

Monday, 5 February 2024

CABINET

A meeting of **Cabinet** will be held on

Tuesday, 13 February 2024

commencing at **5.30 pm**

The meeting will be held in the The Banking Hall, Town Hall, Castle Circus, Torquay (The Banking Hall is on the Castle Circus entrance on the left hand corner of the Town Hall.)

Members of the Committee

Councillor David Thomas (Chairman)

Councillor Billings

Councillor Jacqueline Thomas

Councillor Bye

Councillor Tranter

Councillor Chris Lewis

Councillor Tyerman

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Governance Support, Town Hall, Castle Circus, Torquay, TQ1 3DR

Email: governance.support@torbay.gov.uk - www.torbay.gov.uk

CABINET AGENDA

1. Apologies

To receive apologies for absence.

2. Disclosure of Interests

- (a) To receive declarations of non pecuniary interests in respect of items on this agenda.

For reference: Having declared their non pecuniary interest members may remain in the meeting and speak and, vote on the matter in question. A completed disclosure of interests form should be returned to the Clerk before the conclusion of the meeting.

- (b) To receive declarations of disclosable pecuniary interests in respect of items on this agenda.

For reference: Where a Member has a disclosable pecuniary interest he/she must leave the meeting during consideration of the item. However, the Member may remain in the meeting to make representations, answer questions or give evidence if the public have a right to do so, but having done so the Member must then immediately leave the meeting, may not vote and must not improperly seek to influence the outcome of the matter. A completed disclosure of interests form should be returned to the Clerk before the conclusion of the meeting.

(Please Note: If Members and Officers wish to seek advice on any potential interests they may have, they should contact Governance Support or Legal Services prior to the meeting.)

3. Urgent Items

To consider any other items the Chairman decides are urgent.

4. Matters for Consideration

5. Redevelopment of St. Kilda's, Brixham

(Pages 4 - 32)

To consider a report that seeks approval for the inclusion of the scheme into the Council's Capital Programme and to uplift the budget.

6. Award of Contract for Subsidised Bus Services

(Pages 33 - 76)

To consider a report on the above.

7. Revenue and Capital Budget 2024/2025

(To Follow)

To receive the recommendations of the Overview and Scrutiny Board on the Cabinet's draft budget proposals for 2024/2025 and to make final recommendations to the Council.

8. Developing a Resilient Future for Torquay Pavilion

(Pages 77 - 87)

To consider a report that presents a way forward for the restoration of Torquay's Pavilion.

9. **Leonard Stocks Acquisition** (Pages 88 - 103)
To consider a report that seeks approval to acquire the Leonard Stocks Homeless Hostel building and applicable packages of land, and to assume the grant liability attached to the site which is held with Homes England.
10. **Request for Delegated Authority to Award Procured Contract - Automatic Number Plate Recognition (ANPR) System for Fleet Walk Car Park** (Pages 104 - 111)
To consider a report that seeks to delegate authority to the Director of Pride in Place to award a contract for an automatic number plate recognition system for Fleet Walk Car Park.
11. **Draft Community and Corporate Plan** (To Follow)
To consider a report that seeks approval of the draft Community and Corporate Plan.
12. **Torbay Council Annual Pay Policy Statement and Review of Pensions Discretions** (Pages 112 - 136)
To consider a report on the Annual Pay Policy Statement and Review of Pensions Discretions.
13. **Budget Monitoring 2023/24 - April to December 2023 Revenue and Capital Outturn Forecast** (Pages 137 - 150)
To consider a report which provides a high-level budget summary of the Council's revenue and capital position for the financial year 2023/24.
14. **Notice of Motion - Vision Rehabilitation Services** (Page 151)
To consider the attached motion, notice of which has been given in accordance with Standing Order A14 by the members indicated.

Live Streaming and Hybrid Arrangements

To encourage more people to engage in our public meetings the Council is live streaming our Cabinet meetings on our YouTube channel in addition to recording the meetings and publishing the recording on our website. To watch the meeting live please visit <https://www.youtube.com/user/torbaycouncil>.

We are also using hybrid meeting arrangements to enable officers and Councillors who are not members of the Cabinet to either attend the meeting in person or to attend the meeting remotely via Zoom. Anyone attending the meeting remotely must use their raise hand function when they wish to speak and to declare any interests at the appropriate time. If anyone attending the meeting remotely loses connection the meeting will continue and they will have the option to follow the meeting via the YouTube live stream.

Meeting: Cabinet and Council **Date:** 13 February 2024 and 22 February 2024

Wards affected: St. Mary's with St. Peters; Furzeham with Summercombe

Report Title: Redevelopment of St. Kilda's, Brixham

When does the decision need to be implemented? 23 February 2024

Cabinet Member Contact Details: Cllr Alan Tyerman, Cabinet Member for Housing, Finance and Corporate Services, alan.tyerman@torbay.gov.uk

Director Contact Details: Alan Denby, Director of Pride in Place, alan.denby@torbay.gov.uk

1 Purpose of Report

- 1.1 The site known as St. Kilda's is a former care home that has been identified for redevelopment for some time. Plans for its regeneration were worked up by Torbay Development Agency (TDA) and Tor Vista Homes (TVH), which proposed the demolition of existing structures and the construction of 23 no. flats, specifically for clients aged 55+, all for social rent. The scheme includes areas of communal space, lifts, and parking in a landscaped setting, within a wider attractive residential area.
- 1.2 Following the decision to close down TDA and TVH, the scheme will now be delivered directly by Torbay Council who will contract with a construction partner to build out the scheme. There is a need to seek a series of approvals to proceed with the scheme, which are the subject of this paper. Chief amongst these is approval to bring the scheme into the Council's Capital Programme, and approval to uplift the budget (with funding strategy) accordingly.
- 1.3 A detailed business case has been developed for the scheme, which is attached to this paper at Exempt Appendix 1. The Business Case examines the key financial, technical and procurement considerations for the project, which contains extensive commercially sensitive information. Whilst there is a general desire to publish as much information as possible, this is difficult where such disclosure could unintentionally affect either the Council's interests of securing commercially advantageous terms, or where it may prejudice a contractor's/ supplier's ability to commercially operate on this or any other scheme elsewhere. The balance of interest is therefore that the Business Case must not be publicly disclosed and must remain Exempt information.
- 1.4 The remainder of this paper sets out the rationale for the proposed investment at St. Kilda's, to enable the Council to come to a view about the suitability of proceeding with the scheme. Should it support the proposal as set out here (and in the exempt appendix), the next stage would be to enter contracts with the identified supplier to deliver much-needed homes for local households.

2 Reason for Proposal and its benefits

- 2.1 The Council has taken the linked decisions to dissolve both TDA and TVH. However, it has been clear in that the commitment to deliver the Regeneration projects remains, and therefore there is a need

to secure the necessary governance approvals for the Council to now undertake this delivery project directly, which would have previously been progressed by TVH.

- 2.2 The Council has committed to delivering homes that meet the priority need of specific often-disenfranchised groups within our communities that both struggle to access suitable accommodation and have a disproportionate effect on both Council revenue outlay and capital expenditure. In respect of providing homes specifically for older people, this may typically be for two reasons: 1) because older people may