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Overview and Scrutiny
Town Hall
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Torquay
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Dear Member

OVERVIEW AND SCRUTINY BOARD - WEDNESDAY, 11 APRIL 2018

I am now able to enclose, for consideration at the Overview and Scrutiny Board to be held on Wednesday, 11 April 2018, the following reports that were unavailable when the agenda was printed.

Agenda No	Item	Page
5.	Parkfield	(Pages 2 - 26)
6.	Overview and Scrutiny Board Annual Report	(Pages 27 - 32)

Yours sincerely

Kate Spencer
Overview and Scrutiny Lead



Meeting: Overview and Scrutiny Board

Date: 11 April 2018

Wards Affected: All

Report Title: Parkfield

Is the decision a key decision? Yes

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1. Proposal and Introduction

- 1.1 The purpose of this report is to set out proposals for the future use of the Parkfield site (including Parkfield House) following the decision by Council not to approve the planning application that would have enabled the relocation of Torbay School (Brunel Academy).
- 1.2 For the purpose of this report, the Parkfield site encompasses the Parkfield youth facility (MyPlace) and Parkfield House as both remain operational delivery sites for Children's Services, whilst the latter features within the proposals recently brought forward by the Paignton Town Centre Community Partnership.
- 1.3 This report reflects the work recently undertaken by FMG Consulting Ltd to explore options for the future use of the site and further dialogue with the Education Funding Agency (Estates Team) to clarify their expectations and any constraints these place on decision making. The overall aim is to ensure that the exploration of future options proceeds from an exhaustive and accurate appreciation of the various constraints and opportunities that apply, with a particular focus on the development of youth related provision, in accordance with the funding requirements. A further consideration is how the site can support the Council in delivering its wider statutory responsibilities for the children and young people of Torbay. A copy of the Options Appraisal Completed by FMG Consulting Ltd is attached at Appendix 1.

2. Reason for Proposal

- 2.1 The Parkfield site comprises of a number of distinct elements currently supporting an eclectic range of local authority services, voluntary sector activity and open community use, with Torbay Council retaining overall responsibility for the site.

2.1.1 Parkfield Youth Centre (New Build)

Parkfield Youth Centre was developed via a Department for Education Lottery grant of £4.8m and opened in 2011. It comprises of a large recreation/performance hall, training

forward thinking, people orientated, adaptable - always with integrity.

kitchen and café, music suite, climbing wall and IT suite. It is currently the operational base for the Youth Service and Young Carers Service and provides for 25 hours per week of delivery, of which 8 are targeted sessions for vulnerable young people, which, in total, engage around 120 individual young people. The building also hosts the Careers South West Service to benefit those young people vulnerable to becoming NEET (not engaged in education, employment or training).

A local organisation, Reach Outdoors are currently operating the climbing wall under a Tenancy at Will arrangement until the longer term future of the site is determined. They have been able to develop a viable business model working with groups of young people including schools and free sessions for the youth service.

2.1.2 Parkfield House

Parkfield House is a Grade 2 listed building and the current base for the Youth Offending Service (YOS) and Care Leavers' Service. The Crime and Disorder Act 1998 places duties on the local authority and its statutory partners (Police, Health and Probation) to co-ordinate the provision of youth justice in their local area. Torbay YOS work with some of the most complex and vulnerable young people in Torbay including those subject to custodial sentences. They are required to engage and supervise young people on an individual basis in order to address their offending behaviour and protect the wider community. The Care Leavers' Service forms part of Torbay Council's Social Care Service and aims to support young people leaving care to realise their aspirations for education and employment alongside supporting their personal and social development. Both services engage young people on site on a daily basis.

2.1.3 BMX Track

The BMX Track is a core part of the youth offer and is capable of operating as a regional and national competition track. A local club has been supported to run this and is seeking a lease to fulfil its ambitions within the site and to enable extended opening with safe supervision and training.

2.1.4 Skate Park

The Skate Park is an open access facility attracting a diverse age range and proving particularly popular for many young people who initially face barriers to engaging with mainstream services. The skate park is open when the building is not and, as such, is used from early morning to late evening.

2.1.5 Eat That Frog

This community interest company has enjoyed a longstanding partnership with Parkfield, partially maintaining the grounds through a skills and learning programme for those interested in horticulture and maintenance. Eat That Frog previously operated the training kitchen, but withdrew when the day-time alternative education offer ended on the site.

ETF has been on site and since 2013 providing a range of community based projects aimed at helping young people to get paid work. The work undertaken by ETF is funded by the Education & Skills Funding Agency (Department for Education) and Department for Work & Pensions and brings an investment into Torbay in excess of £800k annually. This work has been praised by local residents and the Herald Express in improving the site whilst linking people to paid employment.

ETF is classified by the Department for Education as a Specialist Post 16 Institution for learners with Special Educational Needs and listed as an Independent Special School on section 41 of the Children and Families Act. There is an existing link with examples of learners progressing from the medical tuition service to ETF

The educational contracts held by ETF allow delivery of adult learning which may also be delivered on site and provide opportunities to run courses for “Young mums to be” and “Parenting” which will provide strength to the wider support of Torbay’s Children and Families at no cost to Torbay Council.

2.2 Since its opening in 2011 Parkfield (MyPlace) has experienced difficulties in securing and sustaining the revenue funding necessary to match the undoubted quality and scale of the facilities and deliver a comprehensive and enticing offer for young people. Parkfield is not the only youth facility developed under the MyPlace Programme which has experienced such challenges and nationally, a range of solutions have emerged:-

- An ongoing LA revenue contribution (often drawn from consolidating youth service delivery funding on to one site) matched or complemented by further private/voluntary/public sector funding. Examples: Bolton and Wigan Girls and Lads Club with a funding ratio of 40% LA, 40% donations and 20% user subs, Toxteth Fire Fit Hub which is part of ComMutual Housing Charity.
- A tapered (time limited) LA revenue contribution matched/complemented by private/voluntary/public sector funding with the aim of securing independent and sustainable youth provision after an agreed period of time. Examples: South Leeds partnership with the YMCA, Wirral Council and The Hive.
- Co-locating a range of daytime services for young people/community groups to cover premises costs and a revenue contribution to sustain/develop evening and weekend provision. Examples: Dawlish Red Rocks Centre or Bristol The Station.

