

# Budget Overview

January 2024

## Budget 2024-2025



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# Statement from the Leader of the Council and Cabinet Member for Finance

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This is our first budget to be proposed since forming the Cabinet in May 2023. Our principles have always included strong financial management and our approach this year follows the same fundamentals – focusing on the ongoing revenue pressures, developing efficiency saving plans for the future, and providing clarity with our Capital Investment Plan, whilst ensuring we concentrate on the things that residents have told us matter to them. Our Children and Adult Social Care budgets continue to dominate our attention and this budget proposal provides, where necessary, increased resources to look after vulnerable residents and maintain our highly acclaimed services.

We know that a number of Councils, both locally and across the country are reporting that they have financial difficulties and are needing to cut services. Thankfully, because of prudent, and sometimes difficult, decisions and financial savings made over the last 12 years we are in a different situation and this enables us to take a longer-term strategic approach in proposing this budget – moving away from top-slicing and being able to look beyond a single financial year thereby setting the direction for the next three to four years. In taking that longer-term view, we are able to plan for known bumps in the road, however, our strong foundations of stable financial management will create the building blocks for us to move forward with better certainty and a clear understanding of our financial position.

At this stage of the budget setting, we are still in need of finding a further £300,000 of extra income or efficiency savings. These savings will be identified during the consultation period and delivered over the next financial year to create a balanced budget. These plans will be focussed on the high cost budgets including Children’s Services, adult social care and housing, ensuring we continue to provide a sustainable financial future; but also providing better outcomes for both our children and young people together with our vulnerable adults and those facing uncertain housing situations.

Since the local elections in May 2023, we have received further Government investment of more than £71 million, meaning we now have a total of £105 million from government to invest within Torbay. This will help us to deliver on the key regeneration projects for the Bay. The Council has recognised that we cannot do this on our own. We intend to use Government funding alongside our own Capital resources to work in a three-way partnership with our regeneration partner and local communities to deliver the aims of the Capital Plan with more confidence and certainty. These budget proposals not only focus on our town centres but allow us to deliver capital growth across the whole of Torbay (each of our towns will benefit) whilst trying to address some of the long-term problems within Torbay including increased emphasis on developing affordable housing solutions. Allocated monies will also allow us to progress much loved heritage projects, providing a new future for both the Pavilion and Oldway Mansion.

Whilst we are absolutely looking to create a sustainable financial future, we also want to make a difference for our residents and visitors. These budget proposals include investment in two new projects - Operation Brighter Bay and Operation Town Centres.

Operation Brighter Bay will see additional investment, married with efficiencies within SWISCo, to help make our Bay more attractive and safer – green areas will receive more attention with additional cuts to grass verges across not just our high-profile areas, but also town centres and our residential areas. This additional investment will also enable us to continue to replace more of our white lines and yellow box markings across the whole of the Bay. We understand it will be a four-year piece of work to restore them all, but this way of looking at the budget allows us to plan for the longer term.

Operation Town Centres will see a collaboration between our Police and additional Council staff on the streets in our Town Centres with the objective of providing more enforcement against those who engage in anti-social behaviour as well as providing greater assistance to individuals needing our help and support.

Events across Torbay are an integral part of what makes us the English Riviera and are highly valued by many residents. We will add a one-off amount of £1 million to the Events Reserve, to provide certainty of planning for the next four years with the aim of maintaining, enhancing, and developing a series of successful annual event programmes for both residents and visitors to enjoy.

We are aware of the financial pressures faced by many households across Torbay and are pleased to be introducing, from April, a new Council Tax Support Scheme which will be more easily understood and provide over £500,000 of increased discount to many of our residents most in need of financial support. These budget proposals also include an increase in Council Tax slightly beneath the maximum level permitted thereby providing some support to all residents in Torbay.

We believe that the proposals put forward in this document will put our residents at the heart of everything we do. We want to hear your thoughts and look forward to hearing from you during this consultation period.



Councillor David Thomas  
Leader of Torbay Council



Councillor Alan Tyerman  
Cabinet Member for Housing, Finance  
and Corporate Services

# Introduction

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This document provides an overview of the Cabinet's proposals for the Revenue and Capital Budgets for 2024/2025.

Alongside this document a number of others will be published and will be available on the Council's website and are listed below:

- **Chief Finance Officer's Report**  
This provides more details in relation to the future funding of Torbay Council in light of the draft Local Government Finance Settlement.
- **Proposed Fees and Charges**  
The amount that the Council proposes to charge for its services over the next year.
- **Proposed Revenue Savings Plans** This sets out details of the plans that are proposed to produce a balanced budget for 2024/2025 and future years. We have included the high level environmental, economic and equality impacts of each proposal, which we want to test with you during the consultation period and (where appropriate) associated draft Equality Impact Assessments.
- **Draft Capital Investment Plan 2024/2025**  
This explains the outcomes that we are seeking to achieve from our Capital Plan and which capital schemes the Council plans to fund over the coming year.

