum ... this is to accord with the following statement in Section 4.2 'Membership is voluntary'.

### Clarification sought:

- Section 5.3 *Officers of the Forum are to be a Chairperson, Vice Chairperson, Communications Officer and Treasurer to be elected by the steering group of the Forum on an annual basis. **Clarification is sought in the roles identified in terms of the Communications Officer and Secretary. It is noted that a Secretary has not been identified as an 'Officer of the Forum' and will not be voting member of the Forum Steering Group***

# TNF Re-Designation Survey

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## **SURVEY RESPONSE REPORT**

12 December 2022 - 23 January 2023

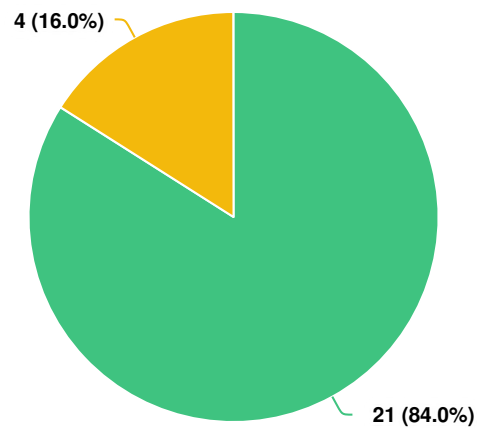
### **PROJECT NAME:**

Torquay Neighbourhood Forum



# SURVEY QUESTIONS

**Q1** Are you responding for yourself or on behalf of an organisation?



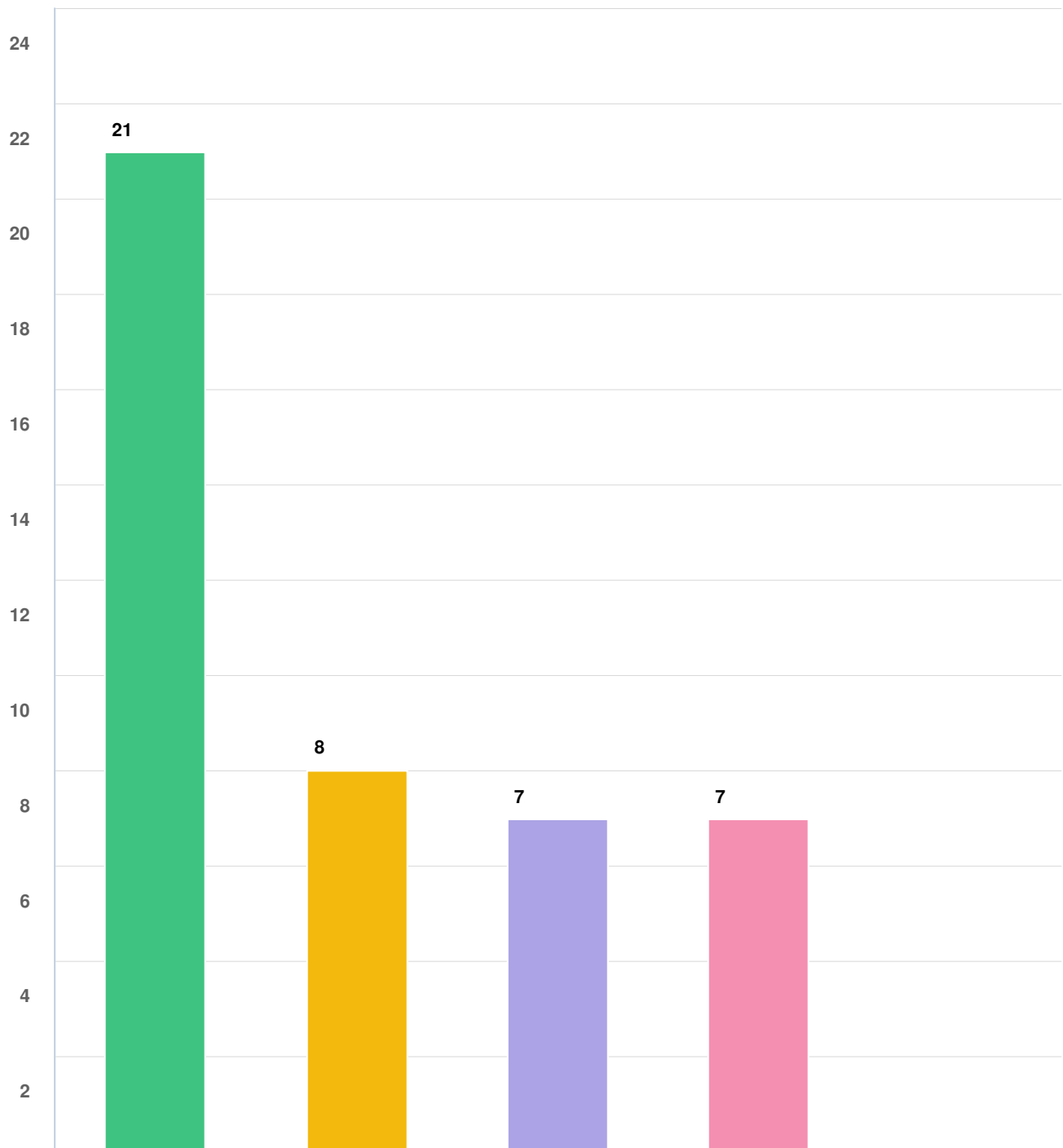
**Question options**

- ☒ Myself (personal capacity)    ☐ On behalf of an organisation (please state the organisation).

*Mandatory Question (25 response(s))*

*Question type: Radio Button Question*

**Q2 Please tick all the options that apply to you**



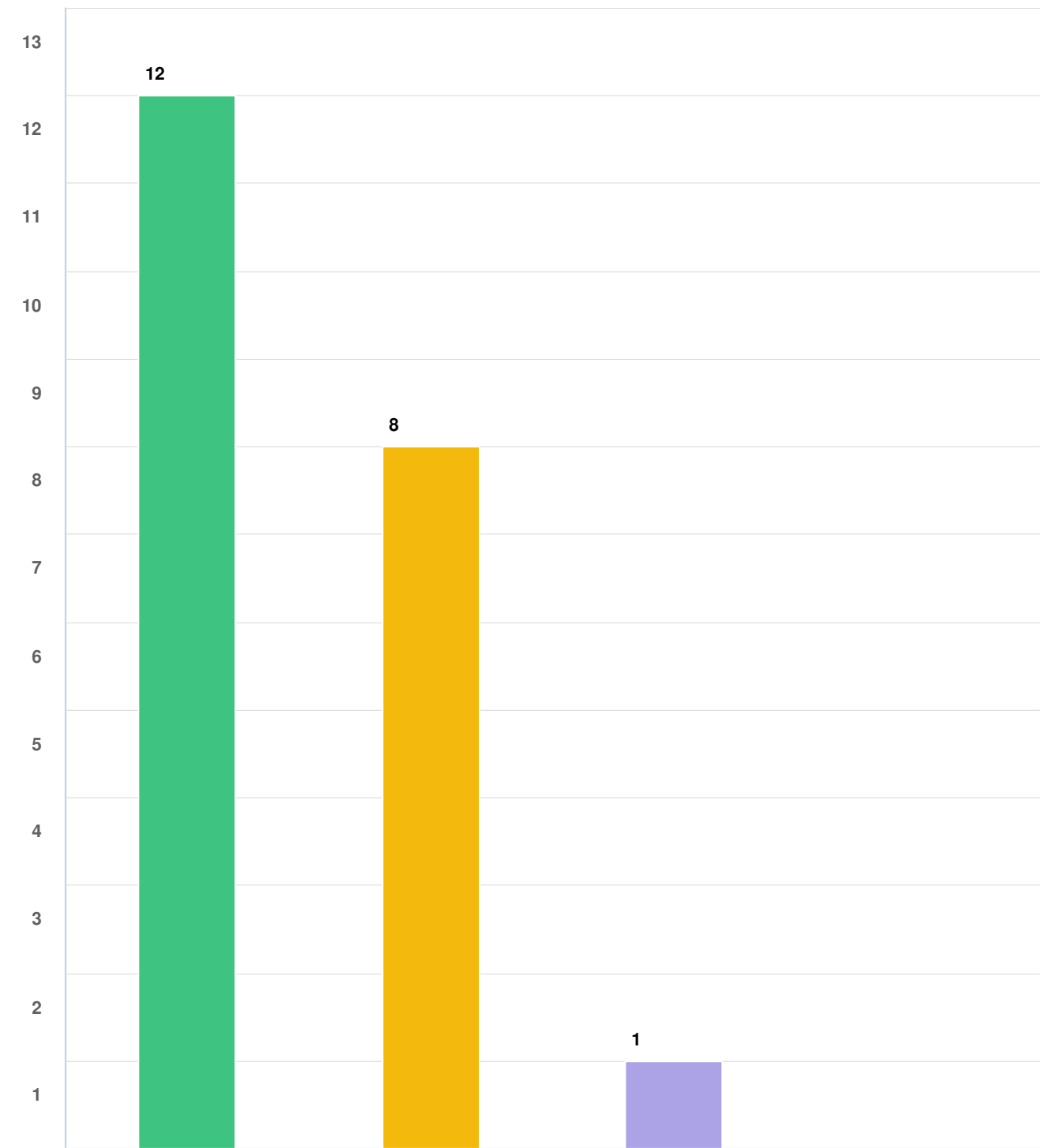
**Question options**

- I live in Torquay    ● I work or have a business in Torquay    ● I am a member of a community partnership in Torquay
- I am, or have been, a member of the Torquay Neighbourhood Forum    ● Other (please describe)

*Optional question (21 response(s), 4 skipped)*

*Question type: Checkbox Question*

Q3 Which of the following best describes how you think of yourself?