2.3 A sustainable solution for Parkfield is likely to comprise of number of elements that taken together secure viability in the short term (in relation to premises operating costs), but with the potential to grow delivery and activity for young people over time. This could involve an ongoing LA financial contribution or entirely independent operation, on either a commercial or community basis, after an agreed period of time. Subscriptions from young people using the facilities are likely to be an element of the solution but only at the point the activity offer has matured to justify this. Within any future model, the Council is legally obliged under the EFA grant funding agreement and deed of dedication to facilitate youth provision for the site until 2030.

2.4 In light of the Council’s decision on the planning application for Torbay School (Brunel Academy), children’s services officers have had further dialogue with the Education Funding Agency (EFA) in order to clarify the considerations that would apply to any future proposals for use. EFA have confirmed that the Council is legally obliged under the grant funding agreement and deed of dedication to provide youth provision (as set out in the grant funding agreement) until 2030. The grant funding for the site being secured via the deed of dedication and restriction on title, with the potential for ‘claw back’ if conditions are not met. In summary, the DfE’s (via EFA) approval would be needed to dispose of the site and any such approval would not be given lightly.

2.5 Torbay Community and Customer Services recently engaged FMG Consulting Ltd. to assist with commercial development in a number of areas including the Riviera International Conference Centre. At the request of the Director of Children’s Services, this work has been extended to encompass an options appraisal for future use of the Parkfield site including:

- Do nothing (status quo)
- Co-location of Children’s Services
- Community management

- Commercial operator
 - Asset transfer
- 2.6 A copy of FMG Consulting Ltd's report is attached at Appendix 1. Set out within the report is an analysis of the opportunities, challenges and implications for the options set out above. FMG do not come to a firm view on any single option as they acknowledge that any final decision will require a careful balance to be struck between best utilisation of the asset, financial considerations, community benefit and the Council's wider statutory obligations to provide services for children and young people.
- 2.7 The co-location option explored in the FMG report is for the Council's Medical Tuition Service to relocate to Parkfield (MyPlace). The Council's Medical Tuition Service (MTS) is currently located at Halswell House, Paignton and aims to meet the needs of pupils who cannot access education in a mainstream setting due to an ongoing medical condition. The MTS currently supports around 47 children from this site, a further 7 pupils in a hospital setting and around 15 children via an outreach IT based solution. There is an increasing demand for this service and Parkfield could provide for up to 60 places should the MTS relocate.
- 2.8 The criteria for access to the service is a diagnosed medical condition that continues to make access to an educational setting too challenging. A school may refer a student to the Medical Tuition Service, after a period of 15 days continuous ill absence or an admittance to a hospital. The school should include all relevant medical evidence from medical professional and supporting agencies to enable the application to be considered by the Pupil Referral Panel. It is the ethos of the service that wherever possible it will support an eventual return to a mainstream educational setting when the student is medically fit to do so. For this reason the pupil remains on the roll of both the school and the Medical Tuition Service.
- 2.9 It is important to note that the MTS is not currently registered with Ofsted although this is a legal requirement. The Halswell House site is a Grade 2 listed building would not meet the standards required to achieve registration, primarily due to poor access. Ofsted are aware of the situation and have not taken enforcement action on the understanding that the Council is working towards a solution. Dual registration has been implemented as an interim measure (maintaining pupils on the roll of their original school and MTS) to avoid pupils attending an unregistered provision. This issue is a standing item on the regular meetings between Ofsted, the DCS and Head of Education Services and a longer term solution will need to be communicated to Ofsted as soon as practicable.
- 2.10 Initial discussions with the TDA have identified that the remodelling of Parkfield (MyPlace) to accommodate MTS would be largely internal, with estimated costs set out in Table 1 below. Planning consent would be required for the external works which encompass fencing and car parking. The proposal would not involve any significant alterations to the external fabric of the existing Parkfield structure or any new build. Relocating the MTS would not interfere with the site's use on evenings and weekends for youth provision or community use.
- 2.11 The estimated capital costs would be funded from any unallocated sums from within the existing Children's Services capital programme and up to £600k of prudential borrowing to be funded from any future premises savings. Any remaining funding shortfall would need to be included in 2019/20 budget.
- 2.12 Should MTS not relocate to Parkfield it will require to be relocated to another existing site or a new build facility as soon as practicable. Table 2 below summarises the DfE guidance for alternative provision should the MTS require a new build facility. This figure excludes fees and charges and site acquisition costs.

Relocation to Parkfield would offset significant costs associated with a new build should this be required.

Table 1: Estimated Costs for remodelling Parkfield (MyPlace)

TDA Property Services Estimate 05.02.18	
Minor alterations	£ 331,200.00
External works (fencing, access & car park)*	£ 110,000.00
Preliminaries	£ 65,000.00
Contingencies	£ 50,620.00
Fees	£ 74,750.00
F&E	£ 30,000.00
*Excludes MUGA	
£ 661,570.00	

Table 2: DfE Recommendations for alternative provision

DfE Recommendations (BB104) for Alternative Provision (Health)		M ²
Basic Teaching	60+4.5N	276
Halls, PE, Dining & Social	40+0.6N	69
Learning Resources	10+0.4N	29
Staff & Admin	35+0.5N	59
Storage	35+0.5N	59
Float	70+1.1N	123
Min Net Area	250+7.6N	615
Non-Net area	150+2.9N	289
Min Gross Area	400+10.5N	904

DfE National benchmarking price per M² £ 2,651.00

£ 2,396,504.00

Note: Excludes statutory fees, survey costs, legal & land acquisition, loose F&E, external works and client departmental costs

2.13 Paignton Town Community Partnership (PTCP) has recently brought forward its own proposal for the future use of the whole of the Parkfield site. The proposal envisages an inter-generational approach with daily use of the centre by the over 50s and the remodelling of Parkfield House as a hostel and base for outdoor/adventure activities in order to fund the model. In May 2017, PTCP issues a further statement of intent to the Council seeking:-

- Full sign up 'in principle' to a community led solution.
- That Torbay Council provide details of premises costs, condition surveys (commissioning new surveys if more than two years old) and details of any land contamination or environmental issues
- The granting of a lease to the emerging partnership similar to that offered to Torbay School.

