

Clerk: Lisa Antrobus
Telephone: 01803 207013
E-mail address: governance.support@torbay.gov.uk
Date: Tuesday, 20 October 2020

Governance Support
Town Hall
Castle Circus
Torquay
TQ1 3DR

Dear Member

CABINET - TUESDAY, 20 OCTOBER 2020

I am now able to enclose, for consideration at the Tuesday, 20 October 2020 meeting of the Cabinet, the following reports that were unavailable when the agenda was printed.

Agenda No	Item	Page
6.	Revenue and Capital Budget 2021/2022 for Consultation	(Pages 2 - 43)

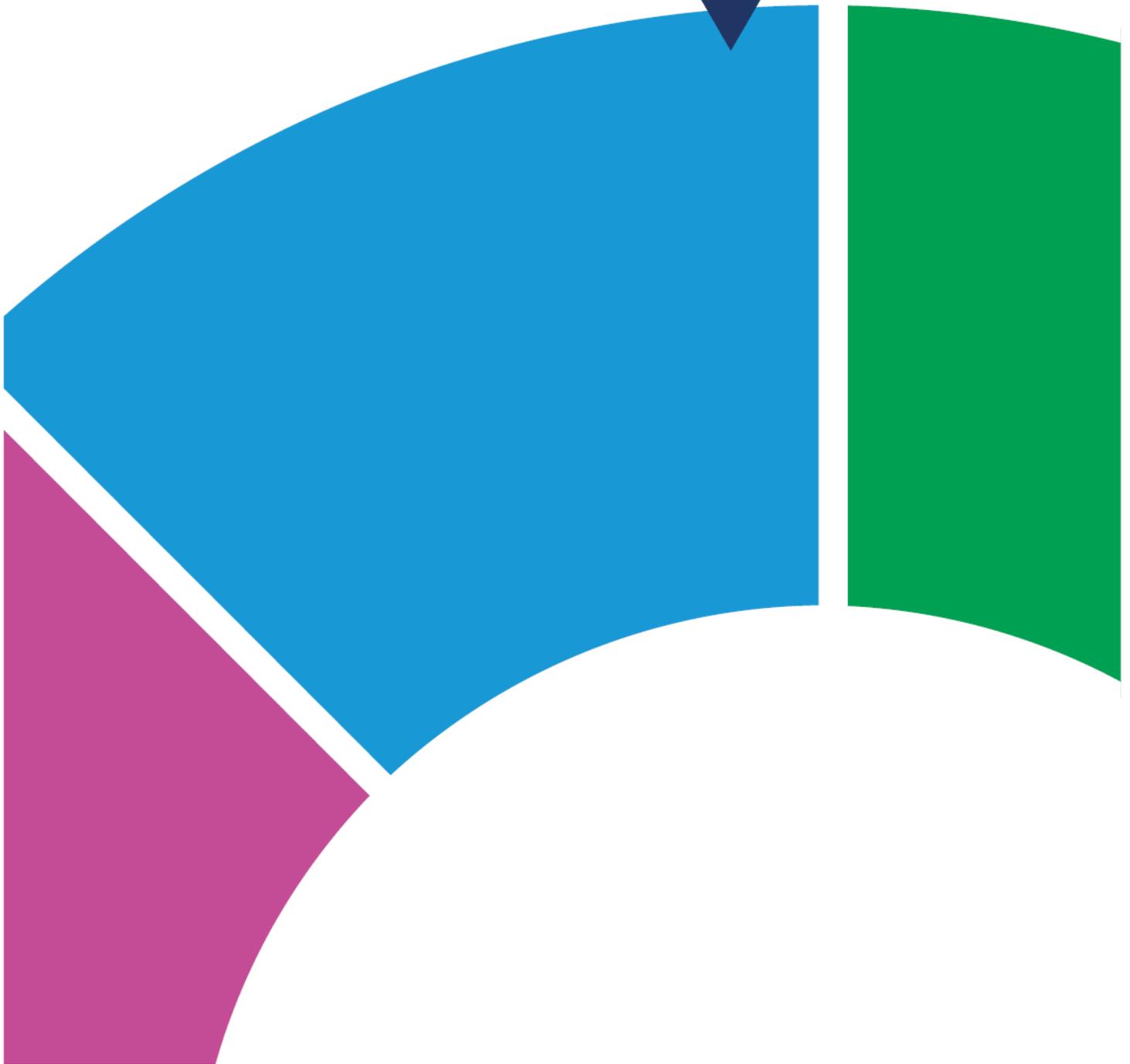
Yours sincerely

Lisa Antrobus
Clerk

Budget Overview

20 October 2020

Budget 2021/22



Contents

Statement from the Leader and Deputy Leader of the Council	3
Introduction	4
The Cabinet’s Proposed Budget	5
Context	5
Maximising our use of Capital Expenditure.....	5
Financial Impact of Covid-19	6
Collection Fund (Council Tax and Business Rates)	6
Council Tax Support Scheme	7
Collectability of Council Tax	7
Collectability of Business Rates	7
Leisure and Conference Centres	7
Supporting Homelessness	7
Home to School Transport	7
Service Income	8
Rental Income	8
Council Redesign and Investment in Services.....	8
Proposals for service change, income generation and efficiencies	9
Estimates for income and expenditure.....	10
Balancing the Budget 2021/22.....	11
Proposed Budget	13
Timetable	14
Appendix 1: Summary Budget Proposals 2021/2022	15

Statement from the Leader and Deputy Leader of the Council

These budget proposals are presented in a period of extreme uncertainty resulting from the ongoing impact of Covid-19 – in particular how this is being felt in our local economy. There is uncertainty about how much income we will receive as a Council as well as about how much we will need to spend as we continue to respond to the pandemic. Equally, there is uncertainty over the national financial position including the level of funding that will be made available for local authorities in 2021/22.

We cannot pretend that the development of these budget proposals has been easy and, at this stage, there is still a “budget gap” which is greater than we would normally want at the start of the consultation period. We continue to have a statutory duty to balance the books by February 2021. We have a number of options to help us to meet the gap, many of which are dependent on decisions of central government.

Whilst the impact of Covid-19 on our community, and our economy in particular, has been significant (and has had a knock on effect on the Council’s financial position), the team Torbay response to Covid-19 has been fantastic – from the Torbay Helpline to the Food Alliance, the existing community and voluntary groups to the new Good Neighbours Network.

We want to ensure that this co-operative approach is at the heart of everything we do as we move forward. The opportunities that come about from partnership working need to be embraced as we look to redesign Council services. We are already seeing the benefits that groups like Friends of Oldway, Pride in Brixham and Babbacombe Bay Bloomers can bring to the whole community.

We also need to work in partnership to tackle the Climate Change Emergency. As a Council we are committed to becoming carbon neutral and we will work with others to create a carbon neutral community. We must increase our recycling rates which are currently lagging behind our neighbours and we must work to protect our coastal communities from the risk of flooding.

Our investment in Children’s Services is now reaping results – we have fewer children in residential placements and we are investing in our workforce. Our main aim is to improve the outcomes for our children and young people, but there are also financial benefits of this work with savings being realised. This means that we are more able to continue to deliver services which our community value.

Despite the financial impact of Covid-19, within our proposed budget for 2021/2022 we have not had to propose major cuts to services. We are still committed to delivering high quality social care for our children, young people, vulnerable adults and the elderly. We are able to maintain our Community Enablement Fund which will be fully launched in the coming weeks. In addition, we have been able to reinstate budgets to provide subsidies for local bus services which are so valued by our community and to provide additional support for vulnerable people requiring accommodation.

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

This document provides an overview of the Cabinet's proposals for the Revenue and Capital Budgets for 2021/2022. It highlights the consequences for the Council's budget as a result of the Covid-19 pandemic and how we are proposing to meet our funding gap, primarily through our commitment to standardising and simplifying our processes to ensure we are a Council fit for the future.

Alongside this document a number of others will be published and will be available on the Council's website (www.torbay.gov.uk/budget-202122) 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 2021/2022. 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.
- **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 2021/2022**
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 latest version of Medium Term Resource Plan.

The Cabinet's Proposed Budget

Context

Torbay Council has been working hard over many years to find sustainable, innovative solutions to the financial challenges that we, and many other local authorities, have faced. We have explained before that our funding from central government has reduced dramatically whilst at the same time the demands on our high cost, statutory services have increased.

Although we had a modest increase in funding in 2020/21, our finances have been fundamentally impacted by Covid-19 as we explain below.

The Chancellor's national budget, which was expected in November 2020, has been delayed and therefore we have had to prepare our draft budget based on a "roll over" position. We have assumed that Government funding will be at the same levels as 2020/21 and that Council Tax will increase by 1.99%.

The continuing uncertainty about the future funding of local authorities means that we are again focussing solely upon a budget for 2021/22. We have had to make 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 £16 million for the period 2021/22 to 2023/2024.