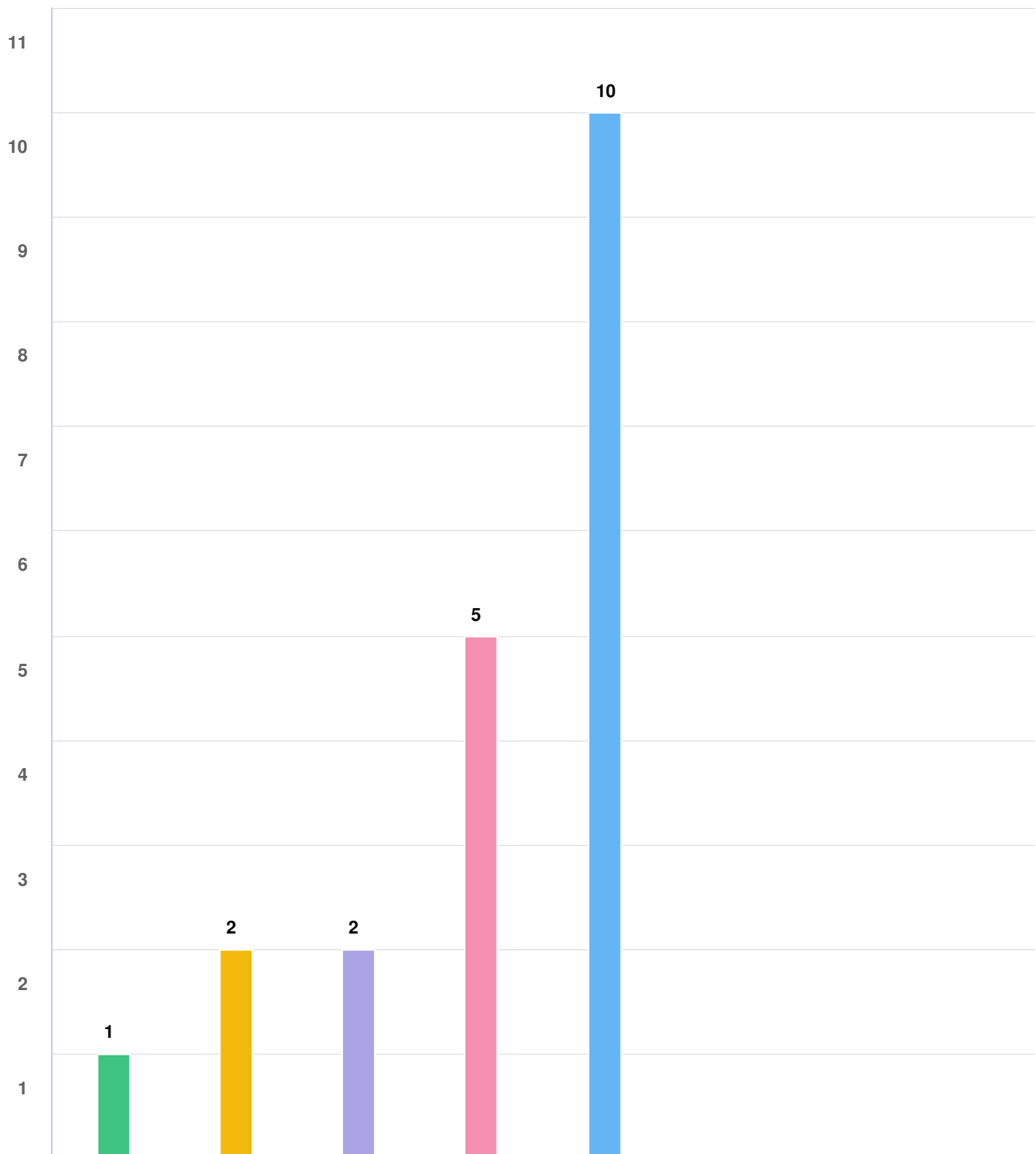
Question options

Female Male Prefer not to say Other (please specify)