- That the emerging partnership be granted exclusivity – with no information being used to develop an alternative approach or passed to a third party or an open market process.
- 2.14 The Localism Act (Community Assets) provides community groups with the right to bid in the event of a relevant disposal of an asset, a relevant disposal being either sale of the freehold or awarding a lease. In addition, financial regulations require that all disposals or leases must be subject to a formal process where the market rent is over £10k per annum. There is scope for the Chief Finance Officer, in consultation with the Mayor and Monitoring Officer to waive these requirements but only where the proposed lease is in the best interests of the Council and the terms of the lease are unlikely to be bettered.
- 2.15 As one potential option is for the Council to retain the site and relocate the MTS thereby, potentially saving the Council significant capital spend, it would be difficult to justify awarding the lease to any community group without some form of processing being undertaken. A further consideration and challenge for the Local Authority is that the PTCP proposal requires the acquisition of Parkfield House which is currently the operational base for the Youth Offending Service and Care Leavers Service. Both services form part of the continuing obligations placed on Torbay Council as a unitary authority to deliver a range of statutory services for children and young people. There is no clear rationale for the relocation of either service, other than to enable PTCP to realise its aspirations for the wider Parkfield site. There would inevitably be revenue and capital costs associated with moving both services and, in the case of YOS, some challenge in finding a suitable site that provides a safe environment to engage young people open to the service whilst managing the risks they might pose to the wider community.
- 2.16 The relocation of Torbay School (Brunel Academy) was proposed as a means of sustaining, and over time, growing youth provision through a co-location model that also met the needs of some of the most vulnerable young people in our community. EFA's support for the proposal reflected their confidence in a co-location solution that combined an education setting with related youth services. The proposal to relocate the Medical Tuition Service (MTS) takes a similar approach but will not involve the physical change to the site necessary to relocate Brunel Academy. This option meets the Council's statutory requirements in addressing an urgent problem in relation to unsuitable and unregulated provision for some of the most vulnerable children and young people in Torbay. The co-located model has worked well elsewhere and represents the efficient use of a built asset, designed specifically to meet the needs of young people, against a very challenging financial background for both revenue and capital funding.
- 2.17 The previous proposal for Parkfield involved significant physical changes to the site, particularly to the MyPlace building, and raised planning concerns about the impact on the immediate locality due to their scale. Whilst the proposal to relocate MTS would require planning consent it does not require any new build or significant changes to the external fabric of the existing building associated with the previous proposal. The external works are limited to fencing and car parking and the internal remodelling would not interfere with community and youth provision at evenings and weekends.

- 2.18 It is important that the potential use of Parkfield by the Medical Tuition Service is not considered as being at the expense of the 'community' but rather the discharge by the Council of its obligations on behalf of the whole community of Torbay. The children and young people accessing that service are from across Torbay, including Paignton, and are amongst the most vulnerable in our community. Torbay Council Children's Services is currently subject to a Statutory Direction for failing to meet its obligations towards vulnerable children and young people. In such circumstances, priority must be given to ensuring its statutory services are placed on a sustainable and effective footing. Whilst the FMG report identifies clear opportunities for a community or commercial solution for Parkfield, the relocation of the MTS to Parkfield should be considered in that wider context.
- 2.19 In order to support the continued development of youth and community provision it is proposed to create a new governance structure for the site by establishing a user group comprising of representatives from Children's Services, MTS, Torbay Youth Trust, Eat That Frog, young people and Paignton Town Community Partnership to ensure provision develops in line with the original vision for the site and enable the community to have a voice within that journey. Torbay Youth Trust recently registered as a Charitable Incorporated Organisation (CIO) having dual registration with the Charities Commission and Companies House. The Trustees combine professional and academic expertise in the field of youth services and the opportunity to grow youth provision both at Parkfield and elsewhere through grant funding that would not otherwise be available to the Council. Under this option the Youth Trust would focus on the growth of youth provision both at Parkfield and elsewhere but without being directly responsible for the premises.
- 2.20 In conclusion, the FMG report highlights opportunities from commercial, community and statutory service use of the Parkfield site which could satisfy the revenue constraints and the aspiration to optimise site usage. However, any option which involved disposal or transfer of the asset would need to be carefully balanced against the proposal to relocate the MTS to Parkfield which would ensure the grant funding conditions continue to be met, off set a potential cost of around £2.4M should a new build be required, avoid the as yet unquantified cost of relocating services in Parkfield House, and meet the needs of particularly vulnerable group of Torbay children and young people. Moreover, the proposed governance arrangements to oversee the development of youth and community usage would ensure that local concerns can be accommodated whilst maintaining the Council's focus and commitment toward children and young people.

3. Recommendation(s)/Proposed Decision

- 3.1 The Overview and Scrutiny Board is asked to consider a potential recommendation to a future meeting of the Council which would include the following;
- the relocation of the Medical Tuition Service into Parkfield (MyPlace);
 - capital expenditure to be funded from any unallocated sums from within the existing children's serves capital programme and up to £600k of prudential borrowing to be funded from any future premises savings, with any remaining funding shortfall to be included in 2019/20 budget
 - the establishment of the Torbay Youth Trust, and;

- the creation of a Parkfield User Group comprising of representatives of the Youth Trust, Medical Tuition Service, young people and Paignton Town Community Partnership to develop the use of Parkfield at evenings and weekends.

