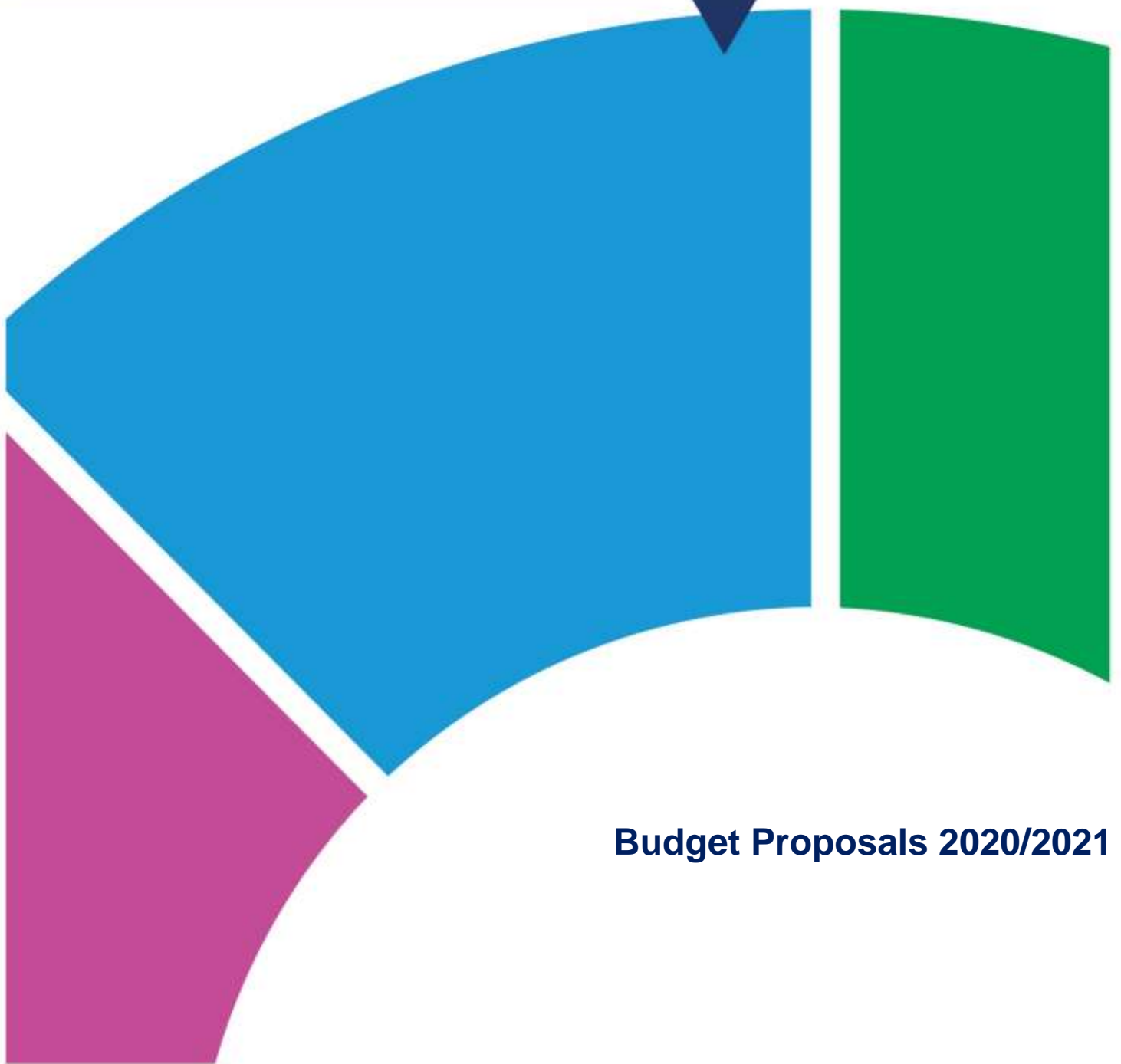


# Budget 2020/21



**Budget Proposals 2020/2021**

# Contents

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Statement from the Leader and Deputy Leader of the Council .....	3
Introduction .....	5
The Cabinet's Proposed Budget.....	6
1. Context .....	6
2. Transformation and Investment in Services .....	6
3. Proposals for service change, income generation and efficiencies.....	7
4. Estimates for income and expenditure .....	9
5. Impacts in 2021/2022 and beyond .....	9
Proposed Budget .....	11
Timetable .....	12
Appendix 1: Summary Budget Proposals 2020/2021 .....	13

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# Statement from the Leader and Deputy Leader of the Council

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We cannot pretend that the development of these budget proposals has been easy. We have a statutory duty to balance the books, fund the significant financial pressures within childrens' social care, and despite the announcements in the Spending Round in September 2019, the Council had identified that £10.5 million of savings, efficiencies and income were needed to balance the budget in 2020/21.

As a result of Government austerity, Torbay Council's Revenue Support Grant has been reduced from £42 million in 2013/2014 to an expected £6.5 million next year. Over that same period of time, the budget for Children's Services has increased from £25 million to a proposed £47 million.

This is because the number of children who we have to look after has increased, their needs have become more complex and, as a result of the increased demand for placements across the country, the costs of placements has increased. These increasing costs are threatening to overwhelm the Council's ability to manage its finances.

Ensuring that we deliver high quality Children's Services is the number one priority of our Partnership. We want to make sure that all of our children have the best life chances – whether that is supported within their families or, if they can't stay with their families, in safe, stable alternative care provision. We will work to turn the tide on poverty because, in many cases, it is that poverty which results in children being taken into care.

This is why we are prioritising additional expenditure for this services at a time of financial challenges.