Optional question (21 response(s), 4 skipped)  
Question type: Checkbox Question



**Q4 Which of the following age groups applies to you?**



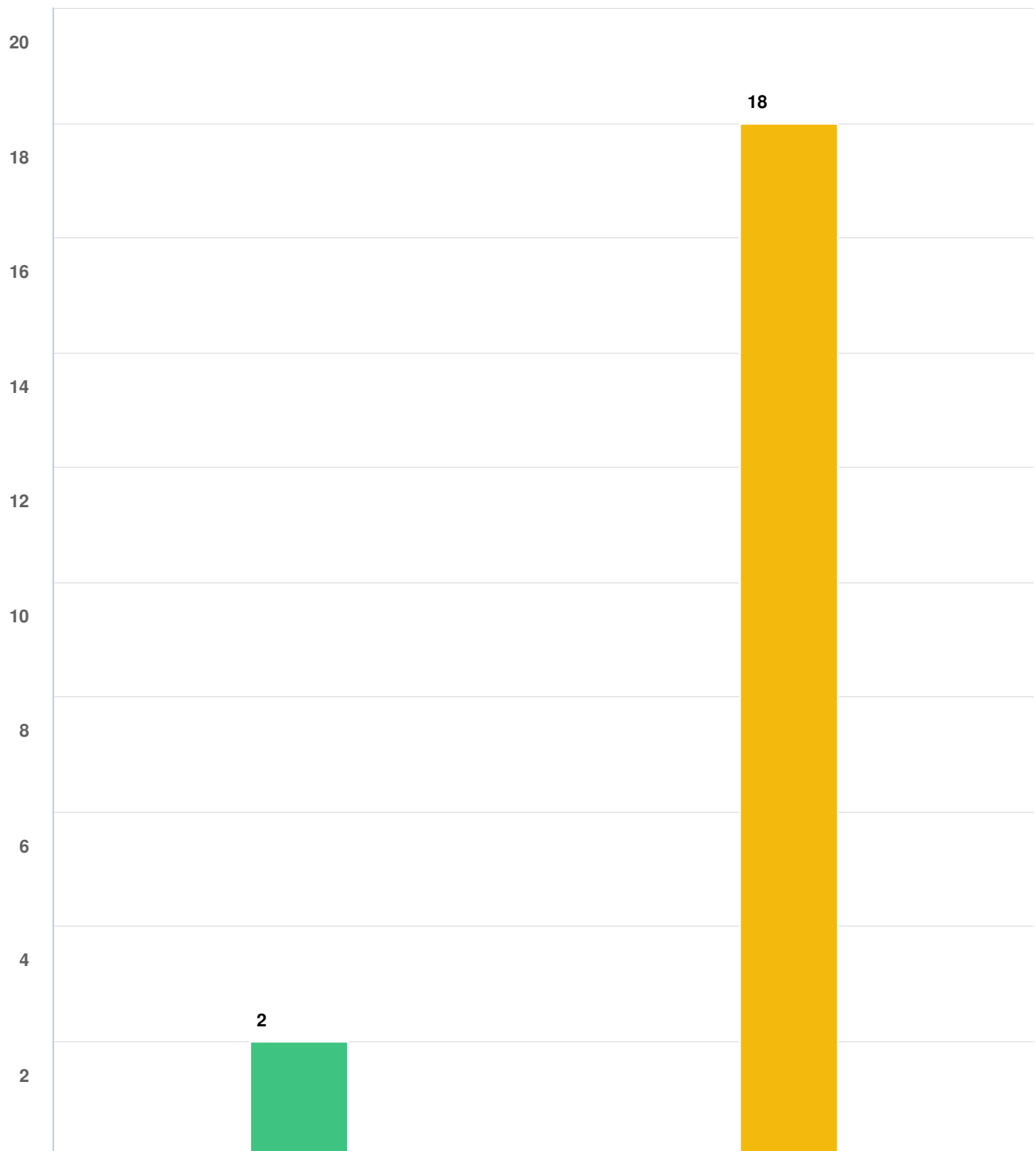
**Question options**

● 0-15 
 ● 25-34 
 ● 45-54 
 ● 55-64 
 ● 65-74 
 ● 16-24 
 ● 35-44 
 ● 75+

*Optional question (20 response(s), 5 skipped)*

*Question type: Checkbox Question*

**Q5** Do you consider yourself to be disabled in any way?



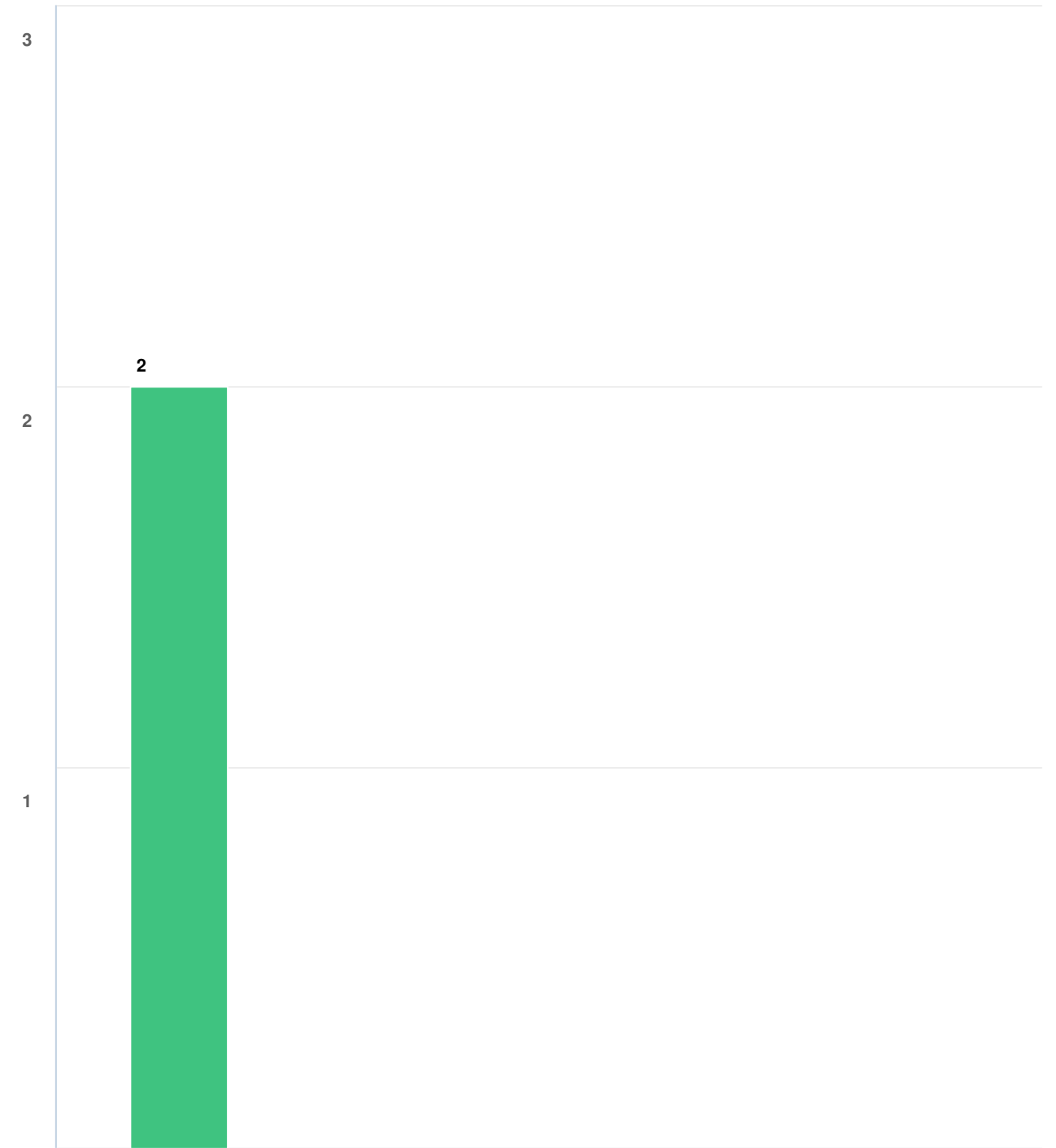
**Question options**

☒ Yes ☐ No

*Optional question (20 response(s), 5 skipped)*

*Question type: Checkbox Question*

Q6 If yes, please tell us how it affects you:

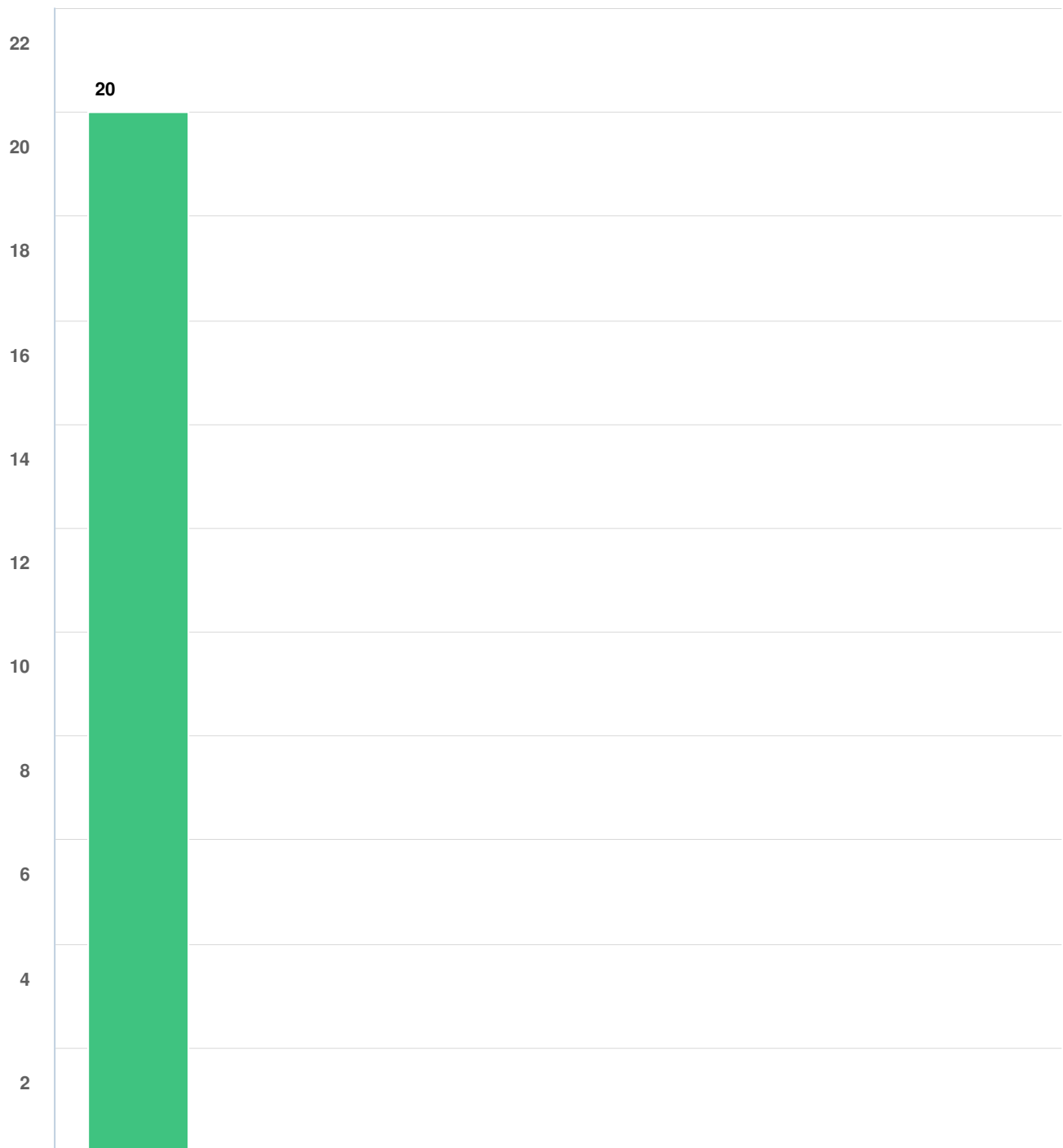


Question options

- ☒ It affects my mobility    ☐ It affects my vision    ☐ It affects my hearing    ☐ It affects me in another way (please specify)

Optional question (2 response(s), 23 skipped)  
Question type: Checkbox Question

**Q7** How would you describe your ethnic origin?



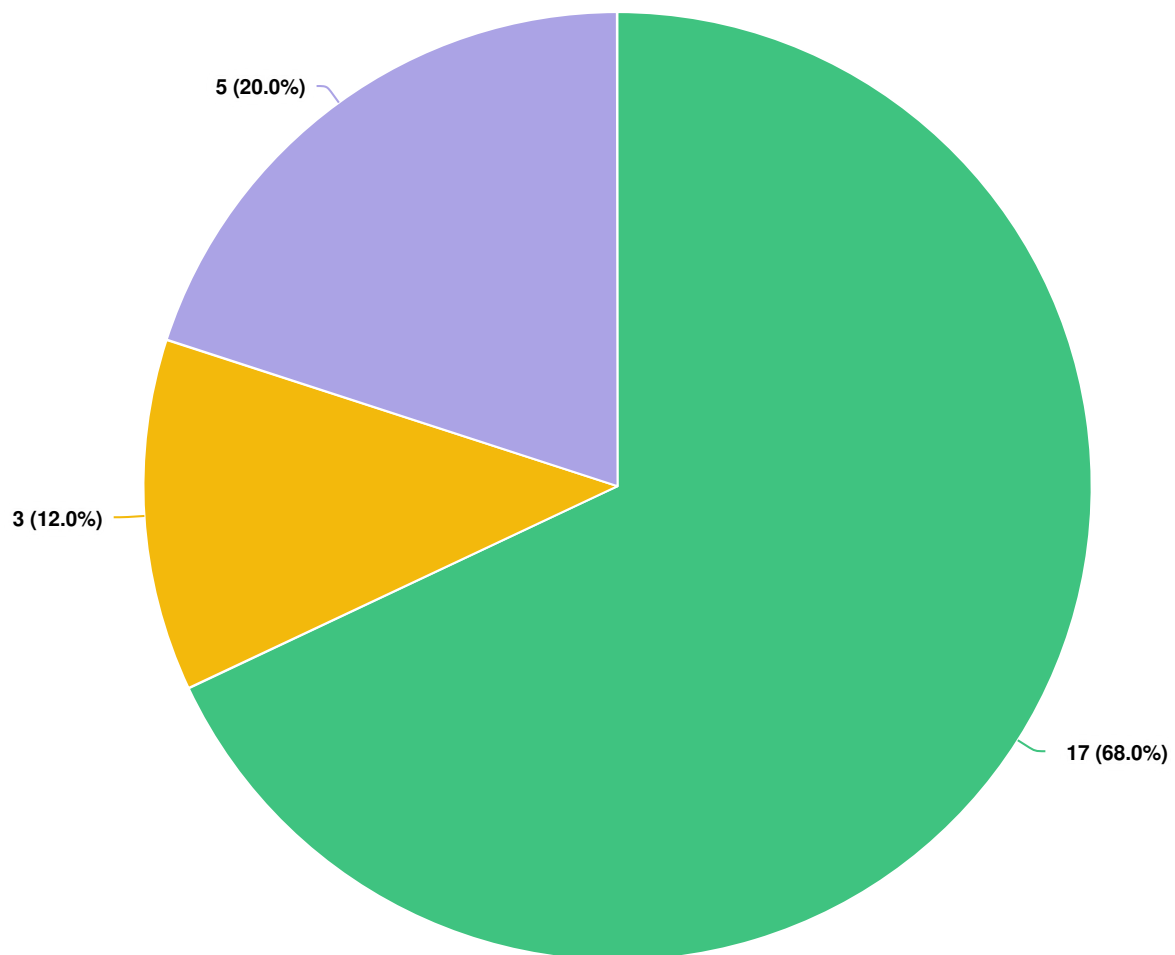
**Question options**

- ☒ White ☐ Mixed ethnicity ☐ Asian or Asian British ☐ Black or Black British ☐ Chinese ☐ Other (please specify)