Appendices

Appendix 1: FMG Consulting Ltd Options Appraisal of Parkfield Youth Centre

Background Documents

None



OPTIONS APPRAISAL OF PARKFIELD YOUTH CENTRE
TORBAY COUNCIL



A
REPORT
BY
FMG CONSULTING LTD

9th FEBRUARY 2018



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1. Background and Purpose of Report

Background

- 1.1 In August 2017, following the Council's decision not to proceed with the planning application for the relocation of the Torbay School at Parkfield, the Director of Children's Services reported on the need to explore the future management arrangements for the Parkfield Youth Centre facility.
- 1.2 The report recognised the complexities around the different solutions for the facility including:
 - the Council's statutory responsibilities for providing youth offending services;
 - the broader requirements of meeting the grant funding obligations of the successful Place Makers grant (Myplace); and
 - the Council's agreement with the Torbay Youth Trust to grow youth provision without a corresponding reliance on increased Council funding.
- 1.3 The report also recognised the considerable "head of steam" that had been generated from the planning application process which had generated attention from a wide range of local interested groups in the potential for the facility to be placed in community ownership.
- 1.4 Mindful of the Council's need to bring forward a sustainable longer-term solution for the management of the facility, the report recommended that external support would be required to objectively review and subsequently (if required) procure a management contract with an external body to take responsibility for the day to day operating of the facility, including all the income and operating costs.
- 1.5 Concurrently with this review, further work would be undertaken by the Council to explore the day time use of the site by schools to meet the needs of pupils struggling to engage as well as the potential relocation of the Medical Tuition Service (MTS).

Changes since the August 2017 Report

- 1.6 Following the submission of the August 2017 report, the following activities have taken place including:
 - a soft market testing exercise has been undertaken to obtain feedback from the market on interest in the project;
 - 'In principle' agreement on the terms of a new youth service management arrangement with Torbay Youth Trust;
 - discussions with schools about the potential use of the site;
 - discussions on the consolidation of children services within the site; and
 - developments on the relocation of the Medical Tuition Service (MTS).

The Current Service

- 1.7 The wider Parkfield site includes Parkfield House which is a Grade 2 listed building and is the base for the Youth Offending Service and the Parkfield Youth Centre facility which is the base for the Council's Youth Service and Young Carers Service and provides circa 25 hours of service delivery per week (mainly evenings and weekends). These two buildings are set within parkland which is open to the public.
- 1.8 The Youth Centre building also houses the Carers South West Service that supports those young people vulnerable to becoming NEET (Not Engaged in Education, Employment or Training). Young people that use the Parkfield Youth Centre report that they value the facility as a place where they feel safe and able to access valuable support from qualified youth practitioners.

Restriction and Constraints of the Facility and Site

- 1.9 The following restrictions apply:
- The National Trust holds a Restrictive Covenant over land known as Parkfield Nurseries covering built structures, fixtures and land and therefore requires legal consent prior to any future works on the site.
 - In 2009, the Big Lottery Fund provided a 'Myplace' grant to the Council to fund the construction of the Parkfield Youth Centre. The grant conditions that remain in force until 2030 and state that: The facility must be open for activities at times that suit young people including late Friday and Saturday night, unless the Big Lottery Fund has provided its prior written consent'.
 - The Council have drawn up an 'In principle' agreement with Torbay Youth Trust to operate the Youth Service for 25 hours per week (from 4.30pm-9.30pm Tuesday to Friday and 10am - 5pm Saturday). The Council would wish to establish a partnership arrangement between any new operator and the Torbay Youth Trust that would provide guidance and added commercial value to the exiting developments.

Procurement objectives

- 1.10 The Council's aim for the Parkfield Youth Centre is to:
- Improve the range of programmes and understand the opportunities for income generation;
 - Understand the appetite for capital investment and growth of the current business and the scope for development of new markets and revenue streams;
 - Further enhance the current levels of community satisfaction with frontline youth services, service quality and flexibility, delivering best value for the Council;
 - Significantly increase the number of those visiting Parkfield Youth Centre and to promote an eclectic offer for community health and well-being, learning and youth development; and
 - Ensure a positive impact on the local economy in terms of economic, social and physical health and well-being.
- 1.11 The Council consider that a sustainable solution for the facility is likely to comprise of a number of elements that together secure the facility in the short term but with the capacity to grow delivery and activity for young people and other members of the community over time.

- 1.12 Income from young people and other community groups using the facilities are likely to be an element of the solution as will be working in collaboration with the Council, local groups, schools and interested individuals and organisations over the longer term to develop a range of day time and evening activities that optimise the use of the asset and create a vibrant and appealing offer.

2. Preferred Options

Parkfield Youth Centre

- 2.1 Having defined the background and the objectives for the project, the options available to Members to develop the site and / or deliver the services, outcomes and benefits have been identified as follows:
- A. Do Nothing
 - B. Co-location of Children Services
 - C. Community Managed
 - D. Commercial Operator
 - E. Asset Transfer
- 2.2 An overview of each option including the service and financial implications and asset utilisation is provided below together with the opportunities and challenges considered related to each option.

Summary of the Options

- 2.3 The table below highlights some of the key elements of the options.

Table 2.1 - Summary of the Options

	Option A	Option B	Option C	Option D	Option E
Protect Torbay Youth Trust 25 Hours	Yes	Yes	Yes	Yes	Possibly
Manage Asset	Youth Service/TDA	Youth Service & Education Departments/TDA	Community Organisation	Commercial Organisation	Transferee
Additional Use outside 25 hours	None	Schools and other sessional users	More than likely Community activities	Commercial and Community Activities	Commercial and Community Activities
Council Control	Direct	Direct	Lease or Contract	Lease or Contract	Lease

Option A Do Nothing - Status Quo and providing 25 hours to Torbay Youth Trust

Overview

- 2.4 Under this option, the facility will continue to be operated by the Council with technical support from the TDA. The Council will continue to open and close the facility on weekdays and at weekends to allow Torbay Youth Service to provide a range of youth services as part of the proposed agreement with the Council.

Service Implications

- 2.5 The continuation of the services will result in maintaining the current levels of utilisation of the building. Any increase in attendance levels will be as a result of the actions and programmes developed by the Torbay Youth Trust.

Financial implications

- 2.6 This Option assumes the current base as the cost of the service (circa £112,000 per annum) and is used to compare the financial implications of the other options included in this report.

Opportunities and Challenges

- 2.7 Growing the wider use of the facility for use by the community will be dependent on the Council opening the facility outside of the core hours used by the Youth Trust. There is likely to be limited as it will require additional personnel and resource within Children's Services to develop the use of the Centre.

Asset Utilisation

- 2.8 Given the 'In principle' agreement with the Torbay Youth Trust to manage youth services on behalf of the Council, this option on its own is unlikely to lead to an overall increase in the overall use of the asset unless additional revenue funding is allocated to extend opening hours.

