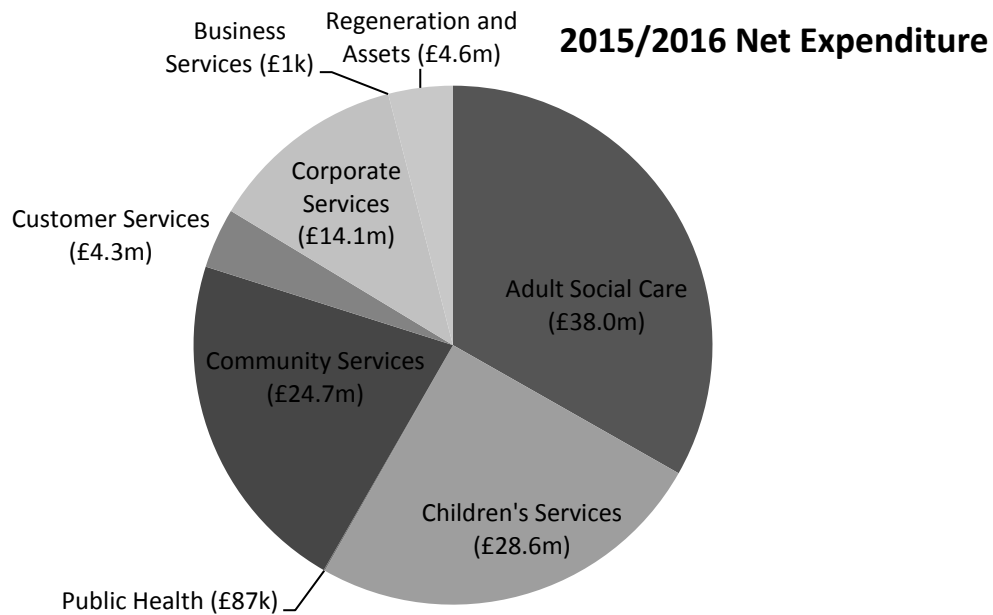


Torbay Council, along with other local authorities, continues to face reductions in the level of funding it receives from Central Government. However, the Council still spends £3.1 million<sup>1</sup> per week on services for every section of the community. It is also planning to spend over £22 million on capital schemes<sup>2</sup> during 2016/2017.

The net expenditure<sup>3</sup> in 2015/2016 across the Council is shown in the following chart:



The Council has to make extremely tough decisions and needs to reduce costs and deliver services in new ways so it can maintain as many services as possible that Torbay residents value.

The Chancellor, in July 2015, in announcing the Spending Review 2015, released a document called "A country that lives within its means". In that document it states that "HM Treasury is inviting government departments to set out plans for reductions to their resource budgets. In line with the approach taken in 2010, HM Treasury is asking departments to model two scenarios, of 25% and 40% savings in real terms, by 2019/20".

The results of the 2015 Spending Review will be announced on 25th November 2015. This will identify spending totals for local government; therefore the local government finance settlement that sets out individual allocations to councils will be a few weeks after that, probably announced in late December.

<sup>1</sup> Per Council Tax Information 15/16 excluding schools (£42m) and Housing Benefit payments (£66m).

<sup>2</sup> This includes capital expenditure on publicly funded schools.

<sup>3</sup> This excludes the ring fenced expenditure of Tor Bay Harbour and Public Health (the figure shown for Public Health relates to community development). The net expenditure for Business Services takes account of the income generated by that service.

With this in mind, Torbay Council faces an unprecedented challenge in setting a budget for the next financial year. Savings of over £50 million in the last five financial years have already been made to meet both funding reductions and demand and cost pressures. Based on the Council's Medium Term Resource Plan, the Council is planning savings to meet a total estimated £33 million funding gap over the next three years which will inevitably have a significant impact on services. Reductions estimated at more than £12 million are needed in 2016/17.

This document sets out the detail of the draft proposals for service change, income generation and savings to meet this target. The proposals are grouped against each targeted action within the Council's Corporate Plan.

Where a draft proposal has been assessed as having an impact on service users a draft Equalities Impact Assessment has been prepared and is included within this document. These will be completed once the consultation process is completed and before any final decision on the proposal is made.

A six week consultation for the public and partner organisations will run between 6 November and 18 December 2015 so as much feedback as possible can be gathered. The consultation can be found at [www.torbay.gov.uk/consultation](http://www.torbay.gov.uk/consultation). Paper copies will be available at all Torbay Libraries, Connections offices and Harbour offices.

Feedback from the consultation will be considered and will inform the final proposals which will be presented to Council for approval in February 2016. At that time, the Council will have received confirmation of its final grant allocation from central government and the expected level of Business Rate and Council Tax income for the year. This will enable the 2016/2017 Revenue Budget to be agreed alongside the Council Tax.

The Council's budget webpage ([www.torbay.gov.uk/budget2016-17](http://www.torbay.gov.uk/budget2016-17)) will also contain information to support the budget process. This will include:

- Budget Digest pages that summarise service income and expenditure
- Services Reviews that summarise the services that the Council provides
- Medium Term Resource Plan that outlines the Council's financial position
- Review of Reserves which sets out the current and forecast position on the use of Council reserves
- Capital Budget giving the current position on spend on assets, future capital issues and capital strategy
- Asset Management Plan
- Council benchmarking report
- Council report of deprivation