Maximising our use of Capital Expenditure

As our operational (revenue) spend remains under pressure, it is vital that we maximise the opportunities within our Capital Plan. This will be from two funding routes: firstly by working with and bidding for funding from central Government; and secondly by the Council's own use of "prudential" borrowing at historically low rates.

We have set out a clear commitment for a thriving Torbay. Over the past 12 months there have been committed investments on projects including:

- Harbour View hotel scheme in Torquay (which is due to complete in 2021),
- the development of the Claylands site in Paignton to support growth of high value manufacturing jobs,
- the acquisition of the Fleet Walk shopping centre in Torquay, and
- a loan to TDA, the Council's wholly owned and controlled economic development company, for a light industrial scheme in Paignton which is now fully let.

The past year has also seen continued investment along the Ring Road and the completion of EPIC, the Electronics and Photonics Innovation Centre, located in Paignton and key to our aspiration that this sector becomes an ever more important part of the local economy.

We have submitted two significant bids on behalf of the community for Torquay (under the Town Deal programme) and Paignton (under the Future High Streets Fund) which, if successful, will see the Council's capital programme grow further.

These bids to deliver vital town centre improvements are supported by Council-funded schemes such as the redevelopment of Crossways in Paignton where we have committed to a compulsory

purchase order. Plans include 90 extra care and sheltered affordable housing units for local people with ground floor commercial use. This decisive move will transform Crossways so that it no longer blights the centre of Paignton.

There is a commitment to confirm with Brixham Town Council and the community a way forward for the town centre site in Brixham. We will explore opportunities for further investment at Brixham Harbour.

We will be investing to create new employment space at Torquay Gateway and in delivering these projects will be using our powers to generate the biggest local benefit by creating opportunities for local suppliers and local employment.

Building more new homes for the local community continues to be important and the capital programme includes a scheme at Preston Down Road while our housing company, TorVista Homes, will begin delivery of its programme once approval has been received from Homes England.

Subject to planning permission, there will be investment in solar farms at two locations in Torbay so that we can develop generation capacity in line with our commitment to tackle the Climate Change Emergency. Torbay's coastal nature means that there will continue to be investment to better protect the area from the impacts of flooding and coastal erosion with schemes planned at locations across Torbay.

Investment in IT for services is continuing to provide a better and more efficient service to our residents. We expect a new care management system for vulnerable children to go live in 2021 along with an improved system to enable our customers to better interact with us.

Financial Impact of Covid-19

The financial impact of Covid-19 has constantly evolved during the 2020/21 financial year and will continue to change. At this stage, the financial impact in the next year can only be estimated. However, a number of specific issues are emerging and have been reflected in this draft budget.

The estimated financial impact of the pandemic that will continue into 2021/22 is £7.7m – this is based on the current Covid-19 position in Torbay. How the pandemic progresses from here is likely to have a further impact. The key issues, which are known at this point, are set out in the following paragraphs.

Collection Fund (Council Tax and Business Rates)

We are forecasting a shortfall in our Collection Fund for the current year of £5m. Our accounting rules mean that any in-year deficit is “rolled” forward to the next financial year to be funded.

In July 2020 the Ministry of Housing, Communities and Local Government (MHCLG) announced its intention to allow any Collection Fund deficit in 2020/21 to be spread over three financial years from 2021/22. The impact on 2021/22 and the following two years is therefore £1.7m each year. MHCLG have “hinted” that there may be some support for councils for irrecoverable losses in the 2020 Spending Review, however no assumptions of support have been included at this stage.

Council Tax Support Scheme

This Scheme is to support residents with their Council Tax bills. For working age claimants the level of support is linked to their household income. Since March 2020 with the start of “lockdown” and its economic impact, the number of claimants for this scheme has increased. As household incomes could be impacted once the Furlough Scheme ends in October 2020, there could be a further increase in the number of claims. **These costs have been estimated at £0.750m (a 1% impact on total Council Tax income).**

Collectability of Council Tax

The Council’s share of Council Tax is over £72m a year. In the current year up until September, we have seen a cash reduction of 4% in year-on-year collection of Council Tax which has been attributed to the impact of Covid-19. **The ongoing impact on the collectability of Council Tax in 2021/22 due to the economic conditions has been estimated at 2% or £1.5m.**

Collectability of Business Rates

The Council’s share of National Non-Domestic Rates (NNDR) (otherwise known as Business Rates) is over £19m a year. Again, in the current year to September, we have seen a cash reduction of 10% in year-on-year collection of NNDR. Two thirds of Torbay businesses are in retail, leisure or hospitality and given the current economic conditions, **the ongoing impact on the collectability of NNDR in 2021/22 has been estimated at 5% or £1.0m.**

Leisure and Conference Centres

The Council has outsourced contracts for the leisure centre at Clennon Valley and the Riviera International Conference Centre (albeit the Council now controls the Board of the Riviera Centre). Both centres have seen a complete cessation of their income during “lockdown” and are unlikely to achieve historic income levels for up to two years. As a result both centres are in financial difficulty and **£0.5m has been estimated as the deficit funding required in 2021/22 for the Riviera International Conference Centre and Clennon Valley.**

Supporting Homelessness

In March 2020, under the “Everyone In” initiative, we accommodated an extra 140 clients, ensuring that all those homeless and sleeping rough in Torbay have been housed throughout the pandemic. Consequently, there is a forecast net increase in costs (after Housing Benefit) of £1m. We are in the process of seeking to accommodate these clients in permanent rented accommodation. However, the economic impact of Covid-19, is likely to lead to a further increase in the number of homeless people requiring support in 2021/22. **This impact has been forecast at level similar to 2020/21 at £0.750m.**

Home to School Transport

We are responsible for providing home to school transport for pupils that are eligible for support. A currently unresolved issue is the social distancing requirements that will have to

be applied to pupil transport. These requirements could reduce the number of pupils per vehicle which could increase costs. It is possible any increased costs could be funded by a new Government grant. However, at this stage, **an additional cost of £0.5m has been estimated for 2021/22.**

Service Income

There has been a reduction in income for a number of our services due to the impact of “lockdown”. Some income reductions are likely to be temporary, however the “new normal” for some of these income streams, particularly those linked to people’s behaviour and household income, could be a lower level than historic levels. In particular car park income could continue to be impacted. **This impact has been estimated at £0.5m.**

Rental Income

We receive an income from properties that we own for regeneration or investment purposes (such as Fleet Walk, Wren Park and the shop units in Tor Hill House). While any rental shortfall on our investment properties and Fleet Walk would initially be met from the relevant earmarked reserves there is likely to be an overall impact on rental income. **Therefore a contingency of £0.5m for rent income losses has been included.**

Council Redesign and Investment in Services

We have been able to reinstate budgets to provide subsidies for **local bus services** (£150,000) which are so valued by our community and also to provide additional **support for vulnerable people requiring accommodation** (£250,000).

Our Transformation Programme remains in place delivering savings across a range of our services.

The continued delivery of our **Improvement Plan within Children’s Services** has seen a significant and maintained reduction in the number of our Children Looked After in residential placements. This means that their outcomes are improved and there is a reduction in the associated spend.

The launch of our Learning Academy will help all social care staff build their professional skills and futures with us. A three year academy programme will give newly qualified social workers the time to learn while they practice, and give them the opportunity to progress to experienced social worker status two years into their career, and to advanced practitioner status at three years.

In all, we are proposing that we are able to remove around £2 million from the base budget of Children’s Services.

On 1 July 2020, we brought services including refuse collection and recycling from Tor2 and established a new wholly owned company – **SWISCo**. Our aim is to provide a new, improved waste, recycling, highways, street scene and grounds maintenance services for the Bay. SWISCo’s vision is to improve and sustain where we live and work by transforming service delivery.

Our revised Resources and Waste Strategy (which is currently subject to consultation) sets out how we aim to help everyone in Torbay recycle more. We want to develop a program of activities to promote recycling across Torbay. We want to increase food waste collection rates which are relatively low compared with other areas and provide an opportunity for residents to opt-into a scheme to collect garden waste from the kerbside. Overall our aim is to reduce the amount of waste that needs to be put in your wheelie bin (your “residual waste”) meaning that less money is spent on disposing of this type of waste.

As we explained during last year’s budget consultation, we are also planning to introduce charges at the Household Waste Recycling Centre for disposing of materials used in building projects (such as plasterboard, rubble and asbestos). This would bring Torbay in line with Devon County Council which already charges for these items.

We are implementing our **Council Redesign Programme** with the objective of modernising, simplifying and standardising how we work so we can support the communities of Torbay and build a resilient council fit for the future. Part of this will involve investing in the Council’s IT systems to ensure that our customers can access our services as effectively as possible.

We recognise that we need to change the way we approach our work so as to create a culture of co-operative partnership with our communities. We need to ensure that our whole organisation is more flexible, adaptive and focused on the needs of our customers and our communities.

Ultimately, we want to enable people and communities to more easily access support, information and influence and to act for themselves.

Over the coming weeks, we will be accelerating a number of initiatives which have developed as a result of our two Community Conferences and our collective response to Covid-19. This will include launching our Community Enablement Fund which will complement the existing Crowdfund Torbay project.

