

Revenue Budget 2020/2021

Report to the Cabinet

January 2020



1. Background

- 1.1 The Cabinet's Draft Revenue Budget Digest was published in December 2019. The Digest set out the proposed budget for each Council service for 2020/2021 including the proposals for service change, income generation and savings. The Priorities and Resources Review Panel was established to scrutinise the proposals and to make comments, observations and recommendations as necessary.
- 1.2 The Review Panel comprised the councillors on the Overview and Scrutiny Board (namely Councillors Barrand, Brown, Bye, Mandy Darling, Foster, Howgate, Kennedy and Loxton, with Councillor Doggett unable to attend the meetings) and it met in January 2020. At its meetings the Panel heard from the Leader of the Council and the Cabinet Members as well as from officers from the Senior Leadership Team and members of the public.
- 1.3 The Panel considered all of the identified savings for 2020/2021 and future years as well as the overall budgets for Children's and Adult Services and the findings from their meetings are set out in this report.

2. Thriving People

- 2.1 This theme covered the following services:
 - a) Culture, Events and Sport;
 - b) Spatial Planning and Building Control; and
 - c) Community Safety.
- 2.2 The Panel noted how the budget had been developed, by Senior Officers and the Leader of the Council and Cabinet Members since Spring 2019, based on a reduction of Revenue Support Grant from Central Government from £42m in 2013/2014 to an expected £6.5m for 2020/2021 as a result of austerity.
- 2.3 **Review the operating model of Torre Abbey** – Whilst the Panel acknowledged the employment of a new Manager, who had a background in working with the National Trust, and the benefits their experience could bring to the daily operations of Torre Abbey, they were concerned over the proposed reduction of £30,000 and whether this was realistic in the absence of a business plan.
- 2.4 **Move to a trust model for UNESCO Geopark** – The Panel noted that the Council had been trying to seek alternative funding streams for the Geopark for a number of years without success and were concerned that the creation of a trust was unrealistic. An example of a comparable trust being established for an UNESCO site

was the Geopark in the Shetland Island which benefited from income from North Sea Oil, other UNESCO sites were usually managed by the respective local administration or government. The Panel noted that the idea of a trust came from the management group who currently run the Geopark and links to the future of Kents Cavern. There was no business case put forward to support the proposal. The proposal cast doubt on the delivery of this target referring to using funding from the Comprehensive Spending Review Reserve to meet part year costs. This would put increasing pressure on the Council's Reserves, which were already at an all-time low and below recommended levels and put the Council at a significant financial risk if unknown financial pressures occur during 2020/2021. The Panel acknowledged that maintaining UNESCO Geopark status was a vital part of our offer but that the administration of this should be picked up as part of the wider tourism and cultural offer for Torbay to enable a more joined up and co-ordinated approach, working with our partners and the community to ensure we are making the most of Torbay and marketing our offer effectively.

- 2.5 **Establish an environmental enforcement service** – Members noted that this proposal was much wider than the previous service which focussed on litter and dog fouling. The Council would engage an external provider to issue fixed penalty notices (FPN) for ten different offences e.g. graffiti, fly-tipping, littering, abandoned vehicles, overflowing bins etc. The Assistant Director Community and Customer Services, Tara Harris, gave assurance that the market had changed since we previously provided an enforcement service and similar operations had been successful in other local authorities. Plymouth City Council had decided to bring the service back in-house despite the additional cost of employing staff compared to the lower cost of an external provider. Torbay does not have the resources to provide the service in this way which is why it was proposed for an external provider to run the service with the Council receiving a percentage of the income from each FPN, they would also have capacity to look at changing people's behaviour to help improve the cleanliness of our streets. This would not result in a loss of jobs at the Council but would enhance existing services. The Panel supported more robust action being taken in connection with fly-tipping as this is an area of concern raised by local residents.

3 Council Fit for the Future

3.1 This theme covered the following services:

- a) Regeneration and Asset Management;
- b) Business Services - Management, Support and Commissioning;
- c) Governance Support;
- d) Whole Council; and
- e) Finance.

- 3.2 **Rationalise even further the number of Council buildings and/or change their use –**
The Panel supported the rationalisation of Council buildings to ensure that we are making best use of all our assets, especially where there are opportunities to help deliver affordable housing under the new TORVISTA Homes Limited (the Housing Company). Members noted that progress on establishing the Housing Company had been slower than anticipated but progress was now being made.
- 3.3 **Undertake a redesign of how the Council operates –** This is one of the Council’s transformation projects which involves a full review of services across the whole of the Council. The Cabinet want to empower and enable communities to help deliver services for themselves, streamlining processes, standardising and sharing, making best use of IT, and providing intelligence based services for customer needs rather than historical services. This project is in its early stage with officers about to start mapping how this will work. Services such as customer services, community safety and events will be reviewed to make known savings (e.g. community safety there are some staff savings as a result of a restructure following staff retirement), this equates to efficiency savings for £246,000. The Director of Corporate Services Anne-Marie Bond advised that she was not able to confirm how and where the remaining savings will be achieved at this time and recognised that there was an element of risk in this. However, in terms of streamlining our services we need to ensure that they are fully reviewed and redesigned as a whole Council to enable a more customer-focussed approach. Members were concerned about the impact on residents of any changes and that without more detail on the remaining proposals they could be implemented without Member input and there would be no control over how the remaining £140,000 would be saved by officers and suggested that this would be regularly monitored by the Overview and Scrutiny Board to ensure Member input and scrutiny.