*Optional question (20 response(s), 5 skipped)*

*Question type: Checkbox Question*

**Q8** Should Torquay Neighbourhood Forum be re-designated?




**Question options**


☒ Yes ☐ No ☐ Don't Know

*Mandatory Question (25 response(s))  
Question type: Radio Button Question*


**Q9** Please provide any comments you have on the Forum application.

  
12/14/2022 12:48 PM


The only pity is that Torbay Council doesn't make planning decisions based on the policies in the current Neighbourhood Plan

  
12/16/2022 10:38 AM


Excellent group who provide unbiased and invaluable assistance especially in the area of planning.

  
12/20/2022 11:07 AM


The Torquay Neighbourhood Forum does a fantastic job. They listen and work hard to ensure that the Plan is kept up-to-date and reflects Community wishes. Please renew their designation.

  
12/21/2022 12:04 PM


The last time it was designated was 10 years ago so it could be outdated and I did not know what the Forum is so I think it should be more open to the people of Torquay.

  
12/21/2022 02:46 PM


Previous members of the Forum have not responded when asked to engage with employment providers in the Forum area and therefore have not fulfilled their objectives. What guarantee is there that the redesignated forum will not ignore genuine local employment providers to the detriment of local people and jobs and continue to ignore the economic well being of their area.

  
12/23/2022 12:06 PM


The Forum plays a vital role in ensuring the community has input to planning such that the right development takes place in the right location.

  
12/31/2022 12:55 PM

The Forum has taken considerable care to fairly represent the wishes and views of local residents and has proven itself to be valuable resource for Torquay.

  
1/01/2023 09:01 PM

I do not believe Torquay NPF represents the general views of residents of Torquay.

  
1/20/2023 02:31 PM

It is essential that the public has a say in the future of Torbay. Torbay belongs to all the people who live there and should not be beholden to government edicts with a bias for inappropriate commercial and global interests.

[REDACTED]  
1/23/2023 09:41 AM

It is very good strategy to provide an opportunity for local people to participate in giving their opinion on planning, and other relevant issues within their designated region.

[REDACTED]  
1/23/2023 11:32 PM

It Helps to set the rules for developer's.

[REDACTED]  
1/23/2023 11:40 PM

It is important that prospective developers have guidelines to follow which represent the views of the residents of Torbay

**Optional question** (12 response(s), 13 skipped)

**Question type:** Essay Question

### Appendix 3 Torquay Neighbourhood Forum application : Part 2 - Summary of e-mail responses received:

Representor	Summary of Comments	LPA comments
Natural England	Natural England does not have any specific comments on the Torquay Neighbourhood Plan	Noted
Devon and Cornwall Police-Designing Out Crime Officer – Torbay, West Devon, South Hams & Dartmoor	Having reviewed the associated documents, I have no comment to make at this time	Noted
Torbay Heritage Trust	Detailed assessment and numerous comments relating to the Conservation Policies in the Torbay Local Plan and Torquay Neighbourhood Plan. Critique of the Forum: <i>'Torquay Neighbourhood Forum recommended wrongful approval in Belgravia Conservation Area'</i> .	Noted. Comments largely relate to the content of the TNP. Detailed Report will be shared with the TNF.
Belstone Fox (Project Management) Ltd on behalf of Cabot Trustees	Representation in relation to the land at Nicholson Way, (adjacent to Riviera Way) Torquay and critique of the TNP Local Green Space designation. It requests that the Neighbourhood Planning Forum <i>'reconsiders the status of the Site at their earliest opportunity'</i> .	Noted. Comments largely relate to the content of the TNP. Detailed Report will be shared with the TNF.
Cllr. Karen Kennedy - Independent Councillor for Churston with Galmpton	I have responded in my capacity as chair of BCGNF but my response as a Councillor is that I am supportive of this.	Noted.



### **Appendix 4: Key steps in neighbourhood planning before a neighbourhood plan/order can come into force.**

Steps for preparing a neighbourhood plan (general guidance applies to both neighbourhood plans and neighbourhood development orders).

#### **Step one: Define the neighbourhood**

Before neighbourhood planning can take place, the area of interest must be submitted, approved and designated. To do this:

An application must be submitted to LPA to designate the neighbourhood area. In the absence of a parish or town council, submit an application to set up a neighbourhood planning forum. This forum must be made up of a minimum of 21 unrelated people who live or run businesses in the area.

A neighbourhood area application must:

- contain a map clearly showing the boundaries of the proposed neighbourhood area
- clearly explain why this area is suitable for neighbourhood planning
- Depending on whether the designated area is a full parish boundary or not, the LPA will publicise the application for at least six weeks and invite comments from the local community.

After considering the application and any comments received, the LPA then publish the decision on the application.

#### **Step two: Prepare a draft neighbourhood plan**

What's involved in preparing the draft plan:

This involves:

- Gathering information about the neighbourhood area, considering the local plan for your area.
- Establishing the community's aspirations and priorities.
- Setting out a clear purpose for the plan including its goals and objectives.
- Drafting planning policies to help deliver the objectives of the plan.
- Understanding whether the plan is likely to have a significant environmental impact.

The plan should:

- Generally be in line with local and national planning policies.
- It must be in line with any other relevant legislation (including SA/SEA).
- Neighbourhood plans must contribute to achieving sustainable development.

#### **Step three: Publicity and consultation requirements before the plan is submitted to the council.**

- Before formally submitting a Plan to the Council for Examination, it must be publicised for **6 weeks**, inviting comments from people who live, work and carry out business in the area as well as the LPA and a number of specific regional and national organisations and agencies.
- The Forum have to consider responses received and may need to adjust proposals accordingly. The representations received and the NF responses to these will need to be set out in a Consultation Statement.

#### **Step four: Formally submitting a neighbourhood plan proposal to the LPA**

LPA check :

- Plan complies with all relevant legislation including the need for an SA/SEA
- All necessary processes and procedures have been carried out including consultation and the preparation of a consultation statement.
- If the Plan meets the legal requirements, then LPA will: Publicise the plan for a minimum of **6 weeks** and invite representations
- Notify specific regional and national organisations and agencies

#### **Step five: Independent examination**

- LPA send the plan and any consultation responses received during (Step 4) to the selected examiner.
- The examiner makes the relevant checks. They may recommend that the plan proceeds to the next change with or without changes or they may propose rejecting the plan.
- The examiner issues a report to LPA and the neighbourhood planning group.
- LPA publish the report.
- LPA consider the report and make the final decision on whether to send the plan to referendum.
- LPA to checks to see if it meets set tests known as 'basic conditions'<sup>1</sup>.

#### **Step six: Referendum**

Neighbourhood Plan must gain a majority in a local referendum before it can be brought into force.

- Everyone living in the area of coverage (unless the examiner has advised differently) of the neighbourhood plan, who is registered to vote in local elections, will be entitled to vote in the referendum.
- LA publish a notice of referendum and an information statement.
- Polling will take place and residents will vote on whether the plan should come into force.
- LA declare the referendum results (for the neighbourhood plan to proceed to 'Making' (adoption), more than 50% of the vote in the referendum must be in favour of the plan
- A neighbourhood plan attains the same legal status as a local plan once it has been approved at a referendum.

