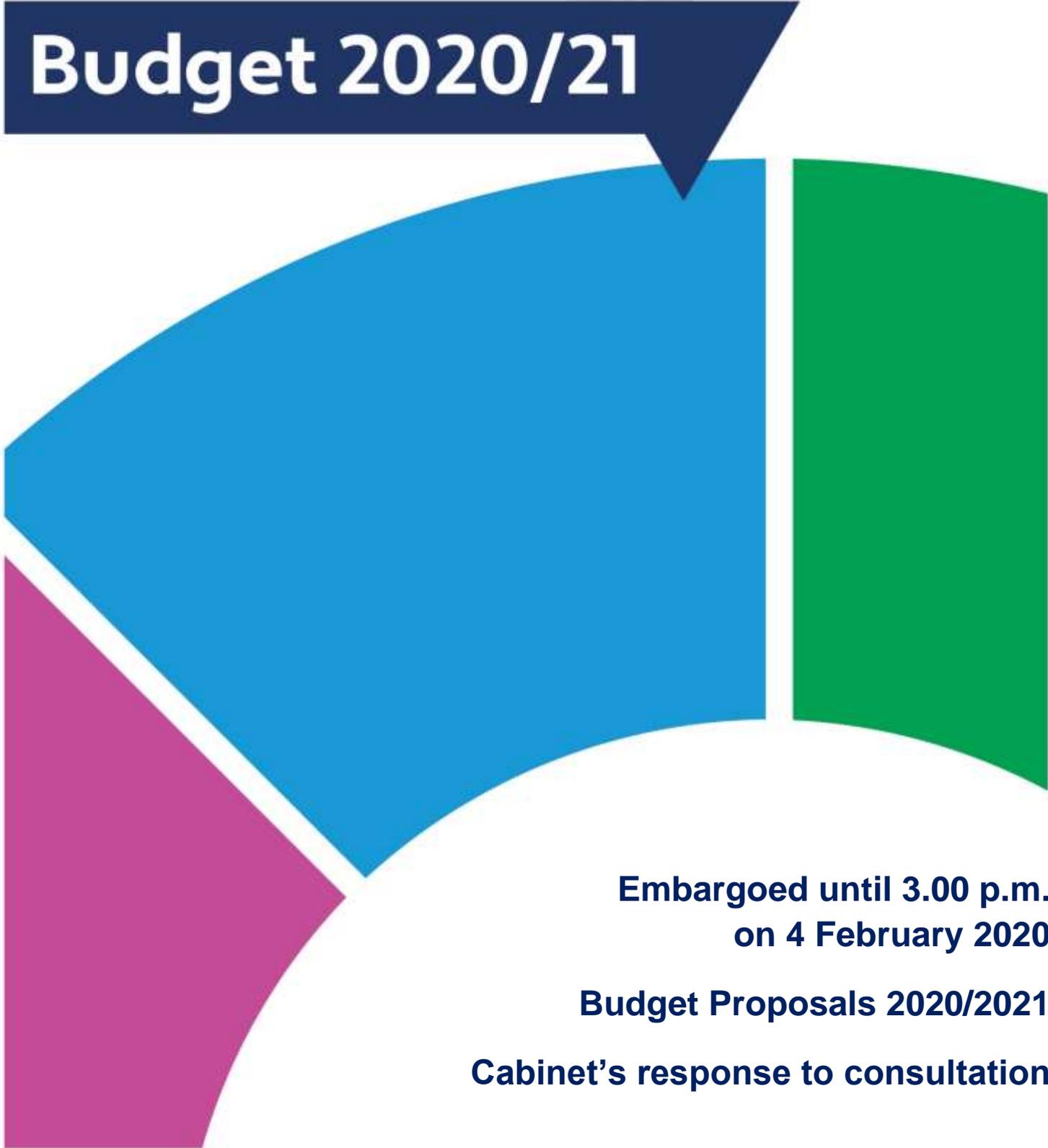


Budget 2020/21



**Embargoed until 3.00 p.m.
on 4 February 2020**

Budget Proposals 2020/2021

Cabinet's response to consultation

Contents

Statement from the Leader and Deputy Leader of the Council	3
Introduction	6
Revenue Budget 2020/2021	8
1. Funding Changes	8
2. Service Expenditure Changes.....	8
3. Summary Budget Proposals	9
4. Revenue Budget 2020/2021	10
Capital Plan 2020/2021	12
Appendix 1: Summary Budget Proposals 2020/2021	13

This document can be made available in other languages, on tape, in Braille, large print and in other formats. For more information please contact 01803 207014.