4. Thriving Economy

4.1 This theme covered the following services:

- a) Tor Bay Harbour Authority;
- b) Highways;
- c) Parking Services;
- d) Waste, Cleansing and Natural Environment; and
- e) Regeneration and Asset Management.

4.2 **Review of management of Beach Services –** Members felt that reducing this budget by £60,000 would have a detrimental impact on the management of our beaches. It was felt that there was a need to invest in our beaches to ensure that they offer the facilities expected by our residents and visitors, in line with the Council’s aim of

being the UK's premier tourist resort. Consideration should also be given to exploring additional income opportunities from static beach huts.

- 4.3 **Use of Capital Funding and funds from Section 106 Agreements to support essential highways repairs** – Members noted that there were certain constraints in connection with the use of money received through Section 106 Agreements and were not satisfied that the suggested proposals were achievable in light of such constraints.
- 4.4 **Increase income from Parking Services** – It was noted that the proposed increase in charges mainly related to the annual parking permit which was proposed to increase from £365 to £430. The Panel felt that this significant increase could have a detrimental impact on the parking income, especially as the previous £1 per day had been very successful and therefore could not understand the rationale for such an increase. Additional parking promotions should also be considered to help increase footfall in our town centres (such as those used to encourage Christmas shopping).
- 4.5 **Improve the provision of public toilets through the Healthmatic contract** – Concern was raised in connection with the proposed closure of Goodrington South Sands toilets and whether the remaining facilities at Goodrington Central and North would have sufficient capacity to meet demand, and the equalities impact on older people or people with a disability who would need to walk much further to use the facilities once the South Sands toilets have been closed. In respect of the potential closure of the toilets at Corbyn Head if a third party does not come forward to take them over, the Panel felt that this will have a detrimental impact on the café and beach hut users at that end of Torre Abbey Sands and negative impact on our tourist economy.

Whilst acknowledging the proposed investment already underway at Preston Central, Members were not satisfied that sufficient provision and capacity would remain at Preston Beach with the proposed closure of Preston North and South toilets.

- 4.6 **Reduction in the core fee payable to TDA and increase the rental income from the Council's corporate estate, over and above the 3% target already included within the budget** – The Cabinet Member for Economic Regeneration, Tourism and Housing, Councillor Long confirmed that the proposed cuts to the TDA in respect of asset management aimed to ensure that their work in connection with economic regeneration was protected as this was one of the key priorities of the Partnership. This would mean prioritisation of the work around asset management and leases, with priority given to larger leases which generate more income for the Council as opposed to smaller sports leases which take a disproportionate amount of officer time to complete. The introduction of new software would also help to streamline the management of assets. The Panel felt that these two targets contradicted each other and a reduction in resources in asset management would impact on the ability to invest officer time in generating additional income from certain assets where this could potentially be achieved.

5. Tackling Climate Change

5.1 This theme covered the following service:

a) Waste, Cleansing and Natural Environment.

5.2 **Achieving savings through the Council's own management of the services currently provided by TOR2 and Efficiency savings achieved as a result of the Council's own management of services currently provided by TOR2** – Members stressed the importance of engaging with the Ward Councillors and the community in respect of changes to parks, grass cutting and litter/park bins to enable local intelligence to inform the decision making as to where the reductions could be made without having a detrimental impact or increasing the risk of fly-tipping and littering.

In order to increase recycling rates the Council would need improved communications and education for children and residents on what can be recycled and consideration of taking enforcement action, where appropriate, to change behaviours. It was acknowledged that Ward Councillors also have a leadership role in helping to work with their communities to encourage good recycling practice to reduce the amount of residual waste sent to our energy from waste plant. This will also help to have a positive impact on climate change.

5.3 **Reduce the amount of funding for planting** – The Panel supported the use of low maintenance, annual planting, sponsorship and rewilding, where appropriate, to help reduce planting costs. Members supported the proposal to seek support from the community in respect of some of the flower beds to see if they could be managed by their local communities with Ward Councillors being consulted before any final decisions were taken on individual locations.