Proposals for service change, income generation and efficiencies

In the main, the proposals that we are putting forward in order to achieve a balanced budget for 2021/2022 will have a minimal impact on our residents, businesses and communities.

We are continuing our drive to be an efficient Council.

- We will be standardising and simplifying the back-office processes associated with Housing Benefit Administration, Customer Services and Financial Services, as well as continuing to work to reduce fraud and error. We will change how our Corporate Security and Environmental Enforcement services are operated. In total, this will bring savings of £255,000.
- We will also be standardising and simplifying the processes within Parking Services whilst also looking at delivering incentive schemes to increase footfall within our town centres. In addition, we will work to increase the take-up of cashless payments across our car parking estate.
- Within Children’s Services, our move to a new Case Management System will bring efficiencies which will result in £100,000 worth of savings.

- As we rationalise the number of IT licences across the Authority, savings of £50,000 will be achieved without any impact on services.
- We will ensure that our home to school transport provision is as efficient as possible through route mapping and moving towards our school escorts being employed as contractors.

We will look to maximise our income through ensuring that Tor Hill House is fully occupied by Council staff as well as by external tenants. This will also increase the footfall for the businesses within Torquay town centre.

Similarly, we have developed proposals for the in-house management of the café at Torre Abbey. An improved offer at the Abbey would have a positive impact on the Torbay economy as well as generating income for the Council. This will be trialled from Autumn 2020 with the aim of a full offer being in place from April 2021.

We will put in place a full cost recovery model for our allotments. The Council is currently covering the cost of water at the allotments. We will work with allotment holders to maximise the benefits of rain water harvesting and if water is still required, as with our other facilities, we will be asking for our allotment holders to cover these costs saving a total of £6000.

We are putting forward a range of proposals to reduce our carbon footprint and these include:

- Customers will be able to opt-into paperless billing for both Council Tax and National Non-Domestic Rates. If fewer than 20% of customers opted for paperless, there would be a significant reduction in paper and postage costs as well as a financial saving of £25,000.
- Through the change in our working practices as a result of Covid-19, we have reduced the amount of paper we are using and the amount of confidential waste we dispose of. We will ensure that this behaviour change continues so that we can achieve £84,000 of savings.
- Again as part of our changed working practices as a result of Covid-19, our social workers have had to be flexible in how they meet children, young people and their families and carers. This has led to reduced travel costs and freed up resources as a result of less travelling time. We will ensure that this behaviour change continues and we are aiming to make a saving of £100,000.
- We are currently asking for views on our draft Resources and Waste Management Strategy. Our Strategy seeks to support Torbay's path towards carbon neutrality by 2050 as part of the collaborative Devon-wide response to the climate emergency. We are already a Zero to Landfill authority and, by increasing the amount that we all recycle, we both meet our environmental obligations and generate a financial saving of £600,000.
- We will expand, where possible, the use of LED street lights whilst also ensuring that we have efficient and effective management of the street light network. This will save £50,000.

Estimates for income and expenditure

Our proposals include estimates of our income and expenditure for 2021/22, however we do not yet have certainty on a number of items which may increase or decrease any budget shortfall:

- The Council's tax base will not be set until December 2020.
- The level of the Council's Collection Fund surplus and National Non-Domestic Rates (Business Rates) income will not be set until January 2021.

- The value of the New Homes Bonus Grant, Social Care Grant and other service grants will not be confirmed until the Local Government Finance Settlement is announced at the end of December 2020.
- Our Revenue Support Grant will be confirmed as part of the Local Government Finance Settlement.
- We are expecting to receive some funding for the irrecoverable Collection Fund losses we incurred this year as a result of Covid-19.
- There are possible changes to our 2021/2022 baseline Council Tax and Business Rate income baselines to reflect the current economic impact on this income.
- There is likely to be an impact on our funding as a result of the Government's 2020 Spending Review and the Local Government Finance Settlement.
- There could still be significant changes to the demands and costs of services and our income levels as a result of the ongoing impact of Covid-19 and its continued impact on the local economy.

Further to this, we are obviously also aware that we may wish to make changes to the draft proposals as a result of feedback that we receive during the consultation period.

Balancing the Budget 2021/22

The budget proposals as currently presented result in a budget gap of £2.6m. This is an unusual position – highly influenced by the uncertainties associated with Covid-19 but also linked to the uncertainties over central Government funding, income and expenditure for 2021/22.

The Chief Finance Officer considers this position to be reasonable at this stage of both the Council's and the Government's budget process for 2021/22; although clearly a robust balanced budget will need to be set by Council in February 2021.

On 12 October 2020, an additional £1 billion of funding was announced by the Government for local government Covid-19 pressures. At the time of writing, the allocation of this has not yet been announced but we are recommending Torbay's allocation of this is included in an earmarked reserve to be used to support future Covid-19-related financial pressures.

Ahead of the additional funding being announced (and indeed the details being confirmed), we have a number of options in mind for how the "gap" could be mitigated:

1. We are hopeful that additional funding will be received from central government, either as part of the Local Government Settlement (expected in December 2020) or through other means (such as that announced on 12 October). In particular, we expect that there will be additional funding to compensate us (in part) for the irrecoverable losses in Council Tax and Business Rate income in the current year and in recognition of a lower income "baseline" in 2021/22 for both Council Tax and Business Rates. We also hope to receive additional funding to recognise Covid-19-related ongoing service demand and income pressures on services (such as increased demand for housing support).
2. The draft budget includes a number of allocations to reflect reduced income and higher demand for services all directly linked to the ongoing impact of Covid-19. Officers will continue to work on mitigating these cost pressures.

3. If there is still a gap after the above two options have been taken into account, the Council could aim to identify the balance from earmarked reserves. A number of the Covid-19 pressures would hopefully only impact on 2021/22 as the impact of the pandemic (including that on the economy) reverses over time. Therefore, the use of reserves, on a one-off basis, could be a reasonable option to part fund the gap. We recognise that, if the impact continues into 2022/23, savings would need to be identified as soon as possible.
4. An alternative option to generate one-off revenue income would be to use a Capitalisation Direction to apply capital receipts to the revenue budget, combined with an option to convert planned revenue contributions to capital projects to prudential borrowing. This option would give a one-off return of the revenue funding with the consequence of an ongoing borrowing cost.
5. The final option would be to seek service reductions. Inevitably, savings can only be generated in a short time period from a limited number of expenditure types – usually by staffing reductions or by pausing spend where possible such as on asset and highways repair and maintenance. This would be a last resort.

Proposed Budget

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

Directorate/Service	Expenditure £m	Income £m	Net £m
Adult Services	53.1	(14.1)	39.0
Children's Services	100.5	(55.1)	45.4
<i>Dedicated Schools Grant included in Children's Services. 2021/22 (estimated)</i>	42.0	(42.0)	0
Public Health	11.7	(1.3)	10.4
Sub Total – Joint Commissioning Team	165.3	(70.5)	94.8
Corporate Services			
Community Services	5.5	(3.9)	1.6
Corporate Services	8.7	(3.2)	5.5
Customer Services	46.4	(43.0)	3.4
<i>Housing benefit included in Customer Services</i>	40.3	(40.3)	0
Sub Total – Corporate Services	60.6	(50.1)	10.5
Finance	29.3	(31.8)	(2.5)
Place			
Business Services and Regeneration and Assets	29.4	(18.8)	10.6
Investment Properties	9.5	(14.1)	(4.6)
Planning and Transport	9.4	(2.4)	7.0
Sub-total – Place	48.3	(35.3)	13.0
TOTAL	303.5	(187.7)	115.8
Sources of Funding			
Council Tax – 1.99% increase			72.1
Collection Fund Surplus/Deficit			0
Revenue Support Grant			6.5
Business Rates (NNDR)			33.9
New Homes Bonus and Other Grants			0.7
TOTAL			113.2
Shortfall – October 2020			2.6

Timetable

Consultation on the budget proposals, both for the public and partner organisations, will be undertaken until 4 December 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).

The Council's Overview and Scrutiny Board will be holding its Priorities and Resources Review Panels during the consultation period when the budget proposals will be discussed in detail. The Board's formal response to the consultation will be agreed at its meeting on 11 November 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 19 January 2021.