Statement from the Leader and Deputy Leader of the Council

We'd like to start with a big thank you to all the residents, organisations, community groups and partners who took part in the consultation on our proposed budget. We had over 870 responses (a significant increase over the number of responses received in the last two years) which we hope reflects the Council's new approach to consultation and engagement. We'd also like to thank the Overview and Scrutiny Board for their work in scrutinising our proposals and making their recommendations.

We have a statutory duty to balance the books, fund the significant financial pressures within children's social care, and despite the announcements in the Spending Round in September 2019, the Council had identified that £10.5 million of savings, efficiencies and income were needed to balance the budget in 2020/21. As a result of Government austerity, Torbay Council's Revenue Support Grant has been reduced from £42 million in 2013/2014 to an expected £6.5 million next year.

Over that same period of time, the budget for Children's Services has increased from £25 million to a proposed £47 million. In our most recent Ofsted monitoring letter, the financial investment in Children's Services to underpin wholesale change is recognised. As a Partnership, we are totally committed to improving our Children's Services and this is absolutely one of our top priorities going forward.

In terms of the responses to the consultation, there were two areas of the proposed budget which raised the most comments from the public – parking and public toilets.

The £365 annual **car park** permit has been a great success since it was introduced in 2017 but the Council's costs have continued to increase in the three years since it was introduced. We recognise that both the public and the Overview and Scrutiny Board do not agree with the proposal to increase the cost of an annual permit to £430. We are still proposing to increase the cost of the annual permit but to a lower amount – £395 which represents a 2.7% a year since 2017. This means that, with this permit, residents and workers can park in Torbay's car parks for £1.08 per day.

In order to achieve the expected 3% increase in parking income over 2020/2021 there are further modest increases in charges proposed which are set out in the Fees and Charges document.

In respect of **public toilets**, we have listened to the concerns raised by the community and fellow councillors. We are proposing investing a further £100,000 meaning that there will be a total increase in the investment in public toilets of £0.6 million. This additional investment will see a new single pod toilet at Goodrington South alongside the planned investment at Meadfoot, Broadsands, Goodrington North, Abbey Meadows and Preston Bus Shelter. We will also work to find a delivery partner for the facilities at Corbyn Head over the next year.

We recognise that public toilets are highly valued by the community and play a significant role in our tourist offer, but they are a non-statutory service and moving towards a quality pay-per-use system is the only sustainable way to continue to provide this service. We believe that this is the best way in which to ensure that there is sufficient capacity in all major resort areas, offering much improved facilities for both residents and tourists and keeping within the available budget. This investment is on top of the £1 million already committed by the Council to improving toilets across Torbay. Over the last year, six of our new toilets won national Platinum awards and Torbay's toilets are ranked in the top 20 of all facilities in the country.

The Cabinet have also considered carefully the recommendations made by the Overview and Scrutiny Board and made the following changes to the proposals for the Revenue Budget.

When the draft budget was published, it was recognised that the full saving from moving to a trust model to support **UNESCO Geopark** status was not likely to be achieved by 1 April 2020. The Cabinet recognise the concerns of the Overview and Scrutiny Board and, whilst it is felt that moving towards a Trust model remains appropriate so as to provide long term sustainability, it is recognised that it is likely to take at least two years before the Trust is established. Therefore we are withdrawing this budget saving at this time in order to allow the Trust to be established.

The Cabinet understand the concern that it is unrealistic to expect to receive increased revenue from our assets in light of the proposed reduction in the annual management fee paid for **asset management**. We therefore propose that there should be no reduction in the funding for asset management.

The target of achieving additional rental income will remain in the budget as the Council needs to ensure that it is maximising all of its rental opportunities in order to maintain vital services for its residents.

We are also proposing to fully reinstate the previously agreed reduction in the management fee paid to the Torbay Coast and Countryside Trust.

In response to the comment from the Overview and Scrutiny Board on the use of Capital Funding and funds from Section 106 Agreements to support **essential highway repairs**, the Council will continue to have full regard to any specific requirements on individual Section 106 Agreements. However, we must make best use of all available resources and will continue to ensure that highway works are undertaken using the most appropriate funding sources on a case by case basis.

