

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 from 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.