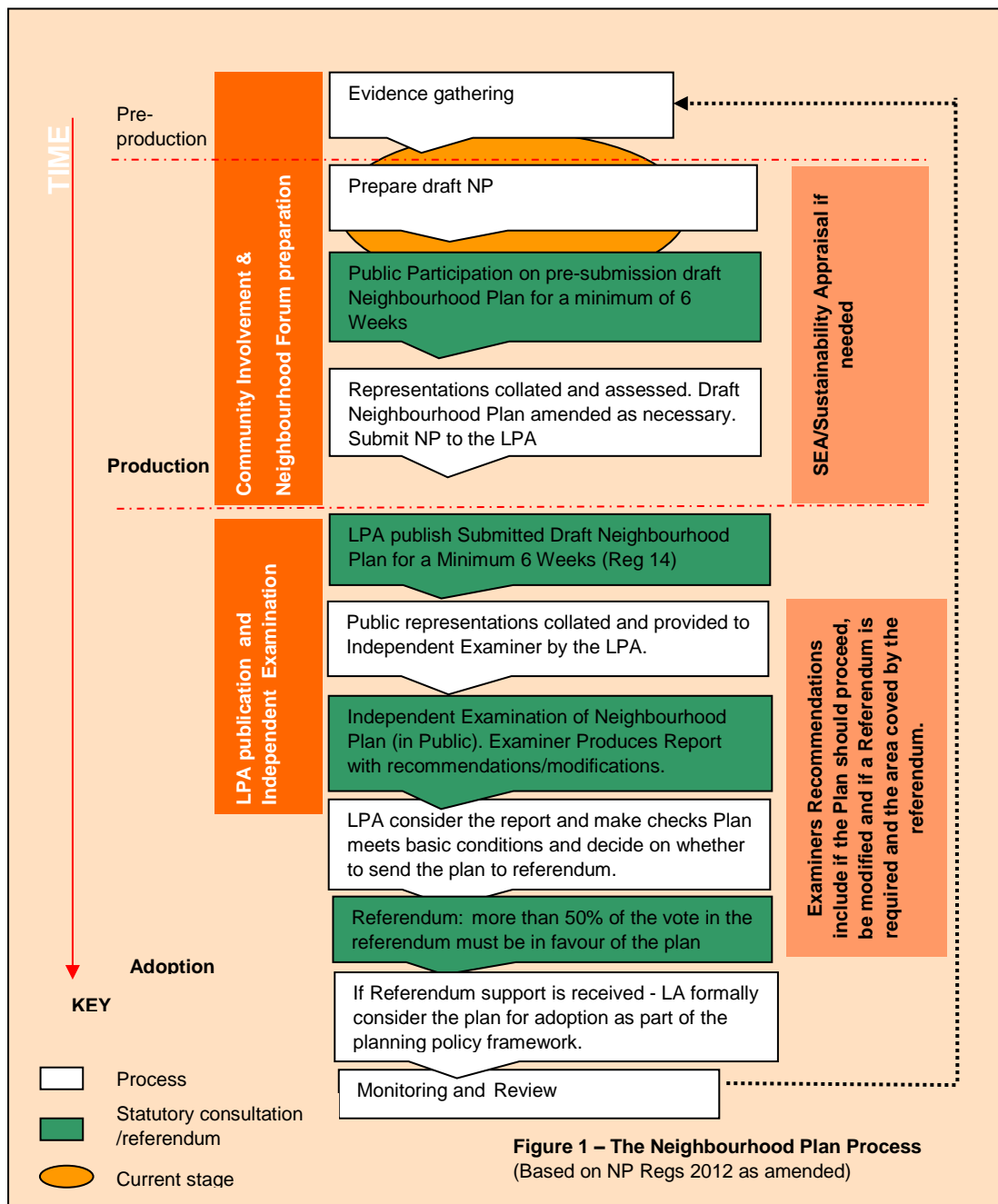
#### **Step seven: Bring the neighbourhood plan into force**

If more than 50% of people voting in the referendum support the neighbourhood plan, the Council must formally consider the plan for adoption as part of the planning policy framework.

See figure 1 below.

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<sup>1</sup> The basic conditions are set out in paragraph 8(2) of Schedule 4B to the Town and Country Planning Act 1990 as applied to neighbourhood plans by section 38A of the Planning and Compulsory Purchase Act 2004.



**Meeting:** Cabinet/Council      **Date:** 23rd February 2023/7 March 2023

**Wards affected:** All wards in Torbay

**Report Title:** Torbay Council Annual Pay Policy Statement and Review of Pensions Discretions

**When does the decision need to be implemented?** By 31<sup>st</sup> March 2023

**Cabinet Member Contact Details:** Christine Carter, Cabinet Member for Corporate and Community Services, (01803) 207087, [Christine.Carter@torbay.gov.uk](mailto:Christine.Carter@torbay.gov.uk)

**Director/Divisional Director Contact Details:** Anne-Marie Bond, Chief Executive, (01803) 207160, [Anne-marie.bond@torbay.gov.uk](mailto:Anne-marie.bond@torbay.gov.uk)

## 1. Purpose of Report

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- 1.1 Section 38 (1) of the Localism Act 2011 requires English and Welsh Authorities to produce a pay policy statement for each financial year. This is a statutory requirement, and the pay policy statement must be approved formally by Council. The pay policy statement draws together the Council's overarching policies on pay and conditions and will be published on the Council's Website.
- 1.3 Under the current Pensions Regulations, Torbay Council is able to exercise a range of discretions in regard to how the Local Government Pension Scheme (LGPS) is applied to its employees who are members of the Scheme.

## 2. Reason for Proposal and its benefits

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- 2.1 The Annual Pay Policy Statement 2023/24 must be approved by the Council in order for the Council to be compliant with Section 38 (1) of the Localism Act 2011.
- 2.3 The Employers Pensions Discretions must be reviewed and approved by Council annually in line with the LGPS regulations.

## 3. Recommendation(s) / Proposed Decision

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That Council be recommended to approve:

- 1. the Torbay Council Annual Pay Policy Statement 2023/24 as set out in Appendix 1 to the submitted report be approved for publication.

2. the Employers Pensions Discretions set out in Appendix 2 to the submitted report be approved for publication.

## **Appendices**

Appendix 1: Torbay Council Pay Policy Statement Report 2023/24

Appendix 2: Torbay Council Pension Discretions

## **Background Documents**

Copies of Torbay Councils associated Pay Policies will be made available upon request. All current policies are held on the Council's MyView system:-

<https://myview.torbay.gov.uk/dashboard/dashboard-ui/index.html#/landing>

The following documents/files were used to compile this report:-

Localism Act Pay Policy Guidance from the Local Government Association

<https://www.local.gov.uk/introduction-localism-act>

### 1. Introduction

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- 1.1 The publication of the Annual Salary Statement is a statutory requirement under Section 38 (1) of the Localism Act 2011. If Council does not approve the Salary Statement then the Council will be in breach of the legislation.

See Annual Pay Policy Statement, Appendix 1 for full details.

- 1.3 Under the current Pensions Regulations, Torbay Council is able to exercise a range of discretions in regard to how the Local Government Pension Scheme (LGPS) is applied to its employees who are members of the Scheme. The Employers Pensions Discretions must be reviewed and approved by Council annually in line with the LGPS regulations.

See Pensions Discretions, Appendix 2, for full details of the existing and recommended discretions.

### 2. Options under consideration

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- 2.2 There are no options to be considered in regard to the publication of the Pay Policy Statement as it is a statutory requirement of Section 38 (1) of the Localism Act 2011.
- 2.3 The Employers Pensions Discretions were last approved by Council in March 2022. Although there are no changes proposed, Council are required to approve these discretions on an annual basis.

### 3. Financial Opportunities and Implications

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- 3.1 There are no financial opportunities. The implications are in relation to financial penalties that the Council could face for non-compliance, for example, under equal pay legislation.

### 4. Legal Implications

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- 4.1 The Council would be in breach of its statutory obligation if it does not publish its Annual Pay Policy Statement in accordance with the Localism Act 2011.
- 4.2 The Pay Policy Statement and associated pay policies set out the processes and procedures by which the Council pays its staff. These practices are in accordance with the Equality Act 2010 and associated employment law and so must be complied with.

## 5. Engagement and Consultation

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- 5.1 Trade Unions representing staff within Torbay Council will be consulted at Joint Consultative meetings.

## 6. Purchasing or Hiring of Goods and/or Services

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- 6.1 There are no associated services or goods that need to be purchased or hired under these proposals.

## 7. Tackling Climate Change

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- 7.1 There are no climate change implications associated with these proposals.

## 8. Associated Risks

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- 8.1 Non-Compliance with Section 38 (1) of Localism Act 2011, please see above. It is currently not determined as to whether there would be a financial penalty for non-compliance with the Localism Act however, under employment law non-compliance could result in heavy penalties for the Council (e.g. Equal pay and discrimination claims).
- 8.3 In addition to the risk of enforcement action by the EHRC, the Council should also consider the potential damage to their reputation of non-compliance with equal pay legislation if pay and grading processes are not followed.

## 9. Equality Impacts - Identify the potential positive and negative impacts on specific groups

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	Positive Impact	Negative Impact & Mitigating Actions	Neutral Impact
Older or younger people			In regard to the Employers Pensions Discretions, these will only affect employees who are 55 years and above. A neutral impact as the proposal is that the discretions will not change since they were last reviewed in 2022.
People with caring Responsibilities			
People with a disability			

Women or men	An Equality Impact Assessment was undertaken for the Council's Pay and Grading structure in 2019 – this indicated that men and women are both positively impacted by the new pay and grading structure.		
People who are black or from a minority ethnic background (BME) (Please note Gypsies / Roma are within this community)			
Religion or belief (including lack of belief)			
People who are lesbian, gay or bisexual			
People who are transgendered			
People who are in a marriage or civil partnership			
Women who are pregnant / on maternity leave			
Socio-economic impacts (Including impact on child poverty issues and deprivation)			
Public Health impacts (How will your proposal impact on the general health of the population of Torbay)			Neutral, no public health impact identified as a result of proposals.



## 10. Cumulative Council Impact

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10.1 None.

## 11. Cumulative Community Impacts

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11.1 None.