Option B - Co-Location of Services- Education/Youth/ Children's Services

Overview

- 2.9 This option involves the co-location of a number of Council service providers with resources transferred or shared internally between providers who would take a more active role in the operation and management and utilisation of the facility. A key consideration will be using the site for Medical Tuition Service (MTS) which is currently looking for sites to use. It is estimated that the cost of a new facility is £7 million but a re-modelling of the Parkfield Youth Centre could be as low at £400,000 of capital expenditure (*Source: MTS Site Options Appraisal, TDA. 14 November 2017*)
- 2.10 The programmed time set aside for the delivery of the youth services by the Torbay Youth Trust would need to be examined and if possible maintained with other Council services using the facility outside these core hours to work with schools and others to deliver curriculum activities, MTS and offer community opportunities. The TDA would continue to oversee the maintenance and upkeep of the asset as in Option A above.

Service Implications

- 2.11 There is some synergy to be gained from co-locating and integrating the work of the Youth Service with Education with existing budgets being transferred or recharged internally to facilitate such a move. The Education Department would gain an additional facility to support their activities during the day time and the Council could save capital and revenue resources from the re-location of the MTS.
- 2.12 Out of hours provision (after 5pm weekdays and at weekends) could accommodate the work of the Youth Trust who will occupy key parts of the building for their activities. Some formal monitoring of the work of the Youth Trust would need to be managed by Children's Services requiring some form of tri-partite agreement to be put in place.

Financial implications

- 2.13 The MTS scheme is likely to save circa £6.6 million on capital resources. Co-locating services at Parkfield would mean a potential saving of circa £30k to £35k on MTS revenue costs which could be offset against the existing £112k operating costs of the Parkfield facility. Given that the Council is looking at a location for MTS, this could provide a financial saving for the Council.

Opportunities and Challenges

- 2.14 Subject to the facility being able to be accommodated within the 1,325m² and allowing the Council to meet its obligations under the grant funding agreements, covenants and agreement with the Torbay Youth Trust, there is a great opportunity for the Council to provide joint working and quality facilities for delivering statutory services for young people. The key challenge will be to ensure that agreements are in place about who is responsible for the cost of the building, timings of use and daily handover arrangements. Another challenge will be how the facilities are made secure during different uses.

Asset Utilisation

- 2.15 The co-location of a number of service providers on to the site at different times of the day will increase the utilisation of the facility. In so doing, the option integrates children's services, provides a base from which to anchor the delivery of the Council's statutory obligations towards children and improves utilisation of the site.

Option C - Community Managed

Overview

- 2.16 The soft market test revealed a wide range of local groups interested in managing the facility under some form of community agreement. This option therefore reflects that solution.

Service Implications

- 2.17 A community organisation would submit proposals to operate and manage the facility on behalf of the Council. The Council could transfer the risk of utilities and maintenance and upkeep to the community stipulating that the agreements in place between the Youth Trust and the terms of the MyPlace grant are honoured.
- 2.18 The Community Management operator would be able to programme and develop the facility in line with existing commitments drawing on support from other local groups and

organisations. This option has been promoted by the Torbay Community Development Trust and Paignton Community Partnership.

Financial implications

- 2.19 The Council is likely to see the transfer of utility and maintenance costs to the new operator as part of the lease/licence agreement. The future costs of developing the service during the day would rest with the operator. Whilst a community organisation would be eligible for grant funding, it is unclear what level of future financial support the organisation may require from the Council and if they can develop sufficient third-party revenues in the form of income, grants and sponsorship to meet the operational costs of the facility.
- 2.20 A community led organisation is likely to seek additional grant funding to support a range of programmes although without sufficient financial trading history, it is unclear to what extent it may attract supporting investment. As a result, balancing the cost and revenue is likely to weigh heavily on the decisions affecting the programming and utilisation of the facility.

Opportunities and Challenges

- 2.21 A community run facility may appeal to the Council as it supports local democracy and reflects local interest. A community organisation may apply for external grants to develop programmes and activities that the Council cannot. A community organisation may not have the commercial expertise to make the business sustainable. A community organisation that has no track record of running a facility or of implementing a sustainable business plan may be a challenge to the Council.
- 2.22 A further challenge may be how to restrict any procurement approach or lease arrangement whilst excluding the private sector. Legal advice may be required on this matter.

Asset Utilisation

- 2.23 The extent to which the asset is utilised under this option will be driven by a mix of programming and pricing. This approach is unlikely to optimise asset utilisation but rather community need.

Option D - Commercial Operator

Overview

- 2.24 The Council could outsource the operation and management of the facility to a commercial operator. In procuring a suitable operator the Council could include provisions for the transfer of risk associated with utilities, maintenance and future revenues to the operator as part of the contractual arrangement. Like all other options it would have a commitment to protect the hours allocated to the Torbay Youth Trust.

Service Implications

- 2.25 The Council would retain oversight of the contract but allow the operator commercial freedom to manage the centre and develop the programme, subject to existing commitments but in line with prevailing market conditions.

Financial implications

- 2.26 The Council would likely see costs savings in its budgets against the other options. A commercial operator would likely bring additional expertise to the development of the

programme with potential increases in the utilisation of the facilities and higher attendances.

Opportunities and Challenges

- 2.27 A commercial operator is likely to have the expertise to develop programmes that appeal to the local market. They are also the most likely of the options, to have practical experience of running buildings and managing assets through lease or contractual arrangement. The Council may need to satisfy itself of the balance to be had between social and commercial programmes of use and the pricing of activities.

Asset Utilisation

- 2.28 The soft market test exercise demonstrated that several established commercial operators can see an opportunity and are interested in entering into a concession agreement with the Council. A commercial operator is likely to want to programme the facility so that it optimises income from the facility.

Option E Asset Transfer

Overview

- 2.29 The Council could decide that it wants to transfer the ownership of the facility to a third-party organisation. This could be a private person or company or a community asset transfer.

Service Implications

- 2.30 The Council could decide to transfer all risks associated with the building to a third-party organisation. The future viability of the building and the services on offer would rest with the third party. The services provided may not cover the 25 hours of Torbay Youth Trust but will likely need to provide some community services to be compliant with the requirements of the funding obligations.