The Council will meet on 11 February 2021 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 18 February 2021. Cabinet's response to any objection will be considered by the Council on 25 February 2021 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 25 February 2021 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 2021/2022

Proposal	Amount £000	Proposal	Amount £000
Council Fit for the Future		Tackling Climate Change	
Revised operating model for Corporate Security, CCTV and Environmental Enforcement	45	Implementation of Resource and Waste Management Strategy	600
Improved use of Churston Library	14	Street Lighting contract management	50
Improved use of Paignton Library and Information Centre	20	Thriving economy	
Paperless billing for Council Tax and NNDR	25	Increased income from leased properties	50
Redesign of Housing Benefit Administration	10	Thriving People	
Full cost recovery in allotments	6	Efficiencies within Home to School Transport	50
Efficiencies resulting from the new Children's Social Care case management system	100	In-house delivery of Torre Abbey Café	50
Rationalisation of IT licences	50		
Redesign of parking services	100		
Redesign of Exchequer and Benefits	100		
Redesign of Financial Services	75		
Reduced fraud and error in Business Rates and Council Tax	75		
Reduced spend on print, post and confidential shredding	84		
Reduced travel costs	100		

Further details of the proposals and the following document are available online at
www.torbay.gov.uk/budget-202122

Complete the consultation questionnaire at
www.torbay.gov.uk/consultation

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

Chief Finance Officer's Report

20 October 2020

Budget 2021/22



Contents

Introduction.....	3
Budget Overview	3
Capital Plan 2021/22	8
Spending Round 2020 and Local Government Finance Settlement 2021/22	8
Formula Funding and Business Rates Consultations 2020/21 (now 2022/23)	8
Dedicated Schools Grant.....	9
Adult Social Care	10
Children’s Services	10
SWISCo.....	10
Investment Fund.....	11
Estimation of Council Tax Surplus/Deficit	11
National Non-Domestic Rates	11
Council Tax and Referendum Limits.....	12
Pay and Pensions.....	13
Reserve Levels	13
CIPFA Financial Resilience Index.....	14
Longer Term Future Council Funding	14

Introduction

1. This report by the Council's Chief Finance Officer provides further information to support the Partnership's draft Budget Proposals for 2021/22.
2. This report aims to provide further information and an overview of a number of key factors, including a number of "technical" finance issues, that have influenced the 2021/22 draft budget and raises issues for future financial years.

Budget Overview

3. These draft budget proposals are presented in the light of considerable financial uncertainty.
4. The ongoing financial impact of COVID-19 and the ongoing financial impact from the pandemic is having a significant impact on the 2021/22 budget. The impact on the Council's income, expenditure and funding is outlined in the Medium Term Resource Plan and the 2021/22 budget proposals summary. Clearly the financial impact on 2021/22 and future years can only be estimated at this stage and officers will continue to update estimates and will continue to aim to mitigate any financial impacts.
5. Secondly as at October 2020, the Council has no clear indications of its funding settlement for 2021/22 which is linked to the very difficult national funding position. The Chancellor has cancelled the autumn 2020 budget, however the Treasury will have to make funding allocations to government departments for 2021/22 at some point. The Chancellor did previously set out total expenditure limits for the public sector which were for an above inflation increase, but that was set before COVID-19. The Treasury have continued with the Spending Review 2020 process which will outline expenditure priorities over the next four years.
6. On 12 October 2020 an additional £1 billion of funding was announced for local government COVID pressures. The allocation of this has not yet been announced. It is recommended that this funding is allocated to an earmarked reserve to be used to support on-going COVID related financial pressures.
7. 2019/20 was the final year of a four year funding settlement. The, one year only, 2020/21 Spending Round announced by the Chancellor in September 2019 was different compared to previous settlements and the Budget in March 2019. The modest increase in local government funding compared to the reductions in previous years was welcome. However as context Torbay's Revenue Support Grant has reduced from £42m in 2013/14 to £6m in 2019/20.
8. It is expected that for 2021/22 there will again be a one year only "roll over" settlement, therefore there is still considerable funding uncertainty from 2022/23 onwards. In addition MHCLG has, for a second year, delayed the introduction of a new funding formula and a revised NNDR system by a year to April 2022 at the earliest.

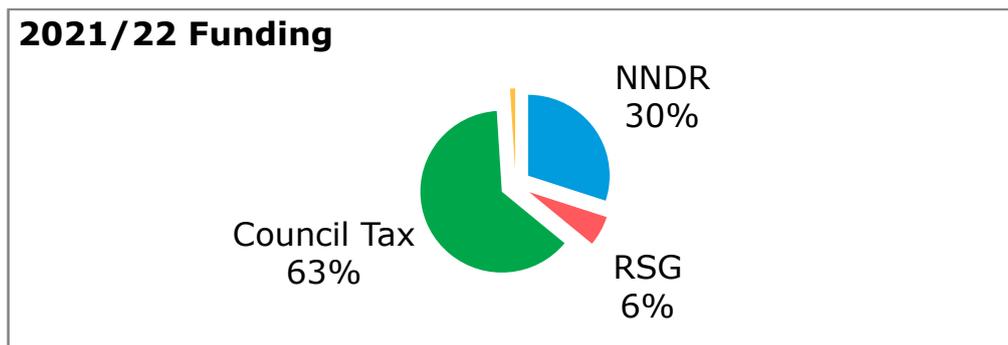
9. The Council's financial planning for 2021/22 started in March 2020 and the Partnership's provisional budget proposals are published on 20 October 2020 enabling a period for consultation and scrutiny of the proposals. To achieve a balanced budget, the proposals for 2021/22 have required a range of reductions and income generation and a number of difficult choices for the Council.
10. The Council has received funding in 2020/21 to support some of the costs the Council has incurred in relation to COVID-19 and a 75% service income loss compensation grant. The Council will be allowed to carry forward any 2020/21 collection fund losses to be funded over the following three financial years, although the guidance on this has not yet been issued. Whilst the position is challenging, the Council is not expecting to be in such financial difficulty that the Chief Financial Officer would be in a position where a section 114 notice (that gives members a "financial warning") would need to be issued.
11. The Partnership's draft budget proposals have sought to limit the impact of the reductions on the more vulnerable in society and in a number of areas, such as housing, the Council is proposing to allocate additional funds to reflect the changes in demand for services for the ongoing COVID-19 impact.
12. To support the difficult budget challenges facing the Council it is proposed by the Partnership that the Council increases its Council Tax requirement by an inflationary 1.99%.
13. There is no assumption that Councils in 2021/22 will be given the flexibility to raise Council tax for Adult Social Care by 2% in 2021/22.
14. The Partnership's budget proposals are available as part of the draft budget.
15. Members of the Overview and Scrutiny Board (through the Priorities and Resources Review Panel) will examine the proposals in detail and stakeholders and residents will have the opportunity to make representations on the proposals through the consultation. The Partnership will review all of the responses received and the final budget proposals will be drawn up after consideration of the responses.
16. This report supports the Draft Revenue Budget 2021/22. Other budget related reports will be presented to Council in February 2021 which are relevant to the Council's overall financial position are:
 - a. 2021/22 Capital Strategy and Capital Receipts Strategy
 - b. 2021/22 Treasury Management Strategy, including Investment Policy and Minimum Revenue Provision Policy
 - c. 2021/22 Review of Reserves
 - d. Annual Strategic Agreement (for adult social care)
17. Also relevant are:
 - e. Medium Term Resource Plan (on website)

- f. Corporate Asset Management Plan
- g. 2020/21 Revenue and Capital Budget Monitoring Report

18. Budget Digest pages, Fees and Charges and budget proposals sheets are available separately along with any relevant equalities impact assessments.

19. A summary of the Council's draft 2021/22 budget is as follows:

	2021/22	
	£'000	£'000
Partnership's Draft Budget Proposal:		
Net Revenue Expenditure	115.8	
Total Net Revenue Expenditure		115.8
Funded By:		
Business Rate Retention Scheme	33.9	
Revenue Support Grant	6.5	
New Homes Bonus Grant	0.7	41.1
Council Tax Requirement	72.1	
Collection Fund Surplus/Deficit	0	72.1
Total Income		113.2



A summary of the movements from the Council's 2020/21 budgeted expenditure to the current £2.6m "gap" is as follows.

	£m	£m
	Net Spend	Funding
Net Revenue Expenditure 2020/21	115.9	(115.9)
Changes for 2021/22		
COVID 19 financial impact	2.7	5.0
Service Inflation	1.9	0
Known Service pressures	1.0	0
Funding *Council Tax & NNDR)	0	(2.2)
Housing and bus subsidy	0.4	0
Savings & Known Changes	(6.1)	(0.1)
Net Revenue Expenditure 2021/22	115.8	(113.2)
Gap as at October 2020	2.6	

20. A summary of the draft 2021/22 budget by Service area is shown in the table below.

Directorate/Service	Expenditure £000s	Income £000s	Net £000s
Adult Services	53.1	(14.1)	39.0
Children's Services	100.5	(55.1)	45.4
<i>Dedicated Schools Grant included in Children's Services. 2019/20 allocation to be announced</i>	42.0	(42.0)	0
Public Health	11.7	(1.3)	10.4
Sub Total – Joint Commissioning Team	165.3	(70.5)	94.8
<u>Corporate Services</u>			
Community Services	5.5	(3.9)	1.6
Corporate Services	8.7	(3.2)	5.5
Customer Services	46.4	(43.0)	3.4
<i>Housing benefit included in Customer Services</i>	40.3	(40.3)	0
Sub Total - Corporate Services	60.6	(50.1)	10.5
<u>Finance</u>	29.3	(31.8)	(2.5)
<u>Place</u>			
Business Services and Regeneration and Assets	29.4	(18.8)	10.6
Investment Properties	9.5	(14.1)	(4.6)
Planning and Transport	9.4	(2.4)	7.0
Sub Total -Place	48.2	(35.2)	13.0
TOTAL	303.4	(187.6)	115.8
Sources of Funding			
Council Tax			72.1
Collection Fund Surplus			0
Revenue Support Grant			6.5
Business Rates (NNDR)			33.9
New Homes Bonus Grant			0.7
TOTAL			113.2
Shortfall – as at October 2020			2.6

Capital Plan 2021/22

21. As required by the Council's Constitution, the draft Capital Plan for 2021/22 has been published which is in line with the latest budget monitoring report. As the Council has a rolling four year Capital Plan that is reported quarterly, the Capital Plan for 2021/22 is a "sub set" of the four year plan based on the latest monitoring information.