**TORBAY COUNCIL**

# Annual Pay Policy Statement 2023-24

February 2023

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This document can be made available in other languages and formats.  
For more information please contact [hrpolicy@torbay.gov.uk](mailto:hrpolicy@torbay.gov.uk)

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## 1. Purpose and Scope

- 1.1 Section 38 (1) of the Localism Act 2011 requires the Council to prepare an Annual Pay Policy Statement.
- 1.2 Supplementary guidance was published in February 2013 – “Openness and Accountability in Local Pay: Supplementary Guidance”. Due regard has been given to that guidance in preparation of this policy.
- 1.3 In dealing with staff pay it is the Council’s strategy to ensure that our Pay Policy facilitates the recruitment and retention of staff with the skills and capabilities the Council needs.
- 1.4 Arrangements for staff pay must comply with Equal Pay legislation.
- 1.5 Senior Officers – these are posts with specific responsibility such as Section 151 Officer and/or where the salary is above £50,000
- 1.6 This Pay Policy Statement is a supplement to Torbay Council’s overarching Pay and associated policies which form part of the terms and conditions of employees. These include but are not limited to:-
  - Torbay Council Pay Policy
  - Job Evaluation Scheme Policies (Greater London Provincial Councils Job Evaluation Scheme).
  - NJC Terms and Conditions of Employment (Green Book)

- JNC Terms and Conditions for Chief Executives
- JNC Terms and Conditions for Chief Officers (Directors within Torbay Council are appointed to these Terms and Conditions).
- NHS Terms and Conditions
- Torbay Council Local Government Pension Scheme Policy Discretions
- Employment of Apprentices Policy
- Re-evaluation Policy
- Temporary Acting Up Policy
- Temporary Additional Duties Policy
- Expenses Policy
- Market Supplement Policy
- Market Forces Policy
- Staff Travel Plan
- Key Skills Retention Policy
- Key Skills Golden Hello Scheme
- Key Skills Student Loans Allowance Scheme
- Key Skills Referral Scheme
- Key Skills Accommodation Allowance
- Flexible Retirement
- Retirement and Long Service Award
- Re-organisation and Redundancy Policy

1.7 Guidance from the Secretary of State makes reference to the Hutton Review of Fair Pay. This indicated that the most appropriate metric for pay dispersion is the multiple of Chief Executive pay to median salary. Tracking this multiple will allow the Council to ensure that public services are accountable for the relationship between top pay and that paid to the wider workforce. This annual pay policy statement will publish this multiple along with the following information:

The level of salary for each of the Officers as defined in 1.5 above;

The salary of the lowest paid employee - this information can be found in Appendix 1 of this policy.

## **2. Arrangements for officer pay**

2.1 The general terms and conditions of employment are governed by the following national agreements:

- Chief Executive/Head of Paid Service - JNC for Chief Executives of Local Authorities
- Directors and Divisional Directors - JNC for Chief Officers of Local Authorities
- Senior Officers - NJC for Local Government Services
- Educational Advisors and Inspectors/ Educational Psychologists – Soulbury Pay and Conditions
- All other Employee Groups – NJC for Local Government Services
- Public Health – NHS Terms and Conditions of Service (for employees who have transferred under TUPE)

2.2 The Council uses two forms of Job Evaluation to identify officer pay. This is either through the Council's GLPC Job Evaluation Scheme or the Hay Evaluation Scheme. The Hay Evaluation scheme produces both a Know How Score and a total points score for each post evaluated. Torbay Council pays salary (with a pay band of 4 spinal points) on the basis of the Know How Score only (not the final points score). Know-How is the sum of every kind of knowledge, skill and experience required for standard acceptable job performance.

2.3 The Hay Job Evaluation scheme is used to evaluate the following roles within the Council:-

- Chief Executive/Head of Paid Service
- Directors and Divisional Directors
- Senior Officers

All Grade N and O roles are evaluated under GLPC and Hay (this is due to the cross over point of the two schemes).

Public Health posts are evaluated on the Council's GLPC Job Evaluation Scheme. Public Health posts can also be evaluated using the "Agenda for Change" evaluation scheme in order to ensure pay parity for similar clinical roles in the NHS.

All other posts within the Council are evaluated under the Torbay Council GLPC evaluation scheme in accordance with the agreed policies.

2.4 A review of Hay salary data was purchased in 2018 and salaries were reviewed in line with this and with South-West public and private sector data. Since 2018 there has been annual benchmarking of salary rates. This salary information, together with corresponding job descriptions, is available from the Council's internet page, link as follows:- <http://www.torbay.gov.uk/council/finance/salary-levels/>

2.5 In determining the salary for the Chief Executive/Head of Paid Service within the Council, and in the absence of appropriate data from Hay, the Council will take advice from the

Head of Human Resources. In such a scenario independent advice may be taken from South West Councils (HR and Employment Services) and other professional organisations to advise the Council as to the appropriate level of remuneration to be awarded.

- 2.6 The Chief Executive under the general scheme of delegation within the Council will determine the terms and conditions of employment of all officers. Advice will be sought from the Head of Human Resources as required.
- 2.7 Following significant changes in duties, any post can be re-evaluated. The evaluation will be based on a Job Evaluation Questionnaire which will be assessed by an independent panel of Job Evaluation trained assessors. External advice and benchmarking will also be undertaken if necessary to ensure that market conditions are taken into account for pay and grading.
- 2.8 Salary increases in relation to cost of living will be applied to all posts according to the awards made by the appropriate National Joint Council as described in paragraph 2.1.

The Council's pay and grading structure is available from the Council's website :-  
<https://www.torbay.gov.uk/council/jobs/what-we-offer/salary-and-grades/>

- 2.9 No additional payments are made to in respect of:
- Bonus payments or Performance payments to the Senior Officers defined in 1.5, unless where given as a result of protections under TUPE, i.e. a transfer from another employer.
  - Additional enhancements are paid to NJC Employees who are employed on SCP 23 or below of the Torbay Council Salary Scale. These enhancements were varied in accordance with a Collective Agreement with our Trades Unions, dated 13th December 2016.
- 2.10 Additional payments are made to any Council Officers who act as Returning Officers, Deputy Returning Officers and those who carry out specific duties at elections. These payments are calculated according to the approved scale or set by a government department depending on the nature of the election. This is treated as a separate employment as and when required.
- 2.11 In comparing the Chief Executive/Head of Paid Service pay with the wider workforce the Council will use the following definitions:
- The lowest-paid employee: the employee or group of employees with the lowest salary (full-time equivalent) employed by the Council at the date of assessment.

- The median: the mid-point salary when full-time equivalent salaries are arranged in order of size (highest to lowest). Based on salary levels of staff on the date of assessment.

This excludes those employed on casual contracts of employment but includes part time employees where their salaries are normalised to the full-time equivalent. It also excludes Apprentices who are employed on the Torbay Council apprentice pay grade.

### 3. Pensions contributions and other terms and conditions

- 3.1 All staff who are members of the Local Government Pension Scheme make employee contributions to the scheme in accordance with the following LGPS contributions table 2023/24.

Band	Salary Range	Contribution Rate	Contribution Rate
1	£0 To £16,500	5.50%	2.75%
2	£16,501 To £25,900	5.80%	2.90%
3	£25,901 To £42,100	6.50%	3.25%
4	£42,101 To £53,300	6.80%	3.40%
5	£53,301 To £74,700	8.50%	4.25%
6	£74,701 To £105,900	9.90%	4.95%
7	£105,901 To £124,800	10.5%	5.25%
8	£124,801 To £187,200	11.4%	5.70%
9	£187,201 or more	12.5%	6.25%

- 3.2 The Torbay Council employer pension contribution rate is 18.4% from 1 April 2023.
- 3.3 All employees are currently able to apply for a Car Parking permit, which enables employees to park on Council property for a reduced daily rate.

#### **4. Termination payments - Chief Officers**

- 4.1 The Council's approach to statutory and discretionary payments on termination of employment of Chief Officers, at retirement age or prior to this, is set out within its Redundancy policy and is in accordance with Regulation 5 of the Local Government (Early termination of Employment) (Discretionary Compensation) Regulations 2006 and Regulations 8 and 10 of the Local Government Pension Scheme (Benefits, Membership and Contribution) Regulations 2007. Final payment details are submitted to Full Council for approval.

#### **5. Salary packages upon appointment**

- 5.1 Any salary package offered in respect of a new appointment for a Chief Executive /Head of Paid Service will be approved by Full Council. This will include any new salary package equating to £100,000 or more.
- 5.2 In the case of salary packages for Directors and Divisional Directors, this will need to be approved by the Council's Employment Committee, acting on behalf of Full Council. This will include any salary package equating to £100,000 or more

#### **6. Settlement agreements**

- 6.1 Torbay Council will only enter into Settlement Agreements in exceptional circumstances where it is in the Council's overall commercial and financial interests to do so. Any Settlement Agreement for the Chief Executive/Head of Paid Service will be approved by the Full Council. This will include any severance package including associated pension costs equating to £100,000 or more.
- 6.2 In the case of Settlement Agreements for Directors and Divisional Directors, this will need to be approved by the Council's Employment Committee acting on behalf of full Council. This will include any severance package including associated pension costs equating to £100,000 or more.
- 6.3 Settlement Agreements for any other member of staff will need to be authorised by the Director of the service following consultation with the Chief Executive/Head of Paid Service.

#### **7. Gender pay gap reporting**

The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 requires Torbay Council to calculate and publish the pay gap between male and female employees every year. Pay data must be based on a 'snap-shot' of the pay situation as at 31st March the preceding year and must be published by 30th March annually to the Government and also on Torbay Council's website.

