

Cabinet's Response to Consultation

February 2023

Budget 2023-2024



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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 £131 million for 2023/2024 and a 2023/2024 Capital Plan of £90 million for the Council's consideration.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



Councillor Steve Darling
Leader of Torbay



Councillor Darren Cowell
Council Deputy Leader and Cabinet
Member for Finance

Introduction

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

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

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

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

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

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

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

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

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

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

Revenue Budget 2023/2024

Proposed Changes to the 2023/2024 Revenue Budget

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

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

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

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

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

Table 1: Summary of changes in income and expenditure

Revenue Budget 2023/2024

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

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

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

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

Table 2: Revenue Budget 2023/2024 - Summary

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

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

Capital Plan 2023/2024

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

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

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

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

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