The Cabinet started developing its budget proposals based on the assumption that town councils could be established in Paignton and Torquay, thereby moving decision making closer to communities. This would have raised an additional £1.9 million of Council Tax with a precept of £1 per week for a Band D household, enabling the services which the community value to be protected. However, the consultation has shown that there is no appetite for the proposed town councils and therefore we have now developed proposals which do not assume their creation.

The Partnership wants Torbay and its residents to thrive. We want to be a Child Friendly and Age Friendly Torbay. A place where our residents will have a good quality of life with access to excellent schools, affordable housing and great local amenities. A place that achieves its diverse economic potential, is well-connected with skilled people and high quality, well paid jobs. We want Torbay to be the premier resort in the UK, where our built and natural environment is celebrated and where we play out part in addressing the climate change emergency. Significantly, Torbay Council will be an organisation that our communities can trust, providing efficient and effective services. We will be open and transparent with you.

The Council will be an Enabling Council. We have less capacity to do things for our communities but will reshape our services so that our communities are enabled to help themselves. To this end, we are proposing to establish a £250,000 Community Empowerment Fund which will be used to kick-start projects across Torbay.

The tide is turning in Torbay - and as a Partnership we are proud to be leading this. But we need to balance our ambitions for the longer term with the immediate reality of having to propose a balanced

budget for next financial year, only a relatively short time after taking over the running of the Council and the years of austerity that have preceded us.

Therefore we have had to make some really difficult decisions. We truly welcome everyone's thoughts on these proposals – including how we can work with our communities to deliver services differently. If you do not agree with some of the proposals, please share with us your realistic alternative proposals, as we legally have to set a balanced budget.

We look forward to hearing from you during this consultation period.



Councillor Steve Darling  
Leader of Torbay Council



Councillor Darren Cowell  
Deputy Leader and Cabinet Member for  
Finance

# Introduction

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This document provides an overview of the Cabinet's proposals for the Revenue and Capital Budgets for 2020/2021. It highlights the difficult choices which need to be made.

