

Revenue and Capital Budget 2021/2022

Report to the Cabinet

January 2021



1. Background

- 1.1 The Cabinet's Draft Revenue and Capital Budget proposals for 2021/2022 were published on 21 October 2020 and available on the Council's website at <https://www.torbay.gov.uk/budget-202122>. The Revenue Budget Digest set out the proposed budget for each Council service for 2021/2022. The website also included further documents which set out: the proposals for service change; income generation and efficiencies; proposed fees and charges; and Medium Term Resource Plan. The Priorities and Resources Review Panel was established to scrutinise the proposals and to make comments, observations and recommendations as necessary.
- 1.2 The Review Panel comprised the councillors on the Overview and Scrutiny Board (namely Councillors Barrand, Brown, Bye, Mandy Darling, Foster, Howgate, Kennedy and Loxton, with Councillor Atiya-Alla in place of Councillor Doggett and was Chaired by Councillor Howgate) and it met in public on 28 October and 2 November 2020 to hear evidence and on 5 November 2020 in private to agree the key findings and recommendations to the Cabinet. At its public meetings the Panel heard from the Leader of the Council and the Cabinet Members as well as from officers from the Senior Leadership Team.
- 1.3 The Panel considered all of the identified savings for 2021/2022 as well as the overall budgets for Children's Services, Adult Services and Public Health and the findings from their meetings are set out in this report.

2. Council Fit for the Future

- 2.1 Members acknowledged that the budget proposals had been developed during unprecedented times with a gap in the draft Revenue Budget of £2.6m at the time of going out to consultation. This was as a result of the ongoing pressures and uncertainty over future income as a result of Covid-19 and the lack of guaranteed funding announced from the Government for 2021/2022. The Section 151 Officer had given assurance that he was fairly confident that further funding would be received from the Government in respect of Covid-19 and the Local Government Finance Settlement would take into account the additional pressures faced by Councils to enable the Council to set a balanced budget for 2021/2022. He also outlined the options contained within the submitted report to enable the Council to balance the budget if sufficient funding was not received by the Government and advised that the Council would have a clearer picture in January 2021 when it was finalising its budget proposals.

- 2.2 The Panel welcomed that there were no major cuts proposed to services, which would adversely impact our communities who have already suffered as a result of Covid-19.
- 2.3 **Revised operating model for Corporate Security, CCTV and Environmental Enforcement.** Members noted that the Council was in the final stages of procuring a contract for environmental enforcement which would be operational from the start of 2021. This contract would improve the cleanliness of our environment and deal with issues such as fly tipping at zero cost to the Council and would be an intelligence-led approach between the Council, SWISCo and the contractor. The Council had changed its corporate security working practices and how the corporate estate was used and needed to adapt to these new ways of working which would realise the identified savings for this area.
- 2.4 **Improved use of Churston Library and Paignton Library and Information Centre.** Members were advised that due to the way the contract was set up for Churston Library and Paignton Library and Information Centre there was an opportunity to reduce building maintenance costs and increase income through improved community use and/or community management of the spaces. Whilst options for increasing footfall at all of the libraries were being explored the contracts for Torquay and Brixham Libraries did not offer the same opportunities for community involvement as the other two. The Deputy Leader of the Council advised that as a result of ongoing discussions and early engagement he was optimistic that the savings could be achieved in the next financial year. Members were not satisfied with the level of detail provided in respect of these proposals and requested further information to be provided to them in writing in order to come to a view. Members received and noted a written response “that the Council was looking at both greater community use of these libraries and also improved asset management arrangements and/or tenancies, (e.g. enhanced tenancy at Paignton). The impact of Covid-19 on these plans does present a significant risk for both initiatives as they rely on physical use of the assets. If the pandemic impacts physical use of these assets in the coming year then the targets will be difficult to achieve.” In light of the evidence provided, Members had great concern as to whether these savings were realistic and likely to be realised in 2021/2022 and given the impact of Covid-19 on the community it was highly doubtful that the savings of £34k proposed from greater public use of the library buildings in Churston and Paignton will be achieved and lettings for community groups were not likely to be possible within the financial year.
- 2.5. **Paperless billing of Council Tax and NNDR.** Members discussed options around encouraging higher take up of paperless billing and communication with the Council. It was noted that the Cabinet had taken a conscious decision for people to opt in to paperless initially to enable the Council to make improvements to its website and customer relationship management system with a view to increasing take up in the future. Many people prefer electronic communication and find it more convenient than paper so that they have access to the information when they are out and about. There would

always remain an option for people to receive bills and communications in paper form to ensure that services are accessible to all people. Members sought further clarification on how the Council would ensure that all services were accessible to all. Members received and noted the following written response:

“We have started to compile our engagement approach to ensure the community is part of our continuing journey towards greater digitalisation. There are two key strands that our worth highlighting in response to this question. Firstly, we will be promoting a survey through our current website to ask those who are already digitally engaged how we can improve our web offer. Secondly, to engage those who currently chose not to use the website, we will be asking why this is and what would change their minds when they call us for services that are on our website. We will take all feedback received into consideration when designing new or improved digital services.