Spending Round 2020 and Local Government Finance Settlement 2021/22

22. In July 2020 the Chancellor announced a four year Spending Review with responses by September 2020 which will allocate departmental allocations and a number of service specific national allocations. Torbay's actual funding allocation for 2021/22 will be confirmed in the provisional Local Government Finance Settlement which is expected in December 2020.
23. The Chancellor has cancelled the expected autumn 2020 budget linked to financial uncertainty arising from the economic impact of COVID however there will need to be funding allocations to departmental budgets.

Formula Funding and Business Rates Consultations 2020/21 (now 2022/23)

24. MHCLG's aim of implementing a new funding formula and a revised business rates retention system (both last updated in 2013) has now been delayed for a second year to 2022/23 at the earliest. However in reality progress to a new funding formula has not advanced since the two consultation documents issued in December 2018. There is therefore still significant uncertainty around the Council's funding for 2022/23 onwards.
25. Key elements of the consultation were:
 - NNDR Retention Scheme: From 2020/21, (now 2022/23), MHCLG intend to introduce a 75% NNDR retention scheme for all Councils. The consultation sought views on the design of the scheme and how and when any NNDR growth is redistributed between Councils to keep the link between funding and need while retaining an incentive for growth. In addition the consultation suggested that NNDR baselines are changed on an annual basis to ensure councils are not disadvantaged by the impact of appeals.
 - New funding formula to allocate new funding baselines and income baselines to all councils from 2020/21 (now 2022/23). The aim was to have as simplified a formula as possible that focusses on a limited number of key cost drivers. The consultation proposed an eight block formula then adjusted for general factors to reflect labour costs, rates costs and sparsity.
 - There are seven specific formulas for major services – adults social care, children's social care, highways, public health, legacy capital costs, fire and flood defence. All other services will form part of a "Foundation" block where it is proposed that this formula will be based on total population.

26. This proposal, although meeting the criteria of being transparent and simple, does not take into account other place based factors that can influence costs and demand such as deprivation and coastal town issues. Also some services included in the Foundation block such as concessionary fares, home to school transport and housing/homelessness are clearly not linked to total population.
27. The Council responded to this consultation and liaised with the LGA and other “influencers” to ensure the formula is reflective of the issues Torbay faces. As part of this process the Council’s Chief Executive and Head of Finance in 2019 had a meeting with the then Local Government minister, Rishi Sunak and Kevin Foster MP.

Dedicated Schools Grant

28. As part of the Spending Round additional funding was announced for the Dedicated Schools Grant – for both schools and higher needs. Torbay’s 2021/22 allocation of these additional funds will be confirmed in the autumn 2020 but an overall increase of over 8% in the schools block is expected. However of the headline 8.6% increase, 4.7% of the increase is due to the transfer into this allocation of a grant for Teachers Pay and Pensions. Within the average overall increase, individual schools will receive more or less depending on the impact of the changes in the formula and pupil numbers to their allocations.
29. The Council will, as usual, direct the entire grant received in respect of Dedicated Schools Funding through to those areas defined in the School Finance Regulations. The estimated value of the Dedicated Schools Grant (DSG) before academy school recoupment is £111m. For 2021/22 it is estimated that approximately £42m will be retained in the Council’s budget for expenditure related to its (maintained) schools and other residual functions.
30. The DSG and the schools funding formula is expected to change with full introduction of a new national (simplified minimum per pupil) school funding formula, however there has been no confirmation of the year of the change. Movement of funding between these blocks is now limited and is expected to cease altogether for the schools block with the introduction of the national school funding formula.
31. The key financial pressure within the DSG is in the Higher Needs block. The pressures on the Higher Needs block arise from the level of demand and referrals from schools for support to pupils. In recognition of this pressure Schools Forum for 2020/21 helpfully agreed to move 0.5% of the school block to the higher needs block which was subsequently approved by DfE. However the over spend on the block in 2020/21 is estimated to be £2.1m resulting in a cumulative forecast deficit of £5.8m, which under regulations needs to be “made good” in future years from the Dedicated School Grant allocations.
32. As recognition of the national issues in the Higher Needs block, the Spending Round has allocated more funding to support Higher Needs pressures. For 2021/22 the estimated increase in funding is £2m of which £0.4m relates to the transfer of the Teachers Pay and Pensions Grant. Although clearly welcome the estimated

additional funding for Torbay will be less than the current forecast deficit in 2021/22 therefore although the annual deficit will reduce it is likely a deficit budget will need to be set for 2021/22. The expectation is that there will be additional funding in 2022/23 which should enable the budget should move to balance in 2022/23. At that point the DSG can be used to fund the accumulated deficit over the medium term.

33. Until the higher needs block achieves financial balance in the longer term, the DSG reserve will be used to fund the cumulative deficit as a “negative reserve”. However holding a negative reserve is not either a recommended or a sustainable solution.

Adult Social Care

34. The Council’s budget proposals for 2021/22 includes the proposed contract sum agreed with the ICO and CCG to continue the highly regarded system of integrated health and adult social care within Torbay. This is the second year of a three year arrangement supported by a focussed cost improvement plan for adult social care. The contract value for 2021/22 is £45 million plus £2m held as a specific contract contingency.
35. The contract sum includes Council adult social care funding including Better Care Fund, Improved Better Care fund, Winter Pressures grant and funding from the Adult Social Care council tax precepts before 2020/21.
36. Any additional funds raised by the 2021/22 Council tax precept of 2% (approx. £1.4m) will be earmarked for adult social care.

Children’s Services

37. As members are aware an additional £7m was added to the children’s social care budget in 2020/21 to re base the budget to reflect demand levels allowing for a contingency for demand. In addition £2m was allocated to the service to enable invest in areas to enable service improvements. Areas for investment included SEND, senior management capacity, commissioning, procurement, recruitment and retention, social work academy, investment in fostering in particular for carers who look after children with complex needs.
38. As a result of these investments and improvements within the service itself, the latest forecast of spend in 2020/21 is below budgeted levels. Therefore the 2021/22 budget can reset at a level that reflects the lower levels of cost.

SWISCo

39. The draft budget proposals include an estimated £0.6m from the implementation of the Waste Strategy and other operational SWISCo efficiencies. Linked to this is the agreed transfer of further council teams into SWISCo in November 2020 to provide greater integration of services and generate service efficiencies.

Investment Fund

40. Council in July 2019 approved an increase in the Investment Fund to £300m. To date £235m has been spent with an estimated surplus, after borrowing costs and contingency for future years, on these properties of £4.6m in 2021/22. Pending the conclusion of the March HM Treasury consultation of the use of PWLB borrowing to fund “debt for yield” the Council’s further purchases have been paused. Linked to economic uncertainty linked to COVID 19 the income from these properties, the level of the Investment Fund Reserve and the asset values will be kept under review. A contingency of £0.5m has been included in the 2021/22 budget for the impact of the economic uncertainty on all Council rental income.

Estimation of Council Tax Surplus/Deficit

41. The Council makes an estimate of the surplus or deficit on the Collection Fund at year end from under or over achieving the estimated council tax collection rate which will be set in January 2020. This would usually be a surplus figure of approximately £1.7m. However as the Council is able to spread any collection fund deficit (from both council tax and NNDR) from 2020/21 over three years starting 2021/22, the collection fund position has assumed to be nil. It must be noted that as of October 2020 the technical guidance on the accounting for this “spread” has not been issued which may impact on the final budget for 2021/22.
42. As the Council sets a collection rate within its tax base equivalent to the amount collected in the 12 months of the next financial year any surplus primarily represents the collection of sums due in respect of previous years. This indicates a level of success in collecting old year debts and raises the overall, longer term, collection rate well above the “in year” rate. Historically the Council has assumed a 96% in year collection rate and will assume that collection rate again for 2021/22. However with the economic uncertainty likely to negatively impact the longer term collection rates from COVID, the longer term impact on collection rate has been assumed to be 2% lower. This shortfall will need to be reflected in the collection fund surplus/deficit.
43. Linked to the financial health of the population the number of claims for Council Tax Support have increased in the first quarter of 2020/21 and are expected to rise further this winter after the furlough scheme ends in its current form. As a result the costs of the Council Tax Support Scheme has been increased which then reduces the total income from Council tax in 2021/22.
44. As a local precepting authority, as defined in the Local Government Finance Act 2012, Brixham Town Council (or any new Town Council) will not be entitled to a share of any surplus or deficit on the collection fund.