The Council's Gender Pay Gap Report will be reported separately on 30<sup>th</sup> March 2023 for the snapshot date of 31<sup>st</sup> March 2022: <https://www.torbay.gov.uk/council/information-and-data/transparency-and-data/annual-pay-policy-statement/#c7>

The Government publishes the results on their Gender Pay Gap Viewing Service:-  
<https://gender-pay-gap.service.gov.uk/>

## **8. Publication**

- 8.1 Once approved by Full Council, this Policy and any subsequent amendment will be published on the Council's website. Human Resources Policy will be responsible for the annual review to ensure an accurate pay policy is published ahead of each financial year.
- 8.2 In accordance with the Code of Practice on Local Authority Accounting, the annual Statement of Accounts includes pay details of Senior Officers reporting directly to the Chief Executive/Head of Paid Service and statutory posts where the salary is above £50,000 per annum.
- 8.3 Full Council decisions in relation to staff pay matters are available from the Council's internet page, link as follows:  
<http://www.torbay.gov.uk/DemocraticServices/ieDocHome.aspx>

## **Current Salary Levels for Chief Executive/Head of Paid Service, Directors, and other Senior Officers**

Torbay Council publishes a Salary Levels list with post details, salary bands and full-time equivalent salaries, available from Torbay Council's website:-  
<https://www.torbay.gov.uk/council/finance/salary-levels/>



This policy applies equally to all Council employees regardless of their age, disability, sex, race, religion or belief, sexual orientation, gender reassignment, pregnancy and maternity, marriage and civil partnership. Care will be taken to ensure that no traditionally excluded groups are adversely impacted in implementing this policy. Monitoring will take place to ensure compliance and fairness.

## Appendix 1 - Multipliers

The idea of publishing the ratio of the pay of an organisation's top salary to that of its median salary has been recommended in order to support the principles of Fair Pay and transparency. These multipliers will be monitored each year within the Pay Policy Statement.

In comparing the highest paid salary with the wider workforce the Council will use the following definitions:-

- The lowest-paid employee: the employee or group of employees with the lowest rate of pay (full-time equivalent) employed by the Council at the date of assessment. This includes all types of employment within the Council.
- The median: the mid-point salary when full-time equivalent salaries of all core council staff are arranged in order of size (highest to lowest). Based on the salary levels of staff on the date of assessment. This includes all types of employment within the Council.

The Council's current ratio in this respect is 4.78:1, i.e. the highest salary earns 4.78:1 times more than the Council's median salary. The lowest full-time salary is £20,258 which is Grade A, scale point 1. When measured against the lowest salary the ratio between highest and lowest is 7.27:1.

Date of assessment: December 2022.

	Annual Salary	Ratio to Highest
Highest Salary	Within the banding £145,000 - £149,999	
Median (Mid-point) value	£30,769	4.78:1
Lowest full-time salary	£20,258	7.27:1

The difference in ratio between the median and lowest points in this year's pay policy statement is smaller than the 2022/23 Annual Pay Policy Statement. In 2022/23 it was 5.18:1 for the median point and 8.13:1 between the highest and lowest point values. This shows a smaller difference in the ratio between the highest and lowest salaries. This can be attributed to the 2022 NJC Pay Award that took effect in November 2022 which uplifted the lowest spinal column points considerably, in some cases by £1, therefore narrowing the difference between the highest and lowest paid employees.

## Sources of Information:-

### **GOV.UK – Openness and accountability in local pay: guidance**

<https://www.gov.uk/government/publications/openness-and-accountability-in-local-pay-guidance>

### **LGA – Pay Policy and Practice in Local Authorities**

<https://www.local.gov.uk/sites/default/files/documents/guide-pay-and-rewards-mem-4b6.pdf>

## Policy Feedback and History

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Should you have any comments regarding this policy, please address them to the HR Policy mailbox –

[HRpolicy@torbay.gov.uk](mailto:HRpolicy@torbay.gov.uk)

### **History of Policy Changes**

This policy was first agreed by members of the Torbay Joint Consultative Committee in March 2012

<b>Date</b>	<b>Page</b>	<b>Details of Change</b>	<b>Agreed by:</b>
November 2012	Various	Amendment from Chief Executive to Chief Operating Officer	SSG 8.11.12 Approved by Full Council
6th December 2012	5-6	Update to pension ranges re: LGPS contribution rates Addition of Payments upon Termination Section	Approved by Full Council

6th December 2012	7	Update to Ratio + Multiplier information (Appendix 2)	Approved by Full Council
6th December 2012	6	Update to current salary levels + addition of newly appointed posts (Appendix 1)	Approved by Full Council
5th December 2013	Various	Update to current salary levels and reference to Chief Executive Officer throughout. Inclusion of Public Health information.	To be approved by Full Council – 5.12.13
5th December 2014	Various	Update to current salary levels and pension rates, reference to Executive Head of Commercial Services.	To be approved by Full Council – 4.12.14
November 2015	Various	Update to reflect structure changes, e.g. Chief Officer/Head of Paid Service and Assistant Director roles. Reference to National Living Wage from 1.4.16.  New section (5) relating to approval process for Chief Officer/Head of Paid Service appointments and changes to Section 6 (Settlement Agreements) to reflect approval process, i.e.	Approved by Full Council – 10.12.15

February 2017	Various	<p>Update to reflect change in job title – Chief Officer to Chief Executive.</p> <p>Changes to Appendix 1 –</p> <p>Multipliers, due to salary pay award in 2016 and introduction of National living Wage. Changes to terms and conditions relating to enhancements and other terms and conditions that have been varied through Collective Consultation.</p> <p>Updated to reflect Hay 2016 rates low to medium and spinal scales</p>	Approved by Full Council February 2017
June 2017	Wording to 2.5 updated.	<p>To reflect how Chief Executive salary will be reviewed following recommendation from Employment Committee.</p>	Approved by Full Council 10 <sup>th</sup> May 2017.
January 2018	Various	<p>Changes to job titles to reflect Senior Leadership Team restructure.</p> <p>Replace external link to Salary Disclosure information.</p> <p>Update to pensions contributions information.</p>	Full Council Approval 22 <sup>nd</sup> February 2018.

January 2019	Various	<p>Insertion of new section 2.9 re:- pay and grading structure changes.</p> <p>Update to Pensions information – Section 3</p> <p>Update to Appendix 1 – multiplier information.</p> <p>Update of Appendix 2 – Gender Pay Gap Report</p> <p>Amendment to Scope of Gender Pay Gap Report – pay calculations no longer include Schools data.</p>	Full Council Approval 21st February 2019.
January 2020	Various	<p>Update to Appendix 1 – multiplier information.</p> <p>Update of Appendix 2 – Gender Pay Gap Report.</p> <p>ONS Annual Earnings Survey Results included for private and public sectors.</p>	Full Council Approval 27th February 2020.

January 2021	Various	<p>Update to Appendix 1 – multiplier information.</p> <p>Update of Appendix 2 – Gender Pay Gap Report</p> <p>ONS Annual Earnings Survey Results figures updated for private and public sectors.</p> <p>Inclusion of Restriction of Public Sector Exit Payment Regulations 2020.</p>	Full Council Approval 24th February 2021.
December 2021	Various	<p>Update to Appendix 1 – multiplier information.</p> <p>Update of Appendix 2 – Gender Pay Gap Report</p> <p>ONS Annual Earnings Survey Results figures updated for public sector and all employers.</p> <p>Addition of Key Skills Accommodation Scheme and Key Skills Employee Referral Scheme.</p> <p>Removal of Restriction of Public Sector Exit Payment Regulations 2020.</p> <p>Update to LGPS contribution rates and bandings.</p>	Full Council Approval 3rd March 2022.

December 2022	Various	<p>Update to Appendix 1 – multiplier information.</p> <p>Update to LGPS contribution rates and bandings.</p> <p>Removal of Gender Pay Gap Report, to be reported separately.</p>	<p>Pending - Full Council Approval 23rd February 2023.</p>
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Policy to be reviewed December 2023







Looking forward to your retirement

## Employer Pensions Discretions Policy

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**The LGPS Regulations 2013**

**and**

**The LGPS Regulations 2014**

(Transitional Provisions and Savings)

**and**

**The LGPS Regulations 2008**

(Benefits, Membership and Contributions)

**(as at 14<sup>th</sup> May 2018)**

**Employer name:** TORBAY COUNCIL

**Policy effective from:** 01/04/2023

These policies may be subject to review from time to time. Affected employees will be notified of any subsequent change to this Policy Statement.

**Print name of authorised officer:** Anne-Marie Bond

**Job title:** Chief Executive

**Date:**

**Signature of authorised officer:**

## Mandatory LGPS 2013 & 2014 discretions

### Power of employing authority to grant additional pension Regulation R31

An employer can choose to grant extra annual pension\* (at full cost to themselves) to:

- a) an active member; or
- b) to a member, within 6 months of leaving, whose employment was terminated on the grounds of redundancy or business efficiency

*\*(Current maximum additional pension allowed is £6,822 (figure at 1 April 2018))*

Please state your decision below:

Torbay Council will not normally exercise the discretion to grant additional pension except in exceptional circumstances.

### Shared Cost Additional Pension Scheme Regulation R16 (2) (e) and R16 (4) (d)

Where an active member wishes to purchase extra annual pension by making additional pension contributions (APCs)\*, an employer can choose to voluntarily contribute towards the cost of purchasing that extra pension via a shared cost additional pension contribution (SCAPC)

*\*(Current maximum additional pension allowed is £6,822 (figure at 1 April 2018))*

**NOTE:** this discretion does not relate to cases where a member has a period of authorised unpaid leave of absence and elects within 30 days of return to work (or such a longer period as the Scheme employer may allow) to pay a SCAPC to cover the amount of pension 'lost' during that period of absence. That is because, in those cases, the Scheme employer must contribute 2/3rds of the cost to a SCAPC; there is no discretion [regulation 15(5) of the LGPS Regulations 2013].