Members supported these proposals, provided that all services remained accessible to all users.

- 2.6 **Redesign of Housing Benefit Administration.** Members supported the proposal to reduce costs and improve accuracy through further standardisation and simplifying processes for administering housing benefits.
- 2.7 **Full cost recovery in allotments.** Members noted that this related to making improvements to the way water was used by allotment holders to ensure that any costs were met by the holders and not the Council in accordance with the Council’s policy on full cost recovery for services. It was noted that the Cabinet proposed to consult with those allotment holders impacted by the proposal to look at ways of recovering rain water where possible and that South West Water would be approached to see if they were willing to set up or fund any schemes as part of their community payback scheme.
- 2.8 **Efficiencies resulting from the new Children’s Social Care case management system.** Members were satisfied, that the introduction of the new Liquid Logic software, which would release three business support officers through efficiencies and through the saving of £100k in travel this year as a result of working differently due to Covid-19, that the identified savings of £100k would be achieved and supported this proposal.
- 2.9 **Rationalisation of IT Licences.** Members supported the review and rationalisation of IT licences to ensure consistency across the whole of the Council and to remove any unnecessary licences.
- 2.10 **Redesign of parking services.** It was noted that these savings would be made as a result of simplifying processes within parking services, facilitating cashless payments as well as implementing incentive schemes to increase footfall in our town centres. Members were not satisfied that the proposed savings in respect of parking services were achievable and sought further information on the proposals. Members received and noted the following written response:

“Through business process re-engineering (BPR), linked to whole Council redesign, we will standardise and simplify the existing administrative processes within the Parking Service.

We will continue to facilitate increased cashless payments across the car parking estate. The ambition would be a completely cashless service saving circa £90,000 in cash collection services alone. This ambition has been boosted by a massive shift to contactless payments, in all sectors, driven by the necessities of infection control linked to the pandemic, which has been widely accepted by the community. Savings will need to be offset against the additional cost of merchant fees for card payments but these can and should be negotiated down at a corporate level. The introduction of a recently re-procured pay-by-mobile service is expected to increase patronage and therefore income. Furthermore, it is expected that a combination of an increased contactless payment offer, combined with an improved pay-by-mobile service, will lead to customers paying for a longer stay as the inconvenience of finding the right amount of cash is removed.”

2.11 **Redesign of Exchequer and Benefits.** Members supported the proposal to reduce costs and improve accuracy through further standardisation and simplifying processes for administering exchequer and benefits payments.

2.12 **Redesign of Financial Services.** This proposal related to savings from increased use of automated report and sharing of financial information between Torbay Council and SWISCo. Members requested further details in respect of this proposal to assure them that the savings were achievable. Members received and noted the following written response:

“The SWISCo link to finance is that the Council finance team are providing a shared service to SWISCo for a finance system (FIMS) and other finance processes such as VAT and payments, so will have additional income.

Other parts of saving are linked to business process re-engineering (BPR) and less finance staff from a greater use of automated reporting.”

2.13 **Reduced fraud and error in Business Rates and Council Tax.** Members noted that this was an invest to save proposal which would utilise technology and increase data matching to reduce the level of fraud within these areas. The additional staff were required in order to carry out the processes for data matching and checking evidence which would then help bring in additional funding to the Council through increased payment of Business Rates and Council Tax. Members supported this proposal.

2.14 **Reduced spend on print, post and confidential shredding.** Members supported the proposal to continue to reduce printing, postage and confidential shredding costs, which have already been achieved in year due to the different ways of working, with most staff working from home and utilising electronic forms of communication. Assurance was given that staff would not go back to previous ways of working once Covid-19 was under control and

that the Council's redesign process was looking at permanent solutions to make efficiencies and improve working practices in the long term, building on the success to date, which would also have a positive environmental impact.