National Non-Domestic Rates

45. The Council’s NNDR income in 2021/22 comprises three parts: a 49% share of NNDR income, a “s31” grant to reflect the loss of NNDR income to the council from central government changes to the NNDR (e.g. SBR) and a Top Up grant that

reflects the difference in the Council's assessed "need" for funding compared to its actual ability to raise NNDR income (as set in 2013).

46. Since the introduction of the Business Rates Retention Scheme in April 2013, the Council is also required to declare a surplus or deficit for NNDR in a similar way as set out above for council tax. The forecasting of NNDR has involved a wide range of complex variables and influences and is an area which has caused further complications for medium term financial planning. As outlined above the shortfall on NNDR collection from 2020/21 will be recovered over three years from 2021/22.
47. However with the economic uncertainty likely to negatively impact the collection rates from COVID, the collection rate for NNDR in 2021/22 has been assumed to be 5% lower than 2019/20.
48. Although the MHCLG have delayed the implementation of a revised NNDR retention scheme to at least 2022/23, the possibility of a "reset" of NNDR baselines to reflect growth since 2013 has not yet also been delayed. It is unlikely that MHCLG have the time to consult and action a reset for April 2021, however if it does this will directly impact on the viability and therefore the budgeted income from the Devon wide NNDR pool.

Council Tax and Referendum Limits

49. To control the level by which local authorities can increase Council Tax, the Government has set limits at which point a referendum would be required. This was set at 2% or over for 2020/21. The Partnership's draft budget proposal is for a 1.99% increase in this element. No assumptions about another precept for adult social care has been made.
50. Readers will be aware that the Council Tax bill sent out to residents is made up of three main component parts, namely Torbay Council (including Brixham Town Council), Devon and Cornwall Police Authority and Devon and Somerset Fire and Rescue Authority. Once these have been declared they will be including in the Council Tax setting report which will be presented to the Council at the end of February 2021.
51. The Secretary of State will consider the three component parts, not the overall bill, and, if one of the three organisations were capped, the Council would have to re-bill.

52. In 2020/21, Torbay had the lowest Band D Council Tax in Devon at £1,872.89 including the Fire and Police precepts, but excluding parish and town council precepts. A summary of some other Devon Councils' Band D rates are as follows:

	Torbay (Unitary council)	Plymouth (Unitary council)	Exeter (City Council)	South Hams (District Council)	Teignbridge (District Council)
District Council	-	-	160.05	170.42	175.17
Devon County	-	-	1,439.46	1,439.46	1,439.46
Total	1,563.01	1,574.77	1,599.51	1,609.88	1,614.63
Fire & Police	309.88	309.88	309.88	309.88	309.88
Band D (excluding parish precepts)	1,872.89	1,884.65 +0.6%	1,909.39 +1.9%	1,919.76 +2.5%	1,924.51 +2.8%

53. The differential between Torbay and the other Councils increases when Town and parish precepts are added. As a guide the 2020/21 precept for Brixham Town Council was £56.70.

Pay and Pensions

54. The 2021/22 pay award for staff has not yet been agreed. The budget proposals include an allocation for a pay award of 2% in services while a 1% contingency is held if the pay award is higher along with any impact of the living wage and/or increases on lower grades over the "headline" award. Pay award for 2020/21 was agreed in September 2020 at 2.75%.
55. In 2019 there was the triennial valuation of the Devon County Pension Fund to ensure that employer contribution rates are set for the following three financial years to meet the long term employee pension benefits requirements. This from 2020/21 resulted in an increase in Torbay's "primary" rate to 16.7% (from 14.8%), this increase was however been more than offset by a significant reduction in the Council's "secondary" rate (i.e. deficit) lump sum payment.

Reserve Levels

56. The Council's forecast general fund reserve of £4.6m is low compared to both the Council's overall expenditure and also in comparison to other Councils.
57. The 2021/22 budget proposals include, at this stage, a possible use of earmarked reserves to meet the current £2.6m gap which is caused, in part, by the COVID-19 related economic conditions of which some may be short term. The Council also has the option, in order to give reserve levels a "boost", to swop revenue and reserve funded capital expenditure for prudential borrowing to up to £3m which will need to be funded from future revenue budgets. At this stage this option is not being proposed but will be considered if this one off option is required to deliver a robust budget for 2021/22.

CIPFA Financial Resilience Index

58. To provide more information and transparency on Councils' financial position, in particular after the issues in Northamptonshire County Council, CIPFA issued a "Financial Resilience Index" to provide information.
59. The Index shows the assessment (based on 2018/19 data) of Torbay's position is that the "Indicators of Financial Stress" will rank Torbay as a "higher risk" Council but not at the highest level. Factors that show a higher risk assessment are in relation to children's' social care where the council's share of its budget on this service is high and it has an inadequate OFSTED judgement. Other factors showing a higher level of risk are the overall level of reserves compared to budget. Conversely lower risk is reflected by no reduction in the level of general (unallocated) reserves.

Longer Term Future Council Funding

60. The Medium Term Resource Plan was updated at the end of October 2020 to include the impact of COVID-19 and the delays in the implementation of the new funding formula and revised NNDR retention system. Currently the 2020 Spending Review is still ongoing which gives continuing further uncertainty.
61. As an initial guide, prior to more detailed work being undertaken post budget setting, it is estimated that between 2021/22 and 2023/24 the Council will require in the region of over £16m of reductions to achieve a balanced budget. The Council's three year agreement with the ICO for adult social care will need to be renegotiated for 2023/24 and there will be a pension revaluation will be implemented from 2023/24 where assets values may have been impacted by COVID-19.
62. The aim of the possible changes to funding formula and the NNDR retention system that Councils will not have any central government "core" funding with the Councils funded from council tax and NNDR. Councils therefore have a clear incentive that to secure funding for services in the future, there has to be increases in both its council tax base (housing) and NNDR (business). It must be noted that MHCLG are still intending to control Council spend by the retention in the system of both funding baselines and income baselines. This is not only to control total funding therefore enabling overall funding reductions by changing tariff and top up grants, but also to enable total funding to be redistributed on need.
63. This reliance on local taxation as the prime source of funding has risks as the link between a council's need for funding to provide services (linked to population and demand) and its funding linked, in part, to economic growth may not move in a similar direction. In addition NNDR income is volatile and is, to a large extent, outside a Council's direct control, as has been clearly highlighted by the economic impact of COVID-19 on NNDR collection rates.



Draft Revenue Budget 2021/2020

Proposals for service change, income generation and efficiencies

Responsible Officers: Kevin Mowat, Tara Harris, Martin Phillips, Nancy Meehan and Matt Fairclough-Kay

Cabinet Members: Councillors Morey, Carter, Law and Cowell

Headline	Cabinet Portfolio	Service	Proposal	Anticipated Outcomes	Associated Risks	Environmental Impact	Economic Impact	Equality Impact	2021/2022 Budget £000	2021/22 Proposed Reduction £000
Revised operating model for Corporate Security, CCTV and Environmental Enforcement.	Corporate and Community Services	Community Safety	Covid-19 has resulted in changes to service delivery and we will explore options for a revised operating model.	We will consider new technologies, efficiencies and possible income opportunities through joined up working with other public sector partners to provide Corporate Security, CCTV and Environmental Enforcement. This will lead to improved support services.	Suitable opportunities are not identified or feasible	There would be no differential environmental impact.	There would be no differential economic impact.	There would be no differential equalities impact.	383 (ID 552)	45
Improved use of Churston Library	Infrastructure, Environment and Culture	Facilities Management	There is an opportunity to reduce building maintenance costs and/or increase income through improved community use and/or community management of the space at Churston Library.	Increased community use and/or management of Churston Library site resulting in increased income or reduced building maintenance costs. There would be no impact on the operation of the library service at Churston.	The future levels of use may be affected by Covid-19.	There would be no differential environmental impact.	Increased use of the site could allow commercial and community events to be run in a shared space	Increased use of the site could allow a wide range of community groups to run events to be run in a shared space.	0	14
Improved use of Paignton Library and Information Centre	Infrastructure, Environment and Culture	Facilities Management	There is an opportunity for increased income through improved community use and/or community management of the space at Paignton Library and Information Centre.	Increased community use and/or management of Paignton Library and Information Centre, resulting in increased income or reduced building maintenance costs. There would be no impact on the operation of the library service at Paignton.	The future levels of use may be affected by Covid-19.	There would be no differential environmental impact.	Increased use of the site could allow commercial and community events to be run in a shared space	Increased use of the site could allow a wide range of community groups to run events to be run in a shared space.	1,525 (ID 356)	20