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

We will also publish a full copy of our Revenue Budget Digest for 2024/25 after the final budget has been set. This provides a description of what each Council service does and how much it is expected to spend next year and how much income they will receive.

# The Cabinet's Proposed Budget

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## Context

This proposed budget has been prepared during a period of continued financial uncertainty. Although the high rates of inflation are reducing, our residents and our businesses continue to struggle from increased prices, which in turn impacts on the Council's income levels (as well as us continuing to pay more for the goods and services we buy).

Increase in demand for our services and increases in the costs of providing them continue to be the main risk to the Council's finances, despite inflation rates starting to reduce. The majority of additional funding available from the settlement in 2024/25 is being used to fund inflationary cost pressures on the Council – both those forecast and those relating to the current year.

In Adult Social Care, we have a long and proud history of integrated health and social care, which creates better outcomes for our residents. We are keen for these arrangements to continue and in March 2022 signed an extension to the integrated arrangements, with an increase in cost to recognise the demands and cost pressures in adult social care. The contract fee is increasing by a further £1.1m in 2024/25 in recognition of these pressures, but we know that a significant gap remains between the amount the Council pays for adult social care and what the Trust spends. We continue to work closely with the Trust to identify how savings can be made in both the short and long term.

Our continuous improvement journey within Children's Services remains crucial to the Council's medium term financial stability. Nationally there are significant shortages of placements for children who need them, meaning existing placements are costing more, and that children and young people are unable to step down from residential to family-based settings such as fostering placements. Stress on households from cost-of-living pressures increase the risk of families requiring support or intervention from the Council. Legislation on unregulated placements changed in September 2022 and has resulted in further budget pressure.

There continues to be considerable demand within the housing service for temporary accommodation. The cost-of-living is impacting significantly on clients, both financially and emotionally and the loss of private rented accommodation and breakdown in family relations is a significant cause of homelessness. Increasingly, families are approaching the service, and overall complexity is increasing.

The provisional Local Government Finance Settlement was issued in late December 2023. The Settlement was, in essence, a "rollover" settlement with an allocation to partially cover price inflation and the continuation of additional social care grants.

The Services Grant has continued for another year but is £1.1 million lower than last year, offsetting increases elsewhere. Three other ringfenced adult social care grants (Discharge Fund and two Market Sustainability and Improvement Funds) have been continued, with two at increased levels.

## Strong grip on finance

Over the current financial year, we have taken a more strategic approach in considering the savings plans that underpin the proposed revenue budget. This will provide the basis for the 2025/26 and 2026/27 revenue budgets. We have focused on the key significant areas of budget spend and pressures where actions can make the biggest difference, in terms of both outcomes for our community and financial savings.

The relatively small current savings gap of £300,000 for 2024/25 allows us to take a different approach with each savings plan being assigned a range of potential annual savings rather than needing to ask each service to make plans to reduce their budget. We are confident that the savings will be achieved which will not only ensure we have a balanced budget in 2024/25 but will provide a sustainable budget position in the medium to long term.

Both the Cabinet and the Senior Leadership Team regularly review the financial performance of the Council and decisions are taken throughout the year to ensure services are delivered in the best way possible for our residents, whilst ensuring the organisation remains financially sustainable.

## Delivering our Capital Programme

We have taken a similar approach with our Capital Programme to ensure that, as an organisation, we are clear about how we can reach the next step of each project within our Capital Investment Plan. The draft Capital Strategy sets out the approach that we have taken and that will be applied in the future.

A separate document (our Grant Pending List) shows all the grants that we are holding pending the approval of business cases. Only once business cases are approved will projects be moved onto our Capital Investment Plan.

This approach in no way amends our aspirations but instead provides greater governance and control, so that we can have confidence that projects within our Capital Investment Plan will be delivered.

Moving forward with our Regeneration Partner and local communities, we will consider and agree the business cases and options appraisals for key regeneration sites across Torbay. We will also continue to deliver capital schemes to improve our schools and protect our communities from flooding.

## Investment and revenue savings plans

The proposed budget for 2024/25 includes investment in three key service areas, where pressures have been reported throughout 2023/24:

- Children's Services;
- Adult Social Care; and
- Temporary Accommodation.

