

Cabinet's Response to Consultation Budget 2022-2023

February 2022

Budget 2022-2023



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Statement from the Leader and Deputy Leader of the Council

In accordance with the Council's Constitution, the Cabinet is proposing a balanced Revenue Budget of £120.8 million for 2022/2023 and a 2022/23 Capital Plan of £114 million for the Council's consideration.

As we said when we launched the consultation, we are committed to investing in our priority areas of ensuring we have thriving people and a thriving economy and in tackling climate change.

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 majority of people who responded to our survey were in favour of the proposals, but we have considered all the responses and suggestions and have made changes to our proposals in response to these.

We will be **investing in Torbay's people** as we continue to deliver our Housing Strategy. We had identified £500,000 for additional capacity across the Council and £210,000 of this will be allocated to ensure that we can bring empty properties back into use, that standards of private sector housing are improved and that those housing sites with planning permission are progressed through to development. In addition, we are proposing that £35,000 is used to support the introduction of Interim Management Orders within the private rented housing sector, to ensure that where absolutely necessary we can intervene to ensure standards are raised for tenants.

We are aware of residents' concerns around road safety especially around our schools and we are proposing that £30,000 is allocated to carry out awareness campaigns to improve safety.

We have listened to the concerns of our vulnerable residents and will introduce a scheme to distribute free passes to them to use our public toilet passes with a fair usage policy. Such a scheme will enable us to continue to fund the operation, maintenance and upkeep of this discretionary service whilst recognising that, for some groups and individuals, the move to pay-as-you-go and contactless payments is challenging. For beach hut users we will be including a public toilet pass as a part of their hire agreement, again with a fair usage policy.

We will be **investing in Torbay's economy** and in particular investing in our ambition of being the premier UK tourist resort. We know that our car parks need investment after years of austerity and so we are proposing that a £1 million programme of upgrades is undertaken with the initial focus on resurfacing and improving lighting and signage. This is on top of the investment that is already underway with new ticket machines and electric charging points.

The cleanliness of our streets is also important to both our visitor economy and our residents and £100,000 of one-off funding will be used for a clean streets initiative to tackle issues such as fly-tipping and dog fouling. We will ensure that this investment is focussed on residential and town centre areas as well as our tourist areas.

As our harbours continue to play a vital role in our offer to residents and visitors, we are proposing a further reduction in the asset charge to the harbour account, whilst at the same time our new Harbour Master will be completing his review of the demands on the harbour account for our consideration.

Our capital investment programme to create Spaces to Thrive will continue with additional capacity created to ensure delivery of these schemes whilst ensuring our community is engaged as we progress. We are aware of the risk of increasing costs as supply chains continue to be challenged and inflation increases, and therefore a contingency fund will be established to protect the Council from rising costs.

Our **commitment to tackle climate change** continues with additional staff proposed to deliver our own carbon neutral plans as well as working with the community on a Torbay-wide carbon neutral plan. In order that these plans can be as ambitious as possible we are proposing to create a £1 million climate investment fund to deliver projects and initiatives across Torbay.

Finally, we will invest so that we are a **Council fit for the future**. The increase in public participation in our public meetings during the pandemic was noticeable and much welcomed. With the government now requiring that our formal meetings are held in person we want to invest in the technology to be able to livestream these meetings, thereby strengthening democratic accountability.

As our improvement journey continues with our Children's Services, we need to ensure that the governance arrangements are in place to facilitate this critical improvement journey and it is recommended that £40,000 is allocated for this purpose.

We also need to ensure that our health and safety obligations are met across the entirety of our estate and £50,000 is proposed to meet this aim.

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 becoming the premier tourist resort in the UK.



Councillor Steve Darling
Leader of Torbay



Councillor Darren Cowell
Council Deputy Leader and Cabinet
Member for Finance

Introduction

This document and the papers which support it set out the Cabinet's final proposals for the Revenue and Capital Budgets for 2022/2023.

The Cabinet published its draft budget proposals in January 2022 for consultation. During the consultation period, feedback has been received from the community and voluntary sector and the public. That feedback has been gathered through the online questionnaire as well as from Torbay Council's social media channels (including responses to the Ask Us Facebook Live panel held in November 2020).

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

The results of the consultation have been published and the budget proposals issued in January 2022 have been updated and republished. All these documents are available at www.torbay.gov.uk/budget-202223

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-202223) and are listed below:

- **Torbay Council – Revenue Budget Digest 2022/23**
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 future funding of Torbay Council after the Government announcements of both the Spending Review and the Local Government Finance Settlement.
- **Fees and Charges**
The amount that the Council proposes to charge for its services over the next year.
- **Capital Plan 2022/2023**
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 3 March 2022 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

Revenue Budget 2022/2023

Proposed Changes to the 2022/2023 Revenue Budget

Since the Cabinet's budget proposals were issued in January 2022, we have continued to review the assumptions upon which we based our proposals. In addition, further confirmations have been received from central government 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
Road Safety		30	This funding will be used to promote road safety through a campaign of activity.
Climate initiatives		120	This allocation within the base budget would fund £1 million of borrowing (repaid over 10 years) which will be used to implement projects to address the climate emergency.
Climate change projects	100		The above proposal would negate the original proposal of one-off funding for climate change projects.
Clean streets initiative		100	Given the above, it is proposed that this one-off funding is now used to tackle environmental issues such as fly-tipping and dog-fouling.
Harbours		25	This is a further reduction in the funding to the Council's revenue account from the harbour account as was originally proposed.
Car park investment		120	This allocation within the base budget would fund £1 million of capital investment in our car parks (repaid over 10 years). The initial programme will include resurfacing and improved lighting and signage.
Changes to car park income	120		The proposal above would be funded from the income projected from car parks in the coming year.