Headline	Cabinet Portfolio	Service	Proposal	Anticipated Outcomes	Associated Risks	Environmental Impact	Economic Impact	Equality Impact	2021/2022 Budget £000	2021/22 Proposed Reduction £000
Paperless billing for Council Tax and NNDR	Corporate and Community Services	Collection Fund	Introduce an "opt-in" paperless billing service for Council Tax and National Non-Domestic Rates.	There would be a significant reduction in paper and postage costs for the annual billing process and any subsequent re-billing due to changes of circumstances.	Continued high demand for service delivery may not allow sufficient time for improvements to be delivered	Implementing paperless billing for those who want to opt-in will reduce the carbon footprint associated with the administration of Council Tax and National Non-Domestic Rates.	There would be no differential economic impact.	The potential equality impacts will be explored during the consultation period. A draft Equality Impact Assessment will be prepared.	106 (ID 409)	25
Redesign of Housing Benefit Administration	Corporate and Community Services	Revenues and Benefits	Standardising and simplifying non-customer facing operations to make further improvements to timely and accurate processing.	Improved efficiency within Housing Benefit Administration.	Continued high demand for service delivery may not allow sufficient time for improvements to be delivered	There would be no differential environmental impact.	There would be no differential economic impact.	There would be no differential equalities impact.	71 (in Housing Benefit)	10
Full cost recovery for allotments	Infrastructure, Environment and Culture	Natural Environment	Ensure that a full cost recovery model is operated in relation to the allotments.	Full cost recovery of the provision of allotments, ensuring that, wherever possible, maximum use is made of rainwater harvesting.	Reduced demand for Allotments as a result of increased costs	There would continue to be allotments available in Torbay with the environmental benefits that these bring.	There would be no differential economic impact.	The potential equality impacts will be explored during the consultation period. A draft Equality Impact Assessment will be prepared.	0	6
Efficiencies resulting from the new Children's Social Care Case Management System	Children's Services	Children's Social Care - Business Support	The introduction of the new Case Management System in 2021 will provide a significant opportunity for automated system efficiencies that will reduce reliance on manual input.	The costs associated with the business support function will be reduced.	Delays to the implementation of the new Case Management System.	There would be no differential environmental impact.	There would be no differential economic impact.	There would be no differential equalities impact.	1.082 (ID725)	100
Rationalisation of IT Licenses	Corporate and Community Services	IT	Rationalisation of IT Licenses	Reduced costs associated with IT Licenses	Efficiencies expected are not delivered	There would be no differential environmental impact.	There would be no differential economic impact.	There would be no differential equalities impact.	839 (ID 502)	50

Headline	Cabinet Portfolio	Service	Proposal	Anticipated Outcomes	Associated Risks	Environmental Impact	Economic Impact	Equality Impact	2021/2022 Budget £000	2021/22 Proposed Reduction £000
Redesign of Parking Services	Infrastructure, Environment and Culture	Car Parking	Standardising and simplifying the processes within Parking Services. In addition, parking incentive schemes will be introduced to increase footfall in town centres to support the local economy; and we will continue to facilitate increased cashless payments across the car parking estate.	Improved speed and efficiency of administering core tasks within parking services. In turn, this will deliver improvements to customer experience and the Council's use of resources.	Covid-19 presents a significant challenge to future car parking income as the high street has seen drastically reduced footfall which presents risks to the ongoing offer to visitors and residents.	Implementing digital processes and increasing the amount of cashless payments will reduce the carbon footprint associated with the Car Park service.	Effective and efficient management of the car parking estate facilitates effective movement of residents and visitors across Torbay, resulting in improved footfall for local businesses.	The potential equality impacts will be explored during the consultation period. A draft Equality Impact Assessment will be prepared.	2,129 (Parking services)	100
Redesign of Exchequer and Benefits	Corporate and Community Services	Customer Services	Standardising and simplifying non-customer facing operations to make further improvements to timely and accurate processing.	Improved efficiencies within Customer Services	There are significant risks due to the continued high demand as a result of Covid-19. This ongoing demand may prevent sufficient resources, time and focus on delivering improvements, given the significant work to deliver the core service.	There would be no differential environmental impact.	There would be no differential economic impact.	There would be no differential equalities impact.	606 (ID 500)	50
Redesign of Financial Services	Finance	Financial Services	Increased use of automated reporting of finance information and shared services with SWISCo.	Improved efficiency within Financial Services	Efficiencies expected are not delivered	There would be no differential environmental impact.	There would be no differential economic impact.	There would be no differential equalities impact.	1,610 (ID 405)	75
Reduced fraud and error in Business Rates and Council Tax	Finance	Financial Services	Additional staff will be employed on an Invest to Save basis to further reduce the level of fraud and error in the administration of Business Rates and Council Tax.	Reduced fraud and error in the administration of Business Rates and Council Tax	Increases to staffing does not result in additional fraud and error detection and recovery	NDI	NDI	NDI	72,100 (ID 600)	75
Reduced spend on print, post and	Corporate and Community Services	All Services	Reduction in the print, post and confidential waste budget as a result of alternative methods of	Reduced paper consumption with the subsequent reduction in the amount of	Changes to staff behaviour have already occurred as the majority of staff are working at	The overall carbon footprint of the Council will be reduced if less paper is used.	There would be no differential economic impact.	There would be no differential equalities impact.	180 (cross service)	84

Headline	Cabinet Portfolio	Service	Proposal	Anticipated Outcomes	Associated Risks	Environmental Impact	Economic Impact	Equality Impact	2021/2022 Budget £000	2021/22 Proposed Reduction £000
confidential shredding			working which have led to the subsequent reduction in the amount of printing and photocopying.	confidential waste that is generated.	home in response to Covid-19. We need to ensure that the behaviour change is continued.					
Reduced travel costs	Children's Services	Children's Social Care	Reduced travel costs through the continuation of the flexible approach adopted to meeting the Council's statutory duties during Covid-19.	Reduced costs associated with travelling to and from meetings and visits where viable alternatives are available. The amount of staff time taken up with travel will also be reduced, freeing resources for other functions.	Changes to staff behaviour have already occurred as we have continued to operate within the Covid-19 restrictions. We need to ensure that the behaviour change is continued.	Reducing the amount of travel undertaken by staff will reduce the carbon footprint associated with the Children's Services.	There would be no differential economic impact.	There would be no differential equalities impact.	227 (cross Children's Social Care)	100
Total										754

Thriving economy



Draft Revenue Budget 2021/2020

Proposals for service change, income generation and efficiencies

Responsible Officers: Kevin Mowat

Cabinet Members: Councillor Long

Headline	Cabinet portfolio	Service	Proposal	Anticipated Outcomes	Associated Risks	Environmental Impact	Economic Impact	Equality Impact	2021/2022 Budget £000	2021/22 Proposed Reduction £000
Increased income from leased properties	Infrastructure, Environment and Culture	Asset Management	Full occupation of the Tor Hill House site, including 4th Floor office space & Retail units	All the office and retail space is fully utilised either by Council staff or is let to tenants.	The demand for space within Tor Hill House may be adversely affected by Covid-19.	There would be no differential environmental impact.	Increased footfall for the immediate businesses around Tor Hill House.	There would be no differential equality impact.	1,525 (ID 356)	50
Total										50



Draft Revenue Budget 2021/2020

Proposals for service change, income generation and efficiencies

Responsible Officers: Rachael Williams, Kevin Mowat, Caroline Dimond and Jo Williams

Cabinet Members: Councillors Law, Morey and Stockman

Headline	Cabinet Portfolio	Service	Proposal	Anticipated Outcomes	Associated Risks	Environmental Impact	Economic Impact	Equality Impact	2021/2022 Budget £000	2021/22 Proposed Reduction £000
Efficiencies within Home to School Transport	Children's Services	School Escorts	Efficiencies identified through further improvements to route mapping as well as a gradual move to contracted escorts for home to school transport	Reduced costs associated with home to school transport.	No further improvements are identified for route mapping. The level of interest for school escorts to be employed as a contractor reduces.	There would be no differential environmental impact.	There would be no differential economic impact.	There would be no differential equality impact.	2,377 (ID 751)	50
In-house delivery of Torre Abbey Café	Infrastructure, Environment and Culture	Culture and Events	There is currently no tenant occupying the café at Torre Abbey. Proposals have been developed for the in-house management of the Torre Abbey Café which will be trialled from Autumn 2020.	Improved Café facilities to complement the overall offer at Torre Abbey	Due to a period of prolonged closure during Covid-19 there may be reduced demand for the café facilities upon re-opening.	There would be no differential environmental impact.	The improved offer at Torre Abbey would have a positive impact on the Torbay economy. Torre Abbey is a major visitor attraction in a prominent location.	There would be no differential equality impact.	375 (ID 560)	50
Total										100

Capital Plan Budget 2021/22

Torbay Council's Capital Plan totals £304 million for the 4 year programme to 31 March 2024 with £60 million scheduled to be spent in 2020/21 and £101 million due to be spent in 2021/22.