Alongside this document a number of others will be published and will be available on the Council's website ([www.torbay.gov.uk/budget-202021](http://www.torbay.gov.uk/budget-202021)) and are listed below:

- **Proposals for Efficiencies, Income Generation and Service Change**

This sets out details of all of the draft proposals for service change, income generation and savings in order to produce a balanced budget for 2020/2021. 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. Where a draft proposal has been assessed as having a material impact on service users, a draft **Equalities Impact Assessment** has been prepared. These will be updated once the consultation process is completed and before any final decision on the proposal is made.

- **Torbay Council – Draft Revenue Budget Digest**

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.

- **Fees and Charges**

The amount that the Council proposes to charge for its services over the next year.

- **Draft Capital Plan 2020/2021**

This explains 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 review of the Council's reserves, the Capital Strategy, the Treasury Management Plan, the Corporate Asset Management Plan and the next version of Medium Term Resource Plan.

# The Cabinet's Proposed Budget

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## 1. Context

Torbay Council continues to face significant financial challenges – our funding from central government has reduced dramatically over the past seven years and the demands on our high cost, statutory services are increasing.

The Chancellor of the Exchequer, in his one year Spending Round announcement in September 2019, made no reductions in local government funding and this was welcomed. We are likely to receive £6.5 million of central government funding in 2020/2019 but, when you consider that we received £42 million of such funding in 2013/2014, you start to understand the difficult decisions we need to make. We do not, however, know the impact on local government funding as a result of the General Election.

As a result of the Spending Round we needed to change some of the assumptions which we had made within our Medium Term Resource Plan that was published in March 2019. It was announced that councils would be allowed to increase Council Tax by a maximum of 1.99% with an additional 2% increase for the adult social care precept – we are proposing that Torbay Council increases its Council Tax by these amounts. Our baseline funding has not been decreased as we assumed, the expected changes to Business Rates have been delayed and our grants for Supporting Families and the Improved Better Care Fund (amongst others) are continuing. We will also receive a share of the funding announced by Government for social care.

Within the Government's consultation on the Local Government Finance Settlement which was launched on 3 October 2019, there were proposals in relation to New Homes Bonus and the allocation of the Social Care Grant which would see Torbay Council receive £1.1 million additional funds than had been assumed. These are one-off funds and there is no certainty about these funds being received in future years.

We still do not know how much money the Government will make available for local authorities after next year or how that money will be distributed. In light of this uncertainty we are focussing upon a budget for 2020/21 and we continue to operate with a number of funding assumptions which are explained in our Medium Term Resource Plan – an updated version of which will be published shortly.

In short, we need to plan to fill a funding gap of approximately £10 million by 2021/2022. The services which may be impacted as a result of needing to plug this funding gap are set out in this document and we will work with our communities and partners to find alternative solutions to keep these services in place if at all possible.

## 2. Transformation and Investment in Services

The Council's Transformation Programme has continued to deliver savings and safeguard services over the past year.

The Council agreed to increase its Investment and Regeneration Fund to £300 million in July 2019. The portfolio of investments made through this Fund aims to raise over £5.1 million per year which pays for wider council services in Torbay. Everything that we invest in is rigorously assessed before being considered and we seek independent advice to ensure the Fund is used wisely. It sits alongside a comprehensive regeneration programme agreed by the Council which brings forward schemes to benefit the Torbay economy (rather than providing an immediate income).

Whilst Investment and Regeneration Fund schemes in Torbay do not generate an immediate return on investment, our tax base has increased as a result and this has a benefit to the Council's finances.

Earlier in the year we agreed that Parkwood Leisure would be our delivery partner to take over the running of the Riviera International Conference Centre (RICC). This will see the facilities at the Centre improved, safeguarding leisure provision for the local community. As part of the contract, the RICC will no longer be paid a management fee by the Council whilst at the same time there will be significant investment made at no additional cost to the Council.