Please state your decision below:

Torbay Council will not normally enter into a Shared Cost Additional Pension Contribution contract to count towards a member's APC purchase except in exceptional circumstances.

### Flexible Retirement

#### Regulation R30 (6) and TP11 (2)

Under the regulations, once an employee reaches age 55, they may remain in employment and draw their retirement benefits.

However, there are certain conditions that must be met:

- a) The employer must agree to the release of the pension.
- b) The employee must reduce either their hours, and/or their grade. *(The specific reduction required is not set out in the regulations, but instead must be determined by the employer, whom must specify the requirements within their flexible retirement policy).*

In such cases, pension benefits will be reduced in accordance with actuarial tables unless the employer waives reduction on compassionate grounds or a member has protected rights).

**If flexible retirement is permitted, employers will need to publish a Flexible Retirement Policy and send Peninsula Pensions a copy. This can be done on the final section of this template.**

### Please state your decision below:

Torbay Council will take all reasonable steps to accommodate an employee's request for Flexible Retirement.

The Council will consider waiving a reduction to pension benefits where flexibility will enable the Council to retain key skills within critical service areas.

The Council will also consider requests where an employee is aged between 55 and 60, satisfies the 85 year rule and in which case the decision incurs a pension strain cost. Such requests will be considered by the Head of Paid Service and/or the Council, dependent on the seniority of the role and the associated cost, in line with the Local Government Transparency Code 2015.

### Waiving of actuarial reduction

#### Regulation R30 (8) , TP3 (1), TPSch2, Para 2(1), B30 (5) and B30 (A) (5)

Employers have the power to waive, on compassionate grounds, the actuarial reduction (in whole or part) applied to members' benefits paid on the grounds of flexible retirement.

Employers may also waive, on compassionate grounds, the actuarial reduction (in whole or part) applied to members' benefits for deferred members and suspended tier 3 ill health pensioners who elect to draw benefits on or after age 60 and before normal pension age.

### Please state your decision below:

Torbay Council will consider waiving a reduction to pension benefits in the event of Flexible Retirement where flexibility will enable the Council to retain key skills within critical service areas.

The Council will not waive the actuarial reduction applied to deferred member's benefit requests, suspended tier 3 ill health pensioners

Employers also have the power to waive, in whole or in part, the actuarial reduction applied to active members' benefits when a member chooses to voluntarily draw benefits on or after age 55 before age 60 and on or after age 60 and before Normal Pension Age (NPA).

or active members who retire voluntarily and draw benefits from age 55 to Normal Pension Age.

**Power of employing authority to 'switch on' the 85 year rule (excludes flexible retirement) upon the voluntary early payment of benefits.**

**TP1(1)(c) Sch2**

The 85-year rule does not (other than on flexible retirement) automatically fully apply to members who would otherwise be subject to it and who choose to voluntarily draw their benefits on or after age 55 and before age 60.

An employer can therefore choose whether to switch on the 85-year rule for members:

- 1) who voluntarily draw their benefits on or after age 55 and before age 60 and,
- 2) former members who ceased active membership between 1<sup>st</sup> April 2008 and 31<sup>st</sup> March 2014 and choose to voluntarily draw their suspended tier 3 ill health pension (on or after 14 May 2018) on or after age 55 and before age 60.
- 3) former members who ceased active membership between 1<sup>st</sup> April 1998 and 31<sup>st</sup> March 2014) and elect for voluntary early payment of any deferred benefits

**Please state your decision below:**

Torbay Council will not 'switch on' the 85 year rule for current or former members who voluntarily draw their pension benefits early, except in exceptional circumstances.

## Non-Mandatory/Recommended LGPS 2013 & 2014 discretions

### Regulation R17 (1) and TP15 (1) (d) and A25 (3) and definition of SCAVC in RSch 1

#### Shared Cost Additional Voluntary Contribution Arrangement

An employer can choose to pay for or contribute towards a member's Additional Voluntary Contribution via a shared cost arrangement (SCAVC). An employer will also need to decide how much, and in what circumstances to contribute to a SCAVC arrangement.

#### Please state your decision below:

Torbay Council will not currently contribute to a member's Shared Cost Additional Voluntary Contribution arrangement.

### Non-mandatory policies but recommended by Peninsula Pensions:

**Reg 16(16)** - An employer can extend the 30-day deadline for a member to elect for a SCAPC upon return from a period of absence from work with permission with no pensionable pay (otherwise than because of illness or injury, relevant child-related leave or reserve forces service leave).

**Reg 22(7) and (8)** - Whether to extend the 12-month time limit for a member to elect not to aggregate post 31<sup>st</sup> March 2014 (or combinations of pre-April 2014 and post March 2014) deferred benefits.

**Reg 27 of the LGPS (Amendment) Regs 2018** - Whether to extend the 12-month option period for a member to elect to aggregate pre-1st April 2014 deferred benefits.

**R100 (6)** - Extend normal time limit for acceptance of a transfer value beyond 12 months from joining the LGPS

**R9(1) & R9(3)** - Determine rate of employees' contributions and when the contribution rate will be assessed

#### Please state your decision below:

Reg 16(16) – Torbay Council will not extend the 30-day deadline upon return from a period of absence allowing for a member to elect for a SCAPC unless the Council have not provided sufficient time to enable the member to make the election.

Reg 22(7) and (8) – Torbay Council will not extend the 12-month time limit except in exceptional circumstances.

Reg 27 of the LGPS (Amendment) Regs 2018 - Torbay Council will not extend the 12-month option period except in exceptional circumstances.

R100 (6) – Torbay Council will consider member requests for the acceptance of transfer values on an individual basis.

R9(1) & R9(3) – Torbay Council will assess and determine an employee's contribution rate on a monthly basis.

## Pre LGPS 2014 discretions

To cover scheme members who ceased active membership on or after 1 April 2008 and before 1 April 2014 (no need to complete if not applicable).

### **Reg 30(5) , TP2(1) Sch2, Reg 30A(5) TP2(1) Sch 2**

#### **Early payment of benefits**

Whether, on compassionate grounds, to waive any actuarial reduction that would normally be applied to deferred benefits which are paid before age 65

Whether, on compassionate grounds, to waive any actuarial reduction that would normally be applied to any suspended tier 3 ill health pension benefits which are brought back into payment before age 65

### **Policy decision**

Torbay Council will not waive the actuarial reduction to the early payment of a deferred benefit except in exceptional circumstances.

Torbay Council will not waive the actuarial reduction to any suspended tier 3 ill health pension benefits which are brought back into payment before age 65.

To cover scheme members who ceased active membership between 1 April 1998 and 31 March 2008 (no need to complete if not applicable).

### **Regulation 31(2), 31(5), 31(7A) of the LGPS Regulations 1997 and paragraph 2(1) of Schedule 2 to the LGPS (TP) Regs2014**

#### **Early payment of benefits**

Employers can allow the early payment of deferred benefits to former members of the LGPS between the ages of 50 and 55.

Employers can also choose, on compassionate grounds, to waive any actuarial reduction that would normally be applied to benefits which are paid before age 65

#### **Regulation D11(2)(c) of the LGPS Regulations 1995**

**In relation to members who ceased active membership before 1 April 1998:**

### **Policy decision**

Torbay Council will consider requests for the early payment of deferred benefits to former members between age 55 and 55 where there is no cost to the Authority.

Torbay Council will not waive any actuarial reduction that would apply to benefits paid before age 65 where there is a cost to the Council.

Reg D11(2)(c) of the LGPS Regs 1995 – Torbay Council will only grant applications for early release of deferred pension benefits on

Whether to grant applications for the early payment of deferred pension benefits on or after age 50 and before NRD on compassionate grounds.

compassionate grounds to former members between age 50 and NRD where there is no cost to the Council.



## Flexible Retirement Additional Policy

### Flexible Retirement (Regulation R30 (6) and TP11 (2))

#### This must be completed if you allow flexible retirement

You will need to consider; -

1. The minimum reduction in hours or grade required.
2. Whether the employee should commit to a reduction in hours or grade for a minimum period.
3. Whether the employee should commit to remaining in employment with the employer for a minimum period

You should also state; -

1. Whether, in addition to the benefits the member has accrued prior to 1<sup>st</sup> April 2008(which the member must draw) to permit the member to choose to draw;
  - All, part, or none of the benefits they accrued after 31<sup>st</sup> March 2008 and before 1<sup>st</sup> April 2014 and/or,
  - All, part, or none of the benefits accrued after 31<sup>st</sup> March 2014, and,
  - Whether to waive, in whole, or in part, any actuarial reduction which would normally be applied to the benefits for Flexible retirement taken before normal retirement age.

#### Please state your decision below:

1. The minimum recommended reduction in hours is 40%, however, reductions of 20% will also be considered. The minimum reduction in grade is one full grade.
2. The employee must commit to a permanent reduction in hours or grade.
3. The employee must commit to remaining in employment for a minimum period of 1 year, however, the Council can terminate that employment prior to the 1 year deadline.
  - Torbay Council will permit Flexible Retiree's to draw all of their benefits accrued after 31<sup>st</sup> March 2008 and before 1<sup>st</sup> April 2014.
  - The Council will permit members to draw all of their benefits accrued after 31<sup>st</sup> March 2014.
  - The Council will not waive, in whole, or in part, any actuarial reduction which would normally be applied to benefits taken before NRA except in exceptional circumstances.