Contingency for the Capital Plan		200	Given the cost pressures that our capital schemes are currently under, it is proposed that an additional £4 million of capital investment is identified. This will be funded by borrowing over a 30-year period. The conditions for the use of this borrowing will be agreed by the Chief Financial Officer.
Inflation contingency	200		To fund the above proposal, the amount of the contingency originally proposed to be held to cover inflationary pressures will be reduced.
Free passes for public toilets		75	In response to consultation feedback, a scheme to distribute free passes for use of our public toilets for certain vulnerable groups within the community will be introduced. Separately, we will include a toilet pass within the hire agreement for beach huts. A fair use policy will be introduced for these passes.
Interim Management Orders		35	This funding will create additional capacity to support the introduction of Interim Management Orders in relation to improving private sector housing standards.
Livestreaming of meetings		90	Additional money is required to enable the live streaming of meetings of the Council, Cabinet and Planning Committee to strengthen the democratic accountability of the organisation.
Health and safety		50	To ensure health and safety compliance across the Council's estate, there is a requirement for a further Health and Safety Officer.
Governance Support		40	This funding would provide additional capacity to support the governance arrangements required to facilitate critical improvement activity within Children's Services.
Other net adjustments	11		
Sub total	431	885	
Net Change in Services		454	

Increased National Non-Domestic Rate income	454		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 2022/2023

The Council is being asked to approve the Cabinet's proposal for the total net revenue budget for 2022/202 and the budget that will be required to be funded from Council Tax.

The Council is also being presented with the allocation of the 2022/2023 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 2022/2023, 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	60.2	(16.5)	43.7
Community and Customer Services	45.5	(42.9)	2.6
<i>Housing Benefit included in Customer Services</i>	37.0	(37.0)	0
Sub Total – Adult Services	105.7	(59.4)	46.3
Children’s Services	106.9	(61.1)	45.8
<i>Dedicated Schools Grant including in Children’s Services</i>	47.1	(47.1)	0
Public Health	10.4	(0.3)	10.1
Corporate Services	9.3	(2.9)	6.4
Chief Executive’s Unit	4.8	(1.2)	3.6
Sub Total – Corporate Services	14.1	(4.1)	10.0
Finance	30.7	(38.5)	(7.8)
Investment Properties	9.5	(14.1)	(4.6)
Place	43.6	(22.6)	21.0
TOTAL	320.9	(200.1)	120.8
Sources of Funding			
Council Tax			78.1
Collection Fund Surplus/(Deficit)			0.1
Revenue Support Grant			6.8
Business Rates (NNDR)			35.6
Other Grants			0.2
TOTAL			120.8

Table 2: Revenue Budget 2022/2023 - Summary

The value of Council Tax after a rise in the Torbay element of the Council Tax of 1.99% and a 1% rise for Adult Social care is £78.1 million. This 2.99% rise will increase the Band D Council Tax in Torbay by £49.07 (of which the 1% rise for adult social care is £16.41), which equates to 94 pence per week.

When the Council formally sets the Council Tax for 2022/2023, the Council's budget must include the council tax requirement for Brixham Town Council. The value of this precept will be included as part of the Torbay Council budget for Council Tax setting purposes.

Capital Plan 2022/2023

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.

Based on the latest forecasts our four-year Capital Plan was £282 million with a programme of capital works of £112 million in 2022/23.

It is now proposed that three additional amounts of borrowing are undertaken to enable investment in our priorities (£1 million each for car park infrastructure and climate change initiatives) and £4 million as a contingency for our overall capital programme.

Therefore, our four-year Capital Plan is now £288m with a programme of capital works of £114m in 2022/2023.

Of that, £68 million has been allocated to projects and the remainder is borrowing primarily allocated for housing and regeneration schemes which we will allocate to specific projects over the course of the year based on business cases.

The schemes within the £68 million of allocated funding include our Spaces to Thrive programme such as the Torbay Harbour Public Realm, Edginswell Railway Station and Station Square and Torbay Road in Paignton. An extra care housing scheme at Crossways, Paignton (including commercial space on the ground floor) will be part funded through the Future High Streets scheme.

There is work being undertaken to expand St Cuthbert Mayne and Mayfield Schools. Construction work on the solar farms at Brokenbury and Nightingale Park is due to start in 2022/23.

We will be using the Torbay Growth Fund to provide start-up units for local businesses at Lymington Road, Torquay and the construction and future rental of two new units at Edginswell Business Park. The redevelopment of former the public toilets at Corbyn Head and Preston to create two new café units is also planned during the year.

There will be further investment with Parkwood Leisure at the Riviera International Conference Centre on both improving facilities and undertaking longer term structural repairs.

In addition to the ongoing structural maintenance and integrated transport programme, work is ongoing on the Western Corridor.

This document can be made available in other languages and formats.
For more information, please contact consultation@torbay.gov.uk