As in previous years, we are proposing to allocate our Social Care Grant between children's social care and adult social care.

Children's Services continues to face significant financial pressures due to extreme external forces outside of the control of the Council. Overall numbers of cared for children are lower than previous years, but the shortage of suitable available placements is driving up costs within the market. The service is vulnerable to changes in demand, in particular residential care where a relatively small change in numbers could have a significant financial impact. Use of the Social Care Grant will enable us to invest a further £1.9 million in the Service to meet service demand and inflationary increases in pay and provider costs. This continued investment in Children's Services will provide a stable basis for the service to move towards recognition as Outstanding.

Whilst investment will be made to the Children's Services budget, there remains a continued focus on early help, prevention and the development of a sustainable Family Hub model. The associated revenue saving plan will seek to achieve reductions in cost over the coming years but, more importantly, will see more children and young people maintained within a family-based environment.

There will also be a thorough review of, and revision to, the current home to school transport provision as we promote independent travel for our children and young people. This will be undertaken on a carefully risk-assessed, staged process. By reviewing our transport arrangements for children and young people on an individual basis we can support them to become more independent when the time is right for them to safely travel around their local area.

Within Adult Social Care we will use the increase in the Social Care Grant to continue to support the provision of care through the Integrated Care Organisation with delivery by the Torbay and South Devon NHS Foundation Trust. £1.1 million will be used to fund the increase in the integrated contract fee for 2024/25. We will continue to work closely with Trust colleagues to ensure that social care grants such as the Discharge Grant and Market Sustainability and Improvement Funds are used effectively, developing plans in partnership to meet the needs of our communities.

We are proposing to invest an additional £0.9 million into housing budgets in 2024/25 to meet the ongoing spending pressures of temporary accommodation and preventing homelessness. This will also provide an increased budget for operating the homeless hostel, which is now under Council management.

As with Children's Services, the additional investment goes hand-in-hand with longer term revenue savings plans for both adult social care and homelessness.

Within adult social care we will focus on reablement, learning disability support and extra care provision so that we can maintain a high quality of service for our residents. We want to promote independence, supporting people to remain in their own homes.

We will have a focus on preventing and relieving homelessness through improving accommodation pathways and commissioning plans. Wherever practical and feasible, we will help to maintain people within stable, sustainable, self-funded housing through targeted intervention.



In addition to investing in these three key services, we are also proposing further investment in ensuring Torbay is an attractive and safe place for both residents and visitors with the launch of Operation Brighter Bay and Operation Town Centres.

Operation Brighter Bay aims to present our area in the best possible way. Over the next four years there will be substantial investment (£300,000 per year) to bring our towns up to the standard expected of an area which is proud to call itself the English Riviera. This investment will be in our high profile areas but also in our residential areas. This funding, working alongside efficiencies within SWISCo, will see (over the coming year) an increase in the number of times the grass is cut by:

- 25% increase for the grass verges and parks in residential areas;
- 50% increase for the grass verges in high profile areas; and
- 15% increase for the destination parks.

There will be investment to keep our kerbsides weed free. We will start a four-year programme of improving the road markings around Torbay, which will improve road safety, traffic flow and access to parking spaces. There will be additional cleaning of town centre areas so we can provide Brixham town centre with the same high standard of service we previously provided only for Paignton and Torquay. There will be a change in how we repair potholes so that more can be repaired within the funds that we have available.

As well as ensuring our area is clean, we also want to make our area safer and more welcoming. Operation Town Centres will see investment of £300,000 per year providing additional enforcement officers and support and welfare staff to tackle areas of anti-social behaviour and seek to address the root causes behind it.

We are proposing an allocation of £200,000 to introduce a Residents' Discount Scheme – the details of which are being worked up at the moment.

The repairs and maintenance budget for the Council's assets will be increased by £200,000 and £150,000 will be allocated so that the Council can fund and provide the management and operation of activities previously undertaken by Tor Vista Homes inhouse.

A further allocation to the Events Reserve is proposed that will provide much needed certainty, over the medium term, for event sponsors and providers whilst enabling the Council to explore a different blend of commercial opportunities alongside public sector financial support.

Revenue savings plans are proposed to:

- Ensure that we optimise the Council's asset base, with the potential to free up funding to facilitate Council borrowing for Torbay's regeneration programme and local capital investment; and
- Review of commercialisation within SWISCO and potential for increased income generation will be undertaken in 2024/25, which will aim to further increase the efficiency of the service.

Within Corporate Services, we are proposing to invest £500,000 to meet additional IT costs associated with meeting the Council's IT Strategy and £300,000 to meet the ongoing costs facing

our Legal Services Team. This latter proposal recognises the challenges of recruiting staff and avoiding more expensive agency fees.