A number of our contracts include cost reductions over their life (including our contract with Healthmatic for the running of most of public toilets). Other contracts are currently being re-procured, in many cases with partners, to include efficiencies in service delivery and reduced costs to the Council.

We continue to take prudent financial decisions such as reviewing our Minimum Revenue Provision, ensuring all overheads are charged to capital projects and maximising the use of grant funding.

To meet the ongoing increases in demand for Children's Services, the Cabinet is proposing investing additional funds for the safeguarding of children. This is a real terms increase in the budget for that service of over £9.8 million, (of which £0.8m is one off investment in fostering and to establish a social work academy), to a total of over £47 million. Alongside this, the Council is working with Ofsted, the Department for Education and our improvement partners to ensure that Children's Services improves. Our Improvement Plan details the actions we are taking to ensure that we keep children safe and achieve good outcomes for children and their families.

Within the budget proposals, Cabinet is proposing to increase the management fee paid to the Torbay Coast and Countryside Trust by £20,000 – this, in part, reverses the decision made by the Council in February 2019 to reduce the fee paid to the Trust. A "holding" budget for Oldway Mansion has been re-instated as work progresses to establish a Trust and funding has also been allocated for the Phase 3 Heritage Lottery Fund works at Torre Abbey. It is also proposed a £50,000 Community Enablement Fund be set up which will be used as we work with our communities on a range of projects – with a further one-off amount of £200,000 to support this work over the coming year.

### **3. Proposals for service change, income generation and efficiencies**

Despite these efforts, we are unable to sustain our discretionary services and we know that these are the services which matter the most to the majority of our residents. Services such as culture, events and sport; parks and gardens; illuminations; litter bins and street cleaning; and public toilets. This was part of the reasoning behind considering establishing town councils in Torquay and Paignton.

But it is clear that, despite our best endeavours to explain why we believed that town councils would be a positive change for Torbay, the majority of residents who responded to our consultation are not in favour of establishing town councils.

The budget proposals that we are now publishing for consultation have been prepared based on not establishing town councils. However, the decision whether or not to establish town councils will ultimately rest with the Council. This decision is due to be made on 9 January 2020.

Many of the proposals will have a minimal impact on our residents and communities. We will:

- Review how we operate Torre Abbey with a more commercial and sustainable approach.

- Reduce the amount of overheads associated with our Music Hub whilst maintaining the current service level.
- Work with partners to establish a Trust to support Torbay's UNESCO Geopark status meaning that the Council's contribution is reduced to nil.
- Reduce the costs associated with advertising planning applications.
- Review the management of our Beaches Service to provide the most efficient service within the resources available.
- Use capital funding and money from Section 106 planning agreements to support essential highway repairs.
- Reduce the core fee payable to the TDA for the management of the Council's estate.
- Reduce the number of buildings from which the Council operates. In particular Halswell House in Paignton is currently surplus to operational requirements since the Medical Tuition Service moved to Parkfield.
- Reduce the budgets associated with the Civic Mayor and the printing of agendas for our committee meetings. The latter is possible as we make best use of technology across the Council.

We will continue to seek to maximise income, through a range of proposals:

- An enhanced pre-application service and checking service will be introduced within our Planning Service.
- The cost of annual parking permits will be increased.
- We will ensure that all opportunities for rental income are explored and rents maximised wherever possible.
- Ensure that the Council is working at full cost recovery

However, there are a number of proposals which will have an impact on residents and the community.

We are proposing establishing an **environmental enforcement service** which will lead to improved levels of cleanliness across Torbay, with income generated through contracting with an external provider

We will invest £0.5 million in **public toilet** provision at Meadfoot, Broadsands, Goodrington North, Abbey Meadows and Preston Bus Shelter (in addition to the new toilet provision at Preston Beach Central). This investment will be funded from the closure of the toilets at Preston (North and South) and Goodrington South (once the new provision is in place in Preston Beach Central and Goodrington North, respectively) and the closure of the toilets at Corbyn Head if a third party redevelopment proposal is not forthcoming. Negotiations are underway in relation to a third party taking over provision of the toilets at Fishcombe.