- 2.15 **Reduced travel costs.** Members supported the proposal to reduce travel costs for Children's Social Care given the savings already achieved in year through utilising remote meeting facilities and electronic technology as opposed to in person visits, with these methods being supported by the young people as this was their normal means of communication. It was suggested that consideration should also be given to reviewing travel across the whole of the Council to reduce costs further and help to tackle climate change.
- 2.16 Members noted that many of the fees and charges had remained the same as 2020/2021 and questioned why they were not all increased at least by inflation. The Deputy Leader of the Council advised that some of the adjustments were based on the cost recovery model, however, with the current fragile economy the Cabinet and Senior Officers felt the need to protect our residents and local businesses and to encourage them to use our services and submit planning applications etc. to enable more housing to be developed and therefore some remained unchanged.
- 2.17 Members noted that the budget allocation for the staff pay award and pensions was only expressed in percentage terms and suggested that it would be helpful if approximate cost values in pounds were also included in future reports, which the Chief Finance Officer agreed to implement.
- 2.18 Members were concerned in respect of the lack of detail for some of the proposals to enable them to fully understand what was proposed and how it would be achieved, and also the lack of reassurance provided by some of the Cabinet Members and Officers as to the deliverability of some of the proposals.

3. Thriving People

- 3.1 **In-house delivery of Torre Abbey Café.** Members noted the proposal to save £50k from the in-house delivery of the café which had been brought about as a result of a detailed business case from the new manager of Torre Abbey, who had previously worked for the National Trust and had a proven track record of successfully running a similar facility and who also had plans for increased use of Torre Abbey. Members were not satisfied, on the evidence presented to them, that this was a realistic saving in light of the ongoing Covid-19 pandemic which would likely impact on footfall and sales, with people needing to social distance or other restrictions imposed by the Government.
- 3.2 The Panel congratulated Children's Services for their improvements which led to the reduction in their proposed budget for 2021/2022 by £2m but questioned if this budget reduction was appropriate in light of the rising referrals as a result of an increase in domestic abuse cases (40% increase – it was noted that this had mainly increased the edge of care and family work

rather than resulted in an increase in the number of looked after children) and the lack of certainty over the future funding of the Troubled Families Programme. The Cabinet Member for Children's Services and Director of Children's Services gave assurance that the proposed reduction was reasonable in light of the ongoing efficiencies in Children's Services with the anticipated budget position for 2020/2021 predicted to be further improved by the end of the current financial year. This was why they had not proposed more than £2m reduction so as to have capacity should the referrals result in an increase to the number of children looked after by the local authority.

- 3.3 **Efficiencies within Home to School Transport.** Members supported the proposal to introduce efficiencies to the home to school transport service through further improvements to route mapping as well as moving to contracted escorts.
- 3.4 Members noted that the budget for Adult Services had already been set and this was the second year of a three year budget which had previously been agreed between the Council and the Integrated Care Organisation (ICO). The additional funding from the Government, was also noted, which had been passed onto the ICO and service providers to help them with Covid-19. Members thanked providers, the voluntary sector and adult social care staff for their dedication shown during unprecedented times and for supporting the vulnerable people in Torbay during the ongoing pandemic.
- 3.5 Members noted the budget for Public Health was ring-fenced and included a reserve balance of around £450k due to some of the services not being able to function as a result of Covid-19, although it was expected that these services would bounce back in the future and the reserve would then be used. It was noted that the Public Health Team was a small team of approximately 13 FTE posts who had been working under extreme pressure as a result of Covid-19 and Members expressed their appreciation for all of their good work.

4. Thriving Economy

- 4.1 **Increased income from leased properties.** This proposal relied on the income generated from the full occupation of Tor Hill House, including the 4th Floor office space and retail units. Members were concerned as to the deliverability of this proposal when there were many empty units within the town centre and the Council has previously been unable to let all the available space. The Cabinet Member for Economic Regeneration, Tourism and Housing gave assurance that the Town Deal funding secured to improve Torquay Town Centre and the One Public Estate Programme for public services had generated interest in office space in the town and also there was a further need for employment space, following the successful letting of the space in the EPIC building in Paignton.
- 4.2 Members supported the work being undertaken to support the economy and expressed appreciation for the additional funding awarded from the Government for the Torquay Town Deal and anticipated funding for Paignton from the Future High Streets Fund with options for improvement to Brixham

being explored with the Town Council and community. They also acknowledged the Council's investment in the Bay and welcomed further investment through the Economic Growth Fund as well as the investment from the Fragrance Group in the development of four new hotels in Torbay which would help to enhance the area and provide much needed jobs.

- 4.3 Members raised concern in respect of the poor quality of some of the Council's infrastructure, lighting and sea defences and how this would impact on the Council's ambition to be a 'premier tourism resort'. It was suggested that more investment should be made in these areas in order to address these concerns.

5. Tackling Climate Change

- 5.1 **Implementation of Resource and Waste Management Strategy.** This proposal relied on significant changes to the current delivery model (e.g. trialling of three weekly residual waste collection in some areas and increased recycling) and changes in public behaviour in relation to waste and recycling. Members were not satisfied, based on the evidence provided, that saving £600k was realistic or achievable due to the reliance on changes to public behaviour. The Panel felt there would need to be a significant communication effort to engage with the public with the new Resource and Waste Management Strategy. As a consequence, some of the savings envisaged in the first year of operation would have to be offset by the costs of a public engagement strategy, and it was possible that savings may take several months to achieve as new measures bed in. Members felt that it would be helpful to see a more detailed breakdown on how the savings would be generated, which may give a greater confidence that the expected savings anticipated would in fact be both ambitious and realistic.

