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Dear Member

PRIORITIES AND RESOURCES REVIEW PANEL 2026/27 - WEDNESDAY, 10 DECEMBER 2025

I am now able to enclose, for consideration at the Wednesday, 10 December 2025 meeting of the Priorities and Resources Review Panel 2026/27, the following reports that were unavailable when the agenda was printed.

Agenda No	Item	Page
3.	Revenue and Capital Budget 2026-2027 Consultation Key Lines of Enquiry Responses	(Pages 3 - 8)

Yours sincerely

Clerk

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Key Lines of Enquiry Responses for Priorities and Resources Review Panels 10 and 15 December 2025

Which stand alone grants will continue in the budget and which ones have been rolled over as part of the overall statement and what are the implications of this?

In summary, there are lots of changes proposed as part of the new Fair Funding Formula 2.0 arrangements. Some grants are expected to be included within the main settlement formula allocation (SFA) with others being consolidated into larger grants that fund similar services/outcomes.

We will not know full details and allocations until the provisional settlement (late next week), but there will be winners and losers as different formulas are being used to allocate many of the grants. It will be easier to reconcile and identify variances in the consolidated grants, but more difficult where they have gone into the main formula.

Consolidated grants

Four new consolidated grants are being established, which bring together funding streams that fund similar services and outcomes. All 4 consolidated grants will be ringfenced. Further detail on these grants will be provided at the Provisional Settlement, along with multi-year allocations and information on their distribution and conditions. All funding figures below are across the 3 years of the multi-year Settlement.

Homelessness, Rough Sleeping and Domestic Abuse Grant (£2.4 billion). This grant will be in Core Spending Power, with the total amount confirmed at the final Settlement. It will bring together:

- a. Almost £1.1 billion for the Prevention, Relief and Staffing element of the Homelessness Prevention Grant (HPG). This funding will be distributed using the prevention and relief element of the HPG funding formula which was consulted on earlier this year;
- b. Rough Sleeping Prevention and Recovery Grant (RSPARG) and Rough Sleeping accommodation Programme (RSAP) funding, worth £879 million. This funding will be distributed using a rough sleeping and single homelessness formula developed with local authorities; and
- c. The Domestic Abuse Safe Accommodation Grant, which was delivered through the Settlement in 2025-26, worth at least £480 million.

Children, Families and Youth Grant (£3.1 billion). This will bring together:

a. Funding for children's social care reform worth £2.4 billion, which will be in Core Spending Power, consisting of:

The Children's Social Care Prevention Grant, worth £809 million;

Families First Partnership programme funding (previously Supporting Families) within the Children and Families Grant, worth £760 million;

New funding from the Transformation Fund announced at the 2025 Spending Review, worth £319 million; and

Further new investment now confirmed, worth £547 million.

b. The Holiday, Activities and Food Grant (HAF), worth over £623 million. This includes funding worth £12.9 million for the 2026-27 financial year to support local authority capacity on school-age childcare across the HAF programme, wraparound childcare and new free breakfast clubs.

c. The Pupil Premium Plus Post-16 Grant, worth £41.5 million.

Public Health Grant (£13.45 billion). This will bring together funding from the existing Public Health Grant, using the same distribution approach as in previous years, with the following funding streams. Further detail on their distribution will be published at the provisional Settlement.

a. Drug and Alcohol Treatment and Recovery Improvement Grant (DATRIG), worth £1 billion. This includes the Rough Sleeping Drug and Alcohol Treatment grant worth £185 million, which will continue to fund existing local authorities receiving this funding component, with a modest expansion to a small number of additional local authorities with high levels of need;

b. Local Stop Smoking Services and Support Grant, worth £210 million;

c. Individual Placement and Support Grant, worth £67.3 million; and

d. Existing public health funding for the Swap to Stop scheme, worth £50 million.

Crisis and Resilience Fund (£2.5 billion). This will make it easier for local authorities to provide preventative support to communities and assist people when faced with a financial crisis, by bringing together the following grants, which will end in March 2026, into one new, streamlined fund. This will not be in Core Spending Power.

a. Household Support Fund; and

b. Discretionary Housing Payments (in England).

Consolidation into the Revenue Support Grant

The proposals are expected to consolidate 17 funding streams into the unringfenced Revenue Support Grant (Core Spending Power). All figures below are national allocations across the 3 years of the multi-year Settlement.