Again, it is proposed that there is a revenue savings plan for Legal Services so that, in the longer term, costs can be reduced. This will start with a review of the current staffing resource within the Service as well as gaining a better understanding of where the demand for the service sits within the Council.

The trial of using live streaming for our meetings of the Council, Cabinet and Planning Committee continued this year with added support from our Engagement and Communications Team. We want our residents to be involved in the decisions we make, although the number of people viewing these meetings online remains relatively limited. We believe we can make efficiency savings through adapting existing Council meeting space to save on the external hire of locations as well as purchasing our own kit that will allow the continuation of live streaming. However, the quality of the livestreaming is unlikely to be of the same quality as it currently provided through the trial.

An additional treasury management surplus of circa £950k is forecasted in the 2024/25 financial year (with future years surpluses expected to be in line with the existing base revenue budget). It is proposed that this surplus is used to fund the first stage of the urgent repairs and maintenance to Oldway Mansion in line with decision made by the Cabinet at its meeting in December 2023.

We are proposing that in general, fees and charges across Council services, including car park charges, will only increase in line with estimated inflation for 2024/25, at a rate of 4%. However, there will be some exceptions, in particular planning fees where national rates will result in more significant increases.

## Council Tax

In determining the funding settlement for local authorities, the Government has assumed that councils would increase council tax by a maximum of 2.99% with an additional 2% increase for the adult social care precept.

In recognition of the ongoing significant spending pressures facing adult social care and to support the integrated arrangement with the NHS, it is proposed that the 2% adult social care precept is charged in 2024/2025.

Each 1% increase in Council Tax generates £840,000 of income, which supports the services that we deliver and that our community value so much. This funding also forms part of our base budget in each subsequent financial year. Council Tax is the only means that the Council has to raise additional funding for place-based and housing services.

Having said that, we also recognise the cost-of-living pressures that our residents continue to face, therefore the Cabinet are proposing that the level of Council Tax is increased by a level below the Government cap. We propose an increase of 2.75% rather than the 2.99% cap.

This proposal will sit alongside changes already approved to the Council Tax Support Scheme, which will increase the maximum level of discount (for working age residents) from 70% to 75% of

the Council Tax liability. The changes will also introduce a less complex income banded scheme for residents who are of working age in Torbay.

These budget proposals will allow us to increase the support that is available to the communities who need it the most and will also allow us to continue to invest in services as outlined above.

# Proposed Budget

The 2024/25 budget that is being proposed is set out in the table below.

2023/24 Net £m	Directorate/Service	2024/25 Net £m
51.4	Adult Services (Inc. Community & Customer Services)	54.7
50.2	Children's Services	53.0
10.4	Public Health	10.6
12.2	Corporate Services (inc. Chief Executive's Unit)	13.5
(11.9)	Finance	(13.6)
(4.1)	Investment Properties	(4.2)
22.7	Place Services	24.9
<b>130.9</b>	<b>TOTAL</b>	<b>138.9</b>
	<b>Sources of Funding</b>	
81.4	Council Tax	86.7
1.6	Council Tax – 2% Adult Social Care 2023/24	1.7
0.5	Collection Fund Surplus	0
7.7	Revenue Support Grant	8.2
39.7	Business Rates (National Non-Domestic Rates)	41.8
0	Other General Grants *	0.2
<b>130.6</b>	<b>TOTAL</b>	<b>138.6</b>

\* The specific grants highlighted earlier such as the social care grant and the services grant do not form part of the Council's budget requirement and are therefore not included in this table.

# Timetable

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Consultation on the budget proposals, both for the public and partner organisations, will commence on 9 January 2024 until 7 February 2024 so as much feedback as possible can be gathered. The consultation questionnaire can be found at [www.torbay.gov.uk/consultation](http://www.torbay.gov.uk/consultation).

The Council's Overview and Scrutiny Board will be holding its Priorities and Resources Review Panels during the consultation period when the Cabinet's proposals will be discussed in detail. These meetings will take place on 23 and 24 January 2024.

Having considered the feedback from the consultation (including from the Overview and Scrutiny Board), the Cabinet will agree its final budget proposals at its meeting on 13 February 2023. This meeting is open to the public.

The Council will meet on 22 February 2024 (open to the public at the Riviera International Conference Centre, Torquay) to agree the revenue and capital budgets and set the overall Council Tax for Torbay, having received notifications from the Fire and Rescue Authority, the Police Authority and Brixham Town Council about their Council Tax requirements.

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

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