It was noted that the Resource and Waste Management Strategy was currently out to public consultation and therefore changes could be made before its final approval by Council. The Panel supported the increase in recycling and reduction in other waste and felt that the Council was not being ambitious enough when setting its targets in this area. It was also suggested that other schemes could be introduced such as having a recycling bin next to a waste bin in public spaces across Torbay to encourage increased recycling when people are out and about.

- 5.2 **Street lighting contract management.** Members supported the proposal to improve the way the street lighting contract was managed and investment in green technology to help reduce the impact of climate change.
- 5.3 **Capital Budget for A Climate fit for the future.** Members noted that the capital budget allocated for 2021/2022 was £4.7m to implement the solar farms at Brokenbury and the former landfill site near the Willows, which only equated to 5% of the overall capital budget. While the investments in solar farms and the promotion of greater recycling are welcome, the overall spend of £4.7m on measures to tackle the Climate Emergency is modest, and the range of actions should be greater. These should include a more ambitious

approach to decarbonising the Council's estate, with the goal of ensuring all Council buildings operate on a carbon neutral basis. Specific and strategic targets for tree planting, rewilding and the encouragement of walking and cycling are urgently required. The Panel felt that a more robust approach to this issue is needed if we are to progress towards our goal of a carbon neutral future and to achieve savings over the medium term from energy-saving measures.

- 5.4 Members discussed the impact of flooding as a result of climate change and rising sea levels and supported the Capital Investment in flooding schemes such as Cockington and Monksbridge due to take place in 2021/2022 with the main priority area being Paignton seafront, which had been included as part of the Future High Streets Funding bid for Paignton Town Centre due to the impact on the town centre.
- 5.5 The Panel discussed other initiatives to support the climate and improve people's health and wellbeing e.g. electric charging points, encouraging increased take up of electric or hybrid vehicles, cycling, walking, decarbonising Council buildings and making them carbon neutral, which it was hoped the new Climate Emergency Officer would be able to move forward. Members noted that there were some initiatives for staff and other working people such as the car share scheme but felt that this should be expanded further to encourage greater recycling and reduction in our carbon footprint.
- 5.6 Members noted that the new Climate Emergency Officer and new Housing Officer would be working with the pre-existing Housing Delivery Working Group to work with existing housing providers to encourage greater use of green and carbon neutral options to improve their existing stock as well as working with providers and developers to encourage greener and more environmental building of new homes. The Council has greater control, through TorVista (housing company) to build sustainable homes on Council land. All of which supports the Housing Strategy Delivery Plan. It was also noted that Members have an advocacy role in their communities in encouraging sustainable investment and development, which can also help with fuel poverty as thermal efficiency also reduces fuel costs.

6. Recommendations

That the Cabinet be recommended:

- 6.1 that, in light of the assumptions within the following proposals not being robust, the impact of Covid-19, the reliance on public behaviour and the uncertainty around some of the funding from the Government, the Cabinet be requested to review the following proposals as there is a high risk that they will not be delivered or the full savings realised in 2021/2022:
 - (a) Improved use of Churston Library - £14k;
 - (b) Improved use of Paignton Library and Information Centre - £20k;
 - (c) Implementation of the Resource and Waste Management Strategy - £600k;
 - (d) In-house delivery of Torre Abbey Café - £50k;
- 6.2 that all opportunities for increased use of solar or other green energy sources be explored by the Council and that the Cabinet encourage greater take up of green energy and thermal efficiency across all communities to help tackle climate change and reduce fuel poverty;
- 6.3 to develop a programme for installation of electric charging points with agreed timescales for delivery;
- 6.4 to include a specific budget dedicated to making the Council estate carbon neutral;
- 6.5 to improve collaboration with other local authorities and make best use of the Co-operative Council's Innovation Network learning from best practice for the benefit of Torbay;
- 6.6 to consider reviewing travel across the whole of the Council to reduce costs further and help to tackle climate change; and
- 6.7 to set a more ambitious target for an increase in recycling and reduction in other waste and promote other recycling schemes such as having a recycling bin next to a waste bin in public areas across Torbay to encourage increased recycling when people are out and about.

That the Overview and Scrutiny Board be recommended:

- 7.1 to undertake a review of enforcement activity across Torbay; and
- 7.2 to undertake a review of the Council Redesign Programme in respect of accessibility of services and the impact on the community.