Consolidating funding new to the Settlement, keeping existing distributions:

- a. War Pensions Disregard grant (£36 million); and
- b. Social Care in Prisons grant (£33 million).

Consolidating funding new to the Settlement, redistributed using the new Fair Funding Assessment:

- a. Temporary accommodation funding worth £969 million over the multi-year Settlement, previously part of the Homelessness Prevention Grant. The Fair Funding Assessment includes a temporary accommodation formula to reflect this change;
- b. Virtual School Head for Children with a Social Worker and Children in Kinship Care (£61 million);
- c. Biodiversity Net Gain Planning Requirement (£29 million);
- d. Deprivation of Liberty Safeguards Funding (£15 million);
- e. Local Government Finance Data Review (<£1 million);
- f. Enforcement of Location Restriction and Volume New Burdens grant (<£1 million);
- g. Enforcement of Calorie Labelling Regulations New Burdens grant (<£1 million);
- h. Awaab's Law New Burdens grant (<£1 million); and
- i. Social Housing New Burden grant (<£100,000).

Consolidating existing Settlement funding, redistributed using the new Fair Funding Assessment. Please note that the values associated with the first 5 funding streams below assume that in 2025-26 they would have, without simplification, been held flat and continued to be paid as a separate grant:

- a. Social Care Grant (£17.8 billion);
- b. Market Sustainability and Improvement Fund (£3.2 billion);
- c. Employer National Insurance Contributions (£1.5 billion);
- d. New Homes Bonus (£871 million);
- e. Funding Floor (£364 million); and

f. Funding from the following grants (treated as one funding stream in our totals) brought together into the Children and Families Grant in 2025-26 (worth £483 million):

- i. Supported Accommodation Reforms (£284 million);
 - ii. Staying Put (£100 million);
 - iii. Virtual School Heads Extension for previously looked after children (£23 million);
 - iv. Leaving Care Allowance uplift (£40 million); and
 - v. Personal Advisors Extended Duty (£36 million).
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How have the funding streams for Children's Services due to end in March 2026 been addressed within the budget proposals and what are the implications of this?

We are not expecting any material reductions in grant funding relating to Children's services in 2026/27.

We believe that the inclusion and allocation of the Social Care Grant within the main SFA is a contributing factor to Torbay Council's estimated poor settlement allocation – due to different formulas being used. 50% of this grant was always used to fund Children's Services. This reduction has been taken into account within Torbay Council's budget proposals.

How have the funding streams for Adult Social Care, including domestic abuse, due to end in March 2026 been addressed within the budget proposals and what are the implications of this?

We are not expecting any material reductions in Domestic Abuse safe accommodation grant, which is expected to continue and be consolidated within the Homelessness, Rough Sleeping and Domestic Abuse Grant in 2026/27.

Changes are expected to the Homelessness Prevention Grant (HPG), which would see it split up and the Prevention, Relief and Staffing element allocated through a consolidated grant and the Temporary Accommodation element wrapped up into the main SFA. There is a risk that we may see a reduction funding compared to our current baseline due to formula changes and will assess this once we have the settlement figures. Our base budget for 25/26 was not increased from the 24/25 value with increases being used as on-off to mitigate against the risk of any grant funding reductions.

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– due to different formulas being used. 50% of this grant was always used to fund Adult Social Care Services. This reduction has been taken into account within Torbay Council's budget proposals.

How have the funding streams for Public Health, including drugs and alcohol, due to end in March 2026 been addressed within the budget proposals and what are the implications of this?

Further detail on the distribution and allocations of Public Health grant funding will be published at the provisional Settlement, but we are not expecting any material reductions in funding or negative impact on services.

The level of funding for DATRIG and stop smoking grant in 2026/27 is expected to be similar to the amount of grant received in 2025/26 and therefore no additional budget allocation is proposed in 2026/27. Should the funding allocation be less than expected there is sufficient Public Health reserves to support the smoking provisions that need to be continued in 2026/27, without the need for any wider Council budget requirement.

Has additional funding been included in the budget for resourcing for the Counter Fraud Team (this was a recommendation from Audit Committee)?

Rather than provide additional funding for Counter Fraud, we have been working closely with Devon Assurance Partnership and have subsequently seconded two FTE Torbay Council fraud staff to the partnership for an initial 12 months period. This has enabled us to gain access to a wider pool of fraud staff, and expertise, covering a larger geographical patch. To date, this has been a positive move - we will keep the arrangement under review over the coming months.

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