The Overview and Scrutiny Board also made comments about how the proposed budget provides resources to meet the aspirations within the draft Community and Corporate Plan.

The Cabinet has been clear in its aspiration that Torbay should be the **UK's premier resort**. We are also committed to working closely with our partners – in the private, public and voluntary sectors – to deliver this aspiration. Over the coming year, we will continue to work with the BID Company, the Business Forum and wider groups to review how we can continue to move towards this long term vision.

This needs to be balanced with the financial position of both this Council and local government generally. We are continuing to lobby the Government, through our MPs and direct with the Government, for a fairer funding formula, a better share of funding for local government in the spending review and for specific funding for our ambitious programmes around regeneration.

In the meantime, we need to ensure that we maximise the income that we are able to generate in order that we can continue to deliver services which are vital to our communities and visitors and so that we can invest to improve our infrastructure. We will also be allocating £30,000 to support community activities in this area.

We have also identified as one of our visions that we will tackle **climate change** and there is already a range of work across the Council to help meet this goal. It has been pleasing to hear throughout our consultation period that the community shares our commitment to addressing the climate change emergency. We recognise that there is much more to do and we are committed to working together with the community to play Torbay's part in addressing the climate emergency. To do this, we are taking the significant step of providing funding for a full time climate change officer who will be responsible for co-ordinating our approach as a Council and across the wider community.

We are also committed to **improving housing** in Torbay and our priorities around this important issue are set out in our draft Housing Strategy. These range from increasing the supply of housing, ensuring there is appropriate housing for people's needs and improving the quality and sustainability of our housing. Again, we recognise that there is a huge amount of work to do and therefore we are investing in a further post to drive forward delivery of our new Housing Strategy.

Increasing the recycling rates in Torbay has a number of environmental benefits. As we continue to improve how we engage with our communities, a programme of promotion and education to increase our recycling rates will be a priority especially once the services currently provided by TOR2 come under direct Council management, through a wholly owned company of the Council.

We believe that moving to three weekly residual waste collection will assist in increasing recycling (as has been shown in areas such as East Devon, Rochdale and Anglesey where this type of collection has been introduced), will help with our response to the climate change emergency, as well as a reduction in costs for the Council. However to ensure that this works in Torbay, a trial of the three weekly residual waste collection will be undertaken in parts of Torbay in the second half of 2020/21, before it is rolled out across the Bay.

We will be working closely with the community and our partners over the coming year to ensure that we have a clear framework in place to enable community activity and sponsorship opportunities for our flower beds. Again we will be looking to ensure we prioritise those areas which are valuable to our aspiration as the premier tourist resort in the UK.

We are proposing a balanced Revenue Budget of £115.9 million for 2020/2021 which will see us deliver a wide range of services to our residents. The pressures on our budgets will continue but we are committed to working with our communities and partners to find alternative methods of service delivery.



Councillor Steve Darling
Leader of Torbay Council



Councillor Darren Cowell
Deputy Leader and Cabinet Member for
Finance

Introduction

This document and the papers which support it set out the Cabinet's final proposals for the Revenue and Capital Budgets for 2020/2021. It highlights the difficult choices which need to be made.

The Cabinet published its draft budget proposals in December 2019 for consultation. During the consultation period, feedback has been received from service providers, partner organisations, service users, the community and voluntary sector and the general public. That feedback has been gathered through the questionnaire (which was available online and in hardcopy), from Torbay Council's social media channels (including responses to the Ask Us Facebook Live panel held in early January) and via the Cabinet Conversation. Members of the Cabinet have also attended a range of meetings such as community partnerships and the engagement meeting held by Torbay Community Development Trust.

This report reflects the feedback received and outlines the changes that have been made to the Cabinet's proposals as a result. It also reflects the (provisional) Local Government Funding Settlement which was published in December 2019 and any other service grant allocations announced.