5.4 **Tackling climate change** – The Panel heard from Brian Payne, Chairman of the Brixham Churston, Galmpton and Broadsands Community Partnership and David Durant, Torbay Climate Action Group on their concerns in respect of the lack of pace to address the climate change emergency and implementation of a robust Climate Change Strategy. The three Neighbourhood Plans provided aspiration in respect of protecting our natural environment and green spaces and work was being carried out at a local level with the support from the community and Torbay Climate Action Group. They presented a range of statistics from the Friends of the Earth which showed that Torbay's performance was poor in respect of climate change compared to other similar local authority areas.

5.5 **Torbay Coast and Countryside Trust Management Fee** – The budget proposals included an increase of the management fee paid to the Torbay Coast and Countryside Trust (TCCT) by £20,000 which was, in part, a reversal of the decision made by the Council in February 2019 to reduce the management fee paid to the Trust. The Chairman of the Board of Trustees, Alan Tyerman made representation to

the Panel that this increase still resulted in a reduction of the overall management fee by around £22,000 and outlined the impact that this would have on their ability to manage the Council's countryside and a need to hand back some of the land to the Council. The Leader of the Council, Councillor Steve Darling, confirmed that, in light of the representations from the TCCT and with the intention that the previous decision be reversed in full this would be picked up when the Cabinet put through their final proposals resulting in no cut to the management fee for TCCT in 2020/2021.

6. Adult Services

- 6.1 Members discussed how the additional 2% adult social care precept may be spent, subject to agreement with the NHS/Integrated Care Organisation (ICO). It was intended to use the money to invest in preventative services within the community to help enable people to take control of their own lives and look after themselves. This would also build on the good practice currently being undertaken, such as the 21 community builders who were funded through Ageing Well, which would be ending next year. Pat Bishop from the Community Builders raised concern over their long term future once their funding ceases and the impact it would have on the communities if their work stopped. The Director of Adult Services, Joanne Williams, advised that she would be consulting and engaging with the community groups and NHS/ICO before bringing the final proposals through for approval as it was important that they were able to influence how the additional precept would be spent as they are best placed to know what the needs of the communities are. Members supported the concept of using the precept to invest in preventative services within the community and requested that the Overview and Scrutiny Board consider the report on the Adult Social Care Precept proposals prior to its submission to Cabinet/Council.

7. Children's Services

- 7.1 The proposed budget included additional investment of over £9.8m for the safeguarding of children (which included a one off investment of £800,000 in fostering to establish a social work academy) taking their budget to over £47m. This is on the backdrop of a history of overspending in Children's Services. The Council is working with Ofsted, the Department for Education and our improvement partners to ensure that Children's Services improves with an 'Improvement Plan' providing detailed actions to ensure that we keep children safe and achieve good outcomes for children and their families and aims to keep children within their communities. A detailed paper was circulated prior to the meeting which outlined the Children's Services Transformation project – ensuring resource sufficiency, this focussed around the five themes which would help provide the best outcomes for children and improve the overall Ofsted rating of our Children's Services (namely: edge of care; fostering; residential placements; permanence; and recruitment and retention). Members acknowledged the measures that had been put in place and

progress being made by Children's Services and were satisfied that there was now a clear 'vision' and direction of travel with the child being at the centre of the service and supported the proposals put forward in respect of the investment in the service for 2020/2021.

8. Recommendations

- 8.1 That the Panel recognised the hard work and commitment of Children's Services and recommended that the Cabinet ensure that a strong focus is kept on staff recruitment and retention to reduce agency costs and ensure appropriate placements for children in care.
- 8.2 That the Cabinet be recommended to consider revisiting the proposal to use Section 106 Agreement income to fund essential highways to ensure that the Council has full regard to any specific requirements on individual Section 106 Agreements.
- 8.3 That Cabinet reconsiders the amount of increase for the annual parking permits in light of the successful take up of the £365 per year £1 a day permits.
- 8.4 That it is unrealistic to expect to receive the anticipated increase in revenue for assets above 3% proposed in light of the proposed reduction in the annual management fee and the capacity of the TDA to deliver the savings and additional income and the Cabinet be recommended to review this proposal.
- 8.5 That the Cabinet be recommended to review its proposals in connection with beach huts, charging for toilets in beach locations and parking charges as this will have a significant impact on existing revenue for beaches, parking and beach huts and does not support the vision for Torbay to be the UK's premier resort.
- 8.6 That the Cabinet be requested to ensure that toilet provision is maintained at Goodrington South Sands, Preston North and South and Corbyn Head.
- 8.7 That the Cabinet be recommended to use a programme of promotion and education to increase our recycling rates in the Bay and review the effectiveness of this prior to considering implementing any changes to the fortnightly residual waste collections.
- 8.8 That the Cabinet be advised that the community has a desire for greater pace to tackle climate change working with the Council and community, which has not adequately been addressed through the budget proposals and that more work should be done with the community to develop and communicate the Council's policy on climate change.
- 8.9 That the Cabinet reconsiders its proposal in respect of the timescales for establishing a Trust for the UNESCO Geopark in light of concerns over the deliverability of the savings in 2020/2021 highlighted by the Panel.