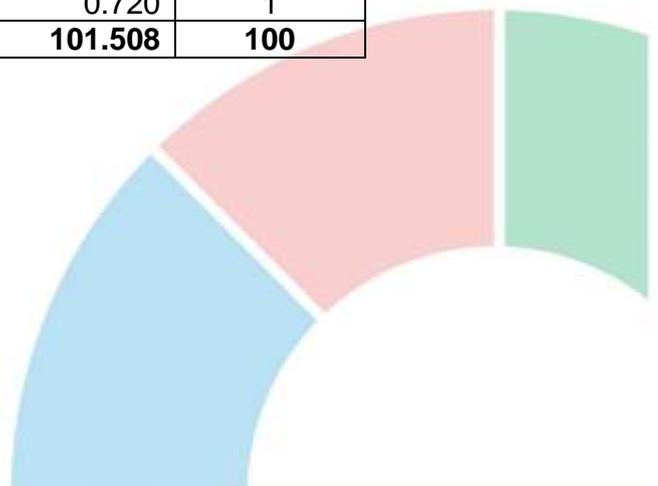
This document provides high-level information on the proposed capital expenditure and funding for 2021/22 and is part of the total Plan. Shown against the targeted actions of the Council's Corporate Plan, it gives details of the capital schemes which have previously been approved by the Council. However, in some cases, it sets out funding which has been allocated to services but where specific schemes have not yet been identified.

In accordance with Torbay Council's Constitution, the figures presented will form the approved capital budget for the coming year. The figures are currently based on the draft Quarter 2 2020/21 capital monitoring information but will be updated to Quarter 3 which will form the basis of the 2021/22 Capital Budget.

	£m	%
Thriving People and Communities	26.554	26
Thriving Economy	69.565	68
A Climate fit for the Future	4.700	5
A Council fit for the Future	0.689	1
Total Capital Expenditure 2021/22	101.508	100

Details of how the Council is intending to fund the expenditure in the capital plan is as follows:

	£m	%
Prudential Borrowing	89.746	88
Capital Grants	10.101	10
Capital Contributions	0.333	0
Use of Reserves	0.608	1
Capital Receipts	0.720	1
Total Capital Funding	101.508	100



Targeted Action 1: Thriving People and Communities

Scheme Name	Description	Latest Approval	Total Estimated Scheme Cost £000	2021/22 Budget £000
Brunel Academy	Phase 2 of development at Brookfield site/Brunel academy to create Vocational Classrooms.	Council – 24 Sept 2015 Updated Council - 20 Sept 18 Council-16 July 2020	1,092	50
Education Review Projects	Resources from Government allocations to provide improved School facilities still to be allocated to specific projects			1,540
Mayfield Expansion	Provide additional pupil place capacity	Council-16 July 2020	1,500	1,200
Paignton Primary School Sites	To enable acquisition of sites for new 'Free' Primary Schools in Paignton (St. Michaels and Windmill)	Updated Council 16 July 2020	1,209	600
Paignton Community & Sports Academy	Expansion to provide additional Secondary School places in Paignton	Council – 31 January 2019 Updated Council - 16 July 2020	1,924	1,045
St Cuthbert Mayne Expansion	School expansion to provide additional Secondary School places in Torquay	Council-16 July 2020	3,600	3,100
Torbay School Relocation	The Council agreed the reallocation of £3m previously allocated to Children's Services for the relocation of Torbay School. The decision was subsequently made to relocate Torbay School from its present site at Torquay Road, Paignton to the MyPlace facility in Paignton in order to better meet the needs of the young people attending this Special School. This decision was later overturned when planning permission was refused. Subsequently part of the original budget has been reallocated to other Childrens Services projects Additional allocation (Burton Academy)	Council – 26 February 2015 Chief Executive – 8 July 2016 Council – 10 May 2017 Council - 16 July 2020	1,225	25
Crossways, Paignton	Proposals for mixed use development to include extra care and affordable housing	Council – 26 Sept 2019	22,359	8,625
Disabled Facilities Grants	Residual balance of 2020/21 DFG allocation	n/a	n/a	369
Torbay Housing Company Loan	To facilitate the work of the Housing Rental Company, in the form of a loan for a capital purpose	Council 20 July 2017	25,000	10,000
Sub-total				26,554

Targeted Action 2: Thriving Economy

Scheme Name	Description	Latest Approval	Total Estimated Scheme Cost £000	2021/22 Budget £000
Claylands Redevelopment	Council-owned land at Claylands will be redeveloped using a combination of Council and Heart of the South West Local Enterprise Partnership funding. When fully developed the site will support approximately 350-400 jobs and will support the growth of the business rate base.	Council – 10 December 2015 Updated at Council – 19 October 2017	10,440	1,250
Flood Defence Schemes	This budget represents resources for flood alleviation work largely funded by Environment Agency at Cockington and Monksbridge	Council – 27 September 2012	740	182
Paignton Coastal Defence Scheme	Scheme to provide additional protection against sea inundation in low lying areas of Paignton and Preston	Cabinet – January 2020	3,142	1,485
Princess Pier Structural repairs	Structural repairs to the superstructure alongside potential substructure repairs partly funded by the Environment Agency.	Council – 1 February 2012 Updated Council 13 September 2017	1,665	739
RICC Improvements	To improve facilities and refurbish the RICC to facilitate new management agreement. Works and agreement delayed by Covid-19 pandemic.	Council - 18 July 2019 Council – 6 February 2020	2,699	1,666
Transport - Integrated Transport Schemes	Grant allocations from the Department for Transport for 2015/2016-2020/2021. The allocations are linked to the value of the planned maintenance backlog on the road network. The Council agreed to allocate these resources in line with Government intentions.	Council – 26 February 2015 Updated at Council – 13 September 2017	n/a	0
Roads Structural Maintenance			n/a	200
Tor Vista Housing Co. Loan	Capital loan to Tor Vista to enable housing development at Preston Down Road site, Paignton.	Council – 8 October 2020	23,000	5,000
Torre Abbey Renovation Phase 3	Council contribution to support Heritage Lottery Fund bid for work to further safeguard this Heritage asset. Awaiting further bidding round to HLF.	Council – 27 February 2020	1,700	1,700
Torbay Leisure Centre	Council loan to enable enhancement of facilities at Leisure Centre	Council – 6 February 2020	300	150
Torquay Gateway Road Improvements	The Council successfully submitted a bid to the Local Transport Board for improvements at Torquay Gateway. The Government subsequently confirmed its funding to the Local Transport Board to support this scheme with the Council approving a contribution to the scheme.	Council – 27 September 2014	2,927	300
Regeneration Projects	Council received a report in October 2017 proposing to borrow £25 million to support Town centre Regeneration. Increased budget to facilitate acquisition of Retail Opportunity.	Council 19 th October 2017 Council	25,015	55,245
			17,080	
			100,000	1,398

Scheme Name	Description	Latest Approval	Total Estimated Scheme Cost £000	2021/22 Budget £000
	Council agreed additional £100m Torbay Economic Growth Fund allocation to fund further regeneration Council approved further budget for Torquay Retail opportunity	Council 18th July 2019 Council – 21 May 2020	1,725	
Western Corridor Improvements	The Council successfully submitted a bid to the Local Transport Board for improvements to the Western Corridor. The Government subsequently confirmed its funding to the Local Transport Board to support this scheme with the Council approving a contribution to the scheme.	Council – 27 September 2014	12,271	250
Sub-total				69,565

Targeted Action 3: A climate fit for the future

Scheme Name	Description	Latest Approval	Total Estimated Scheme Cost £000	2021/22 Budget £000
Solar Farm, Brokenbury	Creation of solar farm on agricultural land at Brokenbury	Cabinet - 19 May 2020	2,750	2,700
Solar Farm, Nightingale Park	Construction of solar farm on former landfill site near The Willows to generate energy.	Cabinet - 11 August 2020	2,200	2,000
Sub-total				4,700

Targeted Action 4: A Council fit for the future

Scheme Name	Description	Latest Approval	Total Estimated Scheme Cost £000	2021/22 Budget £000
General Capital Contingency	This is capital provision which is set aside to cover urgent, unavoidable additional capital costs where alternative funding is unavailable. This is approximately 0.2% of the current four year capital plan. It should be noted that all capital projects should have contingencies within the individual project costs.	n/a	689	689
Sub-total				689

Investment Fund

Scheme Name	Description	Latest Approval	Total Estimated Scheme Cost £000	2021/22 Budget £000
Investment Fund	<p>This fund is provided to enable the Council to acquire properties. In addition, the fund will be used to increase the Council's business tax base by investing capital resources within Torbay to stimulate growth.</p> <p>Fund increased to £200 million. Purchases included in capital plan when purchased. Increased budget to enable further acquisitions</p> <p>No plans for further expenditure, pending result of consultation on PWLB lending</p>	<p>Council – 22 September 2016 Council – 8 August 2017</p> <p>Council -18 July 2019</p>	<p>200,200</p> <p>100,000</p>	0
Sub-total				0