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

- **Proposals for Efficiencies, Income Generation and Service Change**
This sets out details of all of the final proposals for service change, income generation and savings in order to produce a balanced budget for 2020/2021. We have included the high level environmental, economic and equality impacts of each proposal which we want to test with you during the consultation period. Where a proposal has been assessed as having a material impact on service users, an **Equalities Impact Assessment** has been prepared and updated to take account of consultation feedback.
- **Torbay Council – Proposed 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.
- **Capital Plan 2020/2021**
This explains which capital schemes the Council plans to fund over the coming year.
- **Reserves**
The current and forecast position on the use of the Council's reserves.

Other documents which will be updated and published on the Council's website will include the Capital Strategy and the Treasury Management Plan.

The Cabinet's final budget proposals will be considered at the Adjourned Meeting of the Council being held on 13 February 2020. If the proposed revenue and capital budget are approved by a majority of councillors then they will be adopted on the night. If an objection to the budget is proposed and approved by a majority of councillors, the budget will be deferred to the following meeting. Any approved

objections will be considered by the Cabinet and a response provided to the meeting of the Council on 27 February 2020 when the budget will be decided.

Council Tax levels will be set at the meeting of the Council on 27 February 2020 as the Council has to wait for notifications from the Devon and Somerset Fire and Rescue Authority, the Devon and Cornwall Police and Crime Commissioner 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

Revenue Budget 2020/2021

1. Funding Changes

The budget has been updated as various funding and income streams have been confirmed since the draft proposals were published in December 2019. The changes in funding are set out in Table 1 below:

Description	Increase in Funding £000	Commentary
Sources of Funding	271	Increase as a result of final calculations/allocations in relation to the Council Tax Base, National Non-Domestic Rates, Revenue Support Grant and New Homes Bonus
	271	

2. Service Expenditure Changes

Since the Cabinet's budget proposals were issued in December 2019, the Cabinet has considered the views of the wider community and Members of the Council which have been provided during the consultation period. This has included the views of the Council's Overview and Scrutiny Board which were set out in its report to the Cabinet and is available at www.torbay.gov.uk/scrutiny

The results of the consultation have been included within the relevant Equality Impact Assessment and in the overall report from the consultation exercise. The budget proposals issued in December 2019 have been updated and republished. All of these documents are available at www.torbay.gov.uk/budget-202021

A summary of the changes in income and expenditure since the initial proposals were published are summarised in Table 2 below. This includes changes in the funding of the Council as a result of Government announcements, decisions taken by the Council since the draft budget was published and other pressures within the Council's services.

The table at the end of this document lists all of the Cabinet's proposals with those highlighted indicating the amended or new proposals.

Description	Reduction in Expenditure/ Higher Income £000	Increase in Expenditure/ Lower Income £000	Commentary
Grant notifications	30		Confirmed grant allocations.
Treasury Management	115		Latest forecast of borrowing costs and investment income.
Torbay Coast and Countryside Trust		26	Full reinstatement of previously agreed management fee reduction.
Resort Services		30	Allocation to support community activities in relation to resort services.

Car Parking		30	Reduction in expected income resulting from decreased proposed cost of annual car parking permit.
Climate Change		50	Costs associated with the proposed appointment of a full time climate change officer.
Housing Strategy		40	Costs associated with the proposed appointment of an officer to drive delivery of the Housing Strategy.
Asset Management		100	No reduction in the management fee for asset management.
Contract Management		50	Investment in contract management function so as to drive efficiencies and savings.
Toilets		50	Funding for additional investment and to maintain Corbyn Head toilets whilst an alternative delivery partner can be identified.
UNESCO		40	Saving unlikely to be achieved within 2020/2021.
Sub total	145	416	
Net Change in services		271	

3. Summary Budget Proposals

As a result of the changes to funding and service expenditure detailed in the sections above, the Cabinet's budget proposals for 2020/2021 are as follows:

	£000
Cabinet's Budget Proposals (December 2019) (Funding)	115.6
Funding Changes (from Table 1 above)	0.3
Cabinet's Budget Proposals (February 2020) (Funding)	115.9
Cabinet's Budget Proposals (December 2019) (Net Expenditure)	115.6
Service Expenditure Changes (from Table 2 above)	0.3
Cabinet's Budget Proposals (February 2020) (Net Expenditure)	115.9

4. Revenue Budget 2020/2021

The Council is being asked to approve the Cabinet's proposal for the total net revenue budget for 2020/2021 and the budget that will be required to be funded from Council Tax, as set out in the following table:

	£000
Net Revenue Expenditure	114.5
Adult Social Care (funded from 2% Council Tax)	1.4
Total Net Revenue Expenditure	115.9
Funded by:	
Business Rate Retention Scheme	34.2
Revenue Support Grant	6.5
New Homes Bonus	0.9
Council Tax Requirement (including a 1.99% rise)	71.0
Council Tax Requirement (2% rise for Adult Social Care)	1.4
Collection Fund (Council Tax and NNDR)	1.9
Total Income	115.9

The value of Council Tax resulting from a rise in the Torbay element of the Council Tax of 3.99% is £72.328 million. A 3.99% rise will increase the Band D Council Tax in Torbay by £59.97 (of which the 2% rise for adult social care is £30.06).

When the Council formally sets the Council Tax, the Council's budget has to include the budget for the Brixham Town Council which was confirmed on 16 January 2020. The value of this precept (£335,006, a 10.55% increase) will be included as part of the Torbay Council budget for Council Tax setting purposes.

At this time the Council is awaiting the notifications from the Devon and Somerset Fire and Rescue Authority and the Devon and Cornwall Police and Crime Commissioner as to the value of their precepts.

The Council is also being presented the allocation of the 2020/2021 revenue budget to individual services as identified in the Budget Digest which has been circulated separately. The allocation of budget to services is a key part of the Council's financial control arrangements. The Financial Regulations in the Constitution govern any subsequent in-year budget changes. The approval of fees and charges for 2020/2021, in addition to supporting the achievement of budgeted income, provides clarity to services and service users. The Officer Scheme of Delegation governs any subsequent in-year changes to fees and charges.

A summary of the budget by service area is shown in the table below:

Service	Expenditure £000	Income £000	Net £000
Joint Commissioning Team			
Children's Services	102.3	(55.3)	47.0
Adult Social Care	54.8	(14.9)	39.9
Public Health	11.7	(1.8)	9.9
Sub-Total – Joint Commissioning Team	168.8	(72.0)	96.8
Joint Operations Team			
Corporate Services	69.2	(60.7)	8.5
Place Services	40.2	(20.0)	20.2
Finance & Central	27.8	(32.3)	(4.5)
Investment Portfolio	10.9	(16.0)	(5.1)
Sub-Total – Joint Operations Team	148.1	(129.0)	19.1
Total	316.9	(201.0)	115.9

Capital Plan 2020/2021

The proposed Capital Plan of £143 million for the next financial year is comprised of schemes which have previously been approved.

Torbay Council's Capital Plan totals £394 million for the four year programme to 31 March 2023 with £125 million scheduled to have been spent in 2019/2020 and £143 million due to be spent in 2020/21.

There is a wide range of schemes and projects expected to be undertaken in 2020/21:

- Investment of £44 million towards supporting thriving people and communities including the development of affordable housing, expansion of pupil places in Paignton and, subject to progress, the redevelopment of Crossways.
- Investment of £30 million to support a thriving economy including Regeneration Fund projects, industrial units at Claylands, the Riviera International Conference Centre and the final payments in relation to South Devon Highway
- Purchasing of commercial properties will continue with £65 million expected to be spent in the next year. The 2020/21 budget estimates a £5.1 million surplus to support council services.

Appendix 1: Summary Budget Proposals 2020/2021

The proposals are for revenue (net) budget reductions from either a reduction in expenditure or an increase in income (marked *). Those shown in ***bold italics*** have changed since December 2019.

Proposal	Amount £000	Proposal	Amount £000
Thriving People		Tackling Climate Change	
Torre Abbey	30	Change in management of TOR2 services	963
Music Hub	8	Parks, grass cutting and litter/park bins	191
<i>UNESCO Geopark</i>	<i>0</i>	Planting areas	158
Development and Planning Services	40 *	Household DIY waste	38 *
Environmental Enforcement Service	70 *	Council Fit for the Future	
Thriving Economy		Rationalise number of Council buildings	28
<i>Beaches Service</i>	<i>30</i>	Civic Mayor	5
Use of Capital and Section 106 monies for highways repairs	180	Printing of agendas	2
<i>Annual parking permits</i>	<i>-12 *</i>	Redesign of Council operating model	386
<i>Public toilet investment</i>	<i>-50</i>	Full cost recovery for services	50 *
<i>Asset management</i>	<i>0</i>		
Rental income	50 *		