Financial implications

- 2.31 The Council could determine a market rent for the facility and in so doing remove the current costs to the Council, although this will be impacted by the funding obligations that could reduce the cash available for rent payments.

Opportunities and Challenges

- 2.32 Transferring the asset to a third party places the ownership of the facility outside that of the Council for the long term. Concerns with meeting the obligations of the agreement with the Torbay Youth Trust for use of the building; with Myplace in terms of meeting the obligations of grant funding and with the National Trust as landowner may need to be resolved.

Asset Utilisation

- 2.33 The transfer will likely lead to a focus on net profit or surpluses rather than on the utilisation of the asset. Any increase in building use will be as a consequence of profitable programmes and/or rental streams.

3. Procurement Options

Introduction

- 3.1 Should Options C, D or E be pursued, we estimate that the facility operator would look to breakeven from an operational perspective or require a smaller level of subsidy than the existing arrangements (subject to further evaluation of the proposals being submitted). Also, it is anticipated that all the risks of the building will transfer to the operator to manage, including income risk, inflation, utility costs and maintenance costs.
- 3.2 There are several options available to the Council in the procurement of an operating contract or lease to a third party to manage and operate the Parkfield Youth Centre facility including, but not limited to, entering into a contract for services, a service concession agreement or a property lease. The key drivers for the selection of a route may include:
 - the value of the contract
 - the level of risk transferred; and
 - the services that are provided.
- 3.3 Under EU and UK Regulations all public supplies and public service contracts must be procured and comply with these Regulations. However, it is dependent upon the financial value attributed to the contract and the type of service being provided.
- 3.4 Normally a contract that has an annual value more than £181,302 must use the Regulations, although some services (set out in Appendix 3 of the Regulations 2015), including sports, recreation, culture, health and social activities do not have to fully comply with the Regulations, but only where the threshold of £615,278 is exceeded (this is referred to as the Light Touch Regime). Any contract under this annual value for these services may simply follow the Council's own standing orders regarding procurement and anything over this threshold can use the Light Touch Regime.
- 3.5 With substantial transfer of risks, and limited or no deficit funding, the contract may fall under the 2016 Concession Contract regulations, which means that the Council can procure an operator under a Service Concession. This process is less formal than that under the 2015 Regulations. The financial threshold for this over the life time of the contract (measured as turnover) is £4,551,413 from 1st January 2018.
- 3.6 Given the options presented, the Council has no additional legal obligations should the Do Nothing or In-House Management options be pursued, other than to comply with its own agreements with the Youth Trust and TDA and the obligations under the grant conditions.
- 3.7 In terms of the Outsourced options presented (Option C and D), the Council has a duty to obtain best value should it decide to outsource the future management of the service or dispose of the asset under a lease. In this scenario, it is likely that, given the value of the contract, the Council will seek to use its own standing orders to procure a contract as it is a service falling within Appendix 3 of the 2015 Regulations and the value falls under the threshold.

- 3.8 Alternately given the potential value of the contract and the risks to be transferred to the operator for the building and services, this transaction may be procured as a Service Concession which again provides a lighter regime in terms of procurement.
- 3.9 In terms of disposing of the asset (Option E), it may use its powers granted to it by the General Disposal Content (England) 2003, where the Council is permitted to transfer Assets of Community interest to a community organisation (such as a Development Trust, a Community Interest Company or a social enterprise) for less than market value (up to a value of £2 million) if it considers it can achieve a local social, economic or environmental benefit.
- 3.10 Under this option interested parties will be required to submit an expression of interest and, if the local authority accepts it, a more detailed business plan will be required to show that the organisation is ready and able to successfully manage the land or building in the long term. The specific form of transfer would depend on the legal structure of the proposed organisation.

04

4. Summary and Recommendations

Summary

- 4.1 The table sets out a summary of each of the options covering opportunities, challenges, service implications, financial implications and risk.

Table 4.1 - Summary of Options

Option	Opportunities	Challenges	Service Implications	Financial Implications	Summary
A. Do Nothing	<ul style="list-style-type: none"> Provides unencumbered access for the Youth Trust to operate under the terms of the proposed agreement with the Council 	<ul style="list-style-type: none"> Limits use of facility to wider community Limits Council in obtaining betterment from transfer of risks associated with operating income and costs. Ongoing revenue cost Council continues to handle the day to day management of the facility. Use of facility is not optimised 	Unlikely to develop further programmes (within current resources) other than that provided by Torbay Youth Trust.	Unlikely to deliver future budget savings with current operating costs remaining static.	Low asset utilisation and unlikely to generate any savings on current revenue budgets

Option	Opportunities	Challenges	Service Implications	Financial Implications	Summary
B.- Co-Location of Services	<ul style="list-style-type: none"> Retains asset to provide Council youth services Provides the option to deliver a range of additional children's services including MTS and Education (EBD) 	<ul style="list-style-type: none"> Future development plans are likely to be hampered by constraints on Council budgets High degree of focus on statutory services and not on wider development of community engagement services. Need to identify budget provision to operate the facility. Need to ensure that grant funding obligations etc can be met. 	Integrates and co-locates collective group of Council partners focused on providing statutory children's services. Likely to improve overall utilisation of the facility.	Will make substantial capital savings if MTS relocates to the building. Additional revenue savings likely through the offset of costs and new income from sessional and school use. Future budgets need to reflect the shared use of the facility with any increase in costs met in full by the Council.	High utilisation throughout the week. Significant potential savings from capital budgets and savings on revenue budgets and predicated on MTS relocating to the site. If the MTS does not relocate, the utilisation may be high but the savings will not be generated at the same level.
C. Community Managed	<ul style="list-style-type: none"> Creates community space which is managed by local people for local people Programmes and pricing reflect and responds to community need May be able to attract external funding in the form of grants 	<ul style="list-style-type: none"> Lack of trading history Unknown capability and expertise in managing maintenance and upkeep Business sustainability of initiatives and plans Establishing suitable Governance arrangements 	Local community focussed services and places direction and sustainability directly in the hands of local group.	Uncertainty as to whether this solution will deliver financial savings or be sustainable	Utilisation is driven by community need which is likely to grow over time. Savings difficult to establish and possible grant funding support may be required.

Option	Opportunities	Challenges	Service Implications	Financial Implications	Summary
D. Commercial Operator	<ul style="list-style-type: none"> • Attracts external expertise to manage facility and develop service offer • Longer lease likely to attract capital investment • Arrangements enable risk transfer of utilities and maintenance and repair responsibilities to contractor. • Development of range of programmes and attractive offers to increase revenues and attendances 	<ul style="list-style-type: none"> • Need for clarity of roles of Youth Trust and new Operator • Requires Council to monitor the contract • Establishing the balance between commercial and social activities • Requires the Council's to relinquish direct control over activity pricing 	Places management of facility fully with commercial partner to "sweat the asset"	May secure competitive market rent in the form of a reduced service fee	Utilisation driven by profit. Profit will be leveraged from a combination of price point and/or usage. Net increases in income likely.
E. Asset Transfer	<ul style="list-style-type: none"> • Places Council asset in hands of 	<ul style="list-style-type: none"> • The relationship between the Council, 	Full transfer of asset and	The Council could transfer its	Focus on income generation which

Option	Opportunities	Challenges	Service Implications	Financial Implications	Summary
	<p>a third party for the long term</p> <ul style="list-style-type: none"> • Encourages sustainability and service development • Offers the opportunity for leaseholder to attract external funding 	<p>the Youth Trust and new leaseholder</p> <ul style="list-style-type: none"> • Ensuring the grant conditions are maintained. • Possible legal disputes involving existing covenant with National Trust • Loss of systems for monitoring and reporting on service delivery and business performance. 	operation and site	<p>assets to a community organisation (such as a Development Trust, a Community Interest Company or a social enterprise) for less than market value - to achieve a local social, economic or environmental benefit under Community Asset Transfer.</p>	<p>likely to create a level of savings on Council budgets. Asset utilisation will only occur where increase in usage is required to meet operating costs of asset.</p>

4.2 **Recommendation**

4.3 A variety of options are presented for consideration, but the critical balance is between asset utilisation and the net impact on the Council's budget. These options are below:

- a) Do nothing (Option A); or
- b) the co-use of the facility as a base for providing a range of children's services with MTS/Education working alongside the current Torbay Youth Trust (Option B); or
- c) the need to provide an asset from which to increase the community, voluntary and third sector activities (Option C); or
- d) seeking to optimise and "sweat the asset" and in so doing maximise the financial savings that can be achieved by the Council, whilst meeting the grant and covenant obligations (Option D and E).

4.4 In reaching a preferred way forward, Members may wish to consider the need to balance the utilisation of the asset, financial impact on the Council's budgets, overall community benefits and the wider statutory responsibilities the Council has in providing Children's Services.

Annual Report 2017/2018



Foreword

To be completed

Councillor Chris Lewis
Overview and Scrutiny Co-ordinator

Introduction

Overview and scrutiny...

- is one of the ways the Council improves services and the quality of people's lives in Torbay
- acts as the Council's "watchdog" and challenges decisions taken by the Mayor and looks at decisions in more detail
- reviews existing policies and issues of concern
- is a constructive and independent way of looking at an issue, highlighting areas that work well and suggesting where improvements can be made.

The Council agreed that the overview and scrutiny should operate in accordance with following principles:

- Focusing on the issues which matter:
- Policy Development is of equal importance to "holding to account"
- The Forward Plan is the key tool for managing the decision making process
- The relationship between overview and scrutiny and the executive should seek to complement one another
- All Councillors should have the opportunity to help shape policy decisions at an early stage

This report gives details of the work which has been undertaken by the Overview and Scrutiny Board over the course of 2017/2018.

The operation of overview and scrutiny

The Council re-appointed Councillor Chris Lewis as the Overview and Scrutiny Co-ordinator in May 2017. He is supported by Councillors Barnby, Bent, Darling (S) and Stocks as Overview and Scrutiny Lead Members.

The membership of the Overview and Scrutiny Board over the course of the year has comprised Councillors Barnby, Bye, Bent, Darling (S), Lewis (C), Sykes, Stockman, Stocks, Tolchard and Tyerman.

Focusing on the issues which matter

The Overview and Scrutiny Board has continued to undertake its healthy scrutiny duty and has maintained oversight of the implementation of the Sustainability and Transformation Plan for Devon. This has included receiving updates on the ongoing review of acute

services, the development of the accountable care system and the establishment of a Local Care Partnership for Torbay and South Devon.

With the impact of the Government's austerity measures, the Board has continued to receive regular reports on the Council's revenue and capital budgets and has been monitoring the implementation of the Children's Services Medium Term Financial Strategy.

The Council's Transformation Programme is ensuring that that efficiencies, income and savings are maximised whilst maintaining services and creating resilience. The Board has provided assurance within this Programme through reviewing the proposals in relation to library services, public toilets and CCTV.

Equal importance placed on policy development

The Board provided feedback during the development of a number of policies over the course of the year, including:

- Children and Young People Plan
- Domestic Abuse and Sexual Violence Strategy
- Heart of the South West Productivity Strategy
- Annual Agreement between Torbay Council, the Clinical Commissioning Group and the Torbay and South Devon NHS Foundation Trust.

Complementing the work of the executive

The Overview and Scrutiny Board continue to seek to complement the work of the Mayor and his executive. It regularly reviews the Forward Plan in order to identify issues which it would wish to consider ahead of final decisions being made.

The Board has paid particular attention to ensuring that the momentum of the Town Centre Regeneration Programme is maintained in order that the community can enjoy the benefits of revitalised town centres.

Members of the Board and other non-executive members have received briefings on the work that is continuing on reducing street homelessness in Torbay.

The Overview and Scrutiny Board held a series of meetings to discuss the Mayor's proposals for the budget for 2018/2019.

Shaping policy decisions at an early stage

The Board established a task-and-finish group at the start of the year to provide guidance on the issues which should be included in the Council's Economic Strategy. The report from the group was provided to the Mayor as part of his consultation process. The Board subsequently reviewed the final draft of the Strategy ahead of consideration by the Council.