The contract for **TOR2** will end on 30 June 2020 with the Council delivering those services through a new wholly-owned company. Whilst there will be a saving from reduced management overheads in the first year, we know that we will need to make changes in the level of service that we provide, both through this contract and through our other contracts for maintenance of our street scene, parks and gardens.

In terms of our **parks, grass cutting and litter/park bins** we will make sure that we are making the most efficient use of our resources. This will involve using all available data to minimise duplication and reduce excess provision. We will look to implement less frequent grass cutting in order to positively impact on bees and insects, whilst being mindful of our tourism offer. We will prioritise the planting areas



which are of strategic value to Torbay's holiday economy at the same time as working with the community to maintain the other planting areas.

We are proposing to introduce a charge for **household DIY waste** (such as plasterboard, rubble and asbestos) at the Household Waste Recycling Centre. This would bring Torbay in line with the charges which Devon County Council has been making for some time.

Over the coming year, we will be working to ensure that the Council has a sustainable operating model for the future. We will be looking to improve access to services for our community, work better with our residents and communities and make the most of the digital opportunities which are available to us. It is expected that this piece of work will also bring about savings as we make sure that all of our processes are as streamlined and as efficient as possible. We are calling this programme of change "**One Council**".

In order for the Cabinet to propose a balanced budget in the light of assuming that town councils are not established, the amount of corporate contingency was reduced from that which was first assumed. The risk associated with this is high as we have very few reserves which we can call on if our expenditure exceeds our estimates.

#### 4. Estimates for income and expenditure

In considering the Cabinet's proposals, it must be remembered that, although the draft budget proposals for 2020/21 includes estimates of all income and expenditure for 2020/21, the Council does not have certainty yet on the following items which may increase or decrease any budget shortfall:

- The Council's tax base will not be set until January 2020
- The level of the Council's Collection Fund surplus and NNDR income will not be set until January 2020
- The value of the New Homes Bonus Grant and Social Care Grant is subject to consultation and will not be confirmed until the Local Government Finance Settlement is announced at the end of December 2019
- The Council's Revenue Support Grant will also be confirmed as part of the Local Government Finance Settlement
- Changes may be made to the budget proposals following the consultation
- There could still be significant changes to the demands and costs of children's social care in 2019/20 and 2020/21 over the estimated figure
- New budget pressures could be approved by Council before April 2020.

#### 5. Impacts in 2021/2022 and beyond

With the significant funding uncertainty for 2021/22 onwards combined with rising demand and cost pressures, the Council is forecast to have a budget gap in 2021/22 and 2022/23 of approximately £10 million. Therefore reductions in the net budgets of services still need to be identified.

We want to work with our communities and partners in the coming months to consider whether there are alternatives to the delivery of some of our services:

- We will work with partners to identify alternative means of funding the illuminations in Torquay and Paignton.

- We will review the amount of subsidies and grants provided to our theatres and museums and to events such as the English Riviera Air Show.
- We will undertake a Needs Assessment to understand the requirements of the local community in relation to library services.
- We will work to develop and sustain the Community Enablement Fund, reviewing whether any remaining community grants (such as those to youth organisations) can be subsumed within this wider Fund.
- We will encourage more recycling and reduce the amount of recyclable waste placed in wheeled bins by moving to a three weekly residual waste collection. This will reduce the amount of waste that goes to the Energy from Waste plant and therefore reduces the disposal cost. Town centre areas with black sacks will continue with weekly collections. Weekly recycling and food waste collection will continue and an additional bag for recycling to make kerbside collection quicker, will be introduced.
- We will introduce an optional kerbside collection for green waste with residents being able to join this charged for service aimed at increasing recycling rates in Torbay.

# Proposed Budget

The budget that is being proposed is set out in the table on the following page. The detail behind this is included within the draft Revenue Budget Digest.