Arising from this, the Board considered challenges facing coastal communities and supported the proposal to create and pilot a Coastal Enterprise Zone in Torbay. This work is now being progressed through the Heart of the South West Joint Committee.

Call-ins

The call-in process is one of the mechanisms which can be used to hold the Mayor to account.

The purpose of call-in is to examine the decisions reached by the Mayor (or other decision maker) and the reasoning behind those decisions. The process enables further public debate to be held on the subject. The Overview and Scrutiny Board can then consider whether the decision was appropriate and make recommendations accordingly.

Over the course of the year, the Overview and Scrutiny Board have considered two call-ins.

Operation of Overview and Scrutiny

Two Monitoring Working Parties for Children's Services and Adults and Public Health continue to meet as does the Liaison Group for the Joint Operations Team.

Feedback from the Monitoring Working Parties and the Liaison Group is provided at the Overview and Scrutiny Briefings. The Overview and Scrutiny Board will continue to meet on a monthly basis. By having earlier discussions, the annual review of the Mayor's budget proposals is now more focused and, as a result, takes place with fewer meetings.

Task-and-Finish Groups continue to be established to review specific issues with formal reports and recommendations being agreed by the Overview and Scrutiny Board.

The structure of the Council's overview and scrutiny function is shown at the end of this document.

Future Work Programme

The Board will continue to set its Work Programme with the Forward Plan being the key tool for managing the decision making process. In focusing on the issues that matter, the Board will take an active role in ensuring that the Council's Transformation Programme is delivered. The Board will continue to respond to the Mayor's consultations on his proposals for the Policy Framework.

The Council continues to be in a financially challenging position and the Board will maintain its focus on ensuring that prioritised action continues at pace to deliver the changes that are needed to be made. In accordance with the Principles of Overview and Scrutiny, the Board will seek to involve all members in forthcoming issues from an early stage and to complement the work of the executive. It hopes that the Mayor and Executive will abide by these Principles as well.

The formal Work Programme will be agreed by the Overview and Scrutiny Board at its meeting in May 2018 although it will continue to have the flexibility to react to issues as they arise, including holding the Mayor and Executive to account for their decisions and performance.

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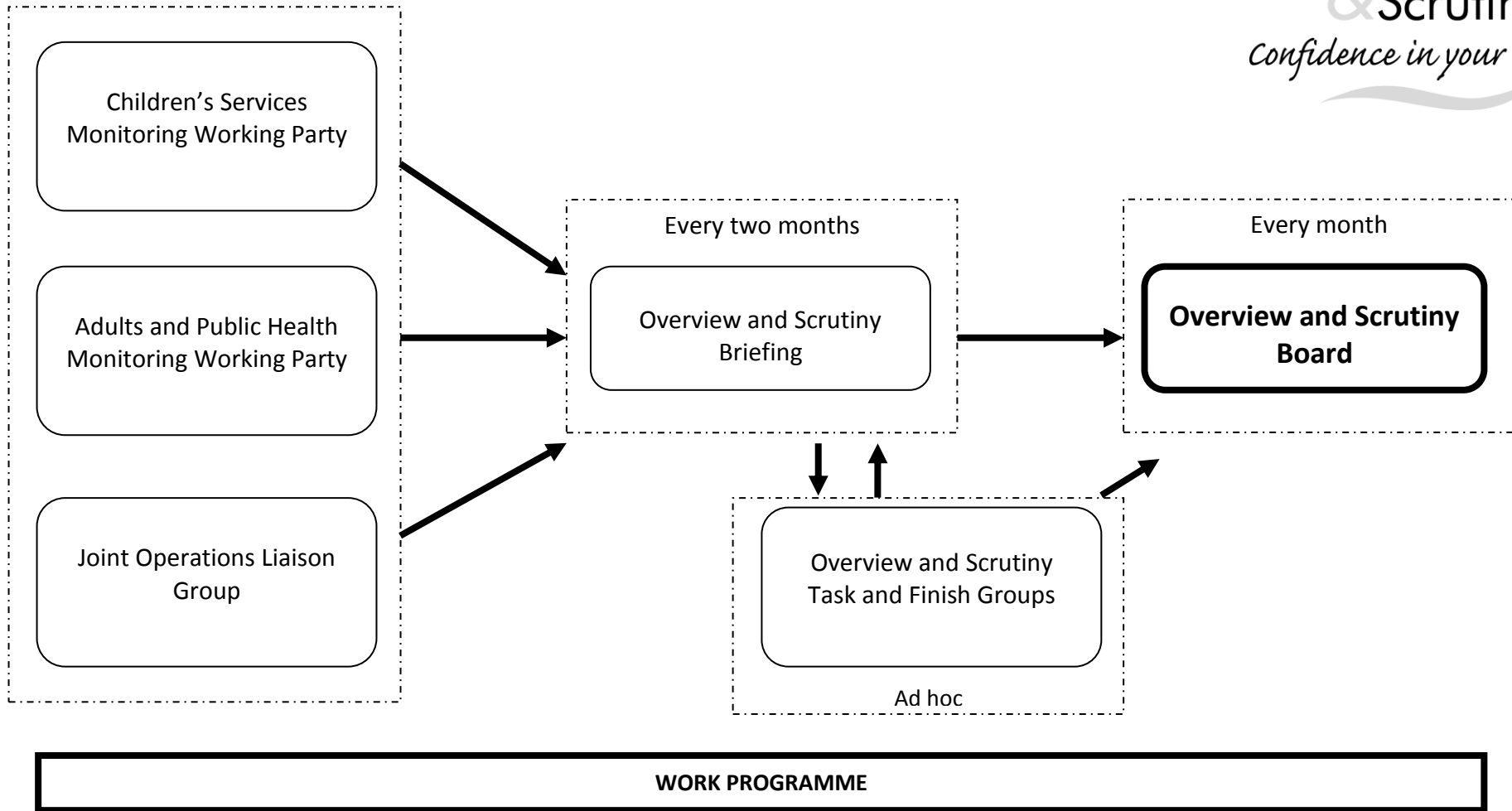
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Operation of Overview and Scrutiny in Torbay



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Review of Priorities and Resources