Directorate/Service	Expenditure £m	Income £m	Net £m
Adult Services	54.8	(14.9)	39.9
Children's Services	99.5	(52.5)	47.0
<i>Dedicated Schools Grant included in Children's Services. 2020/21 allocation to be announced</i>	42.0	(42.0)	0
Public Health	11.7	(1.8)	9.9
<b>Sub Total – Joint Commissioning Team</b>	<b>166.0</b>	<b>(69.2)</b>	<b>96.8</b>
Corporate Services			
Community Services	4.5	(2.8)	1.7
Corporate Services	7.3	(3.4)	3.9
Customer Services	56.1	(53.1)	3.0
<i>Housing benefit included in Customer Services</i>	50.1	(50.1)	0
<b>Sub Total – Corporate Services</b>	<b>67.9</b>	<b>(59.3)</b>	<b>8.6</b>
Finance	27.9	(32.5)	<b>(4.6)</b>
Place			
Business Services and Regeneration and Assets	30.7	(17.8)	12.9
Investment Properties	11.1	(16.2)	(5.1)
Planning and Transport	9.2	(2.2)	7.0
<b>Sub-total – Place</b>	<b>51.0</b>	<b>(36.2)</b>	<b>14.8</b>
<b>TOTAL</b>	<b>312.8</b>	<b>(197.2)</b>	<b>115.6</b>
<b>Sources of Funding</b>			
Council Tax			70.8
Council Tax – 2% Adult Social Care 2020/21			1.4
Collection Fund Surplus			1.7
Revenue Support Grant			6.5
Business Rates (NNDR)			34.4
New Homes Bonus and Other Grants			0.8
<b>TOTAL</b>			<b>115.6</b>

## Timetable

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Consultation on the budget proposals, both for the public and partner organisations, will be undertaken until 24 January 2020 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). Paper copies are available at all Torbay Libraries and the Harbour offices.

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. The Board's formal response to the consultation will be agreed at its meeting on 22 January 2020.

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 Tuesday 4 February 2020. This meeting is open to the public and will start at 5.30 p.m. and will be held at the Town Hall, Torquay.

The Council will meet on 13 February 2020 to discuss the revenue and capital budgets and if the proposed budgets are approved by a majority of members then they will be adopted on the night. If an objection to the budget is proposed and approved by a majority of councillors, the Council will adjourn. Any objections will be considered by the Cabinet at its meeting on 20 February 2020. This response will be considered by the Council on 27 February 2020 when a final decision on the budget will be made by the whole Council. Council Tax levels will be set at the meeting of the Council on 27 February 2020 as the Council has to wait for notifications from the Fire and Rescue Authority, the Police Authority and Brixham Town Council before setting the overall Council Tax for Torbay.

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)

## Appendix 1: Summary Budget Proposals 2020/2021

Proposal	Amount £000	Proposal	Amount £000
<b>Thriving People</b>		<b>Tackling Climate Change</b>	
Torre Abbey	30	Change in management of TOR2 services	963
Music Hub	8	Parks, grass cutting and litter/park bins	191
UNESCO Geopark	40	Planting areas	158
Development and Planning Services	40	Household DIY waste	38
Environmental Enforcement Service	70	<b>Council Fit for the Future</b>	
<b>Thriving Economy</b>		Rationalise number of Council buildings	28
Beaches Service	60	Civic Mayor	5
Use of Capital and Section 106 monies for highways repairs	180	Printing of agendas	2
Annual parking permits	18	Redesign of Council operating model	386
Public toilet investment	0	Full cost recovery for services	50
Asset management	100		
Rental income	50		

Further details of the proposals and the following document are available online at [www.torbay.gov.uk/budget-202021](http://www.torbay.gov.uk/budget-202021)

Complete the consultation questionnaire at [www.torbay.gov.uk/consultation](http://www.torbay.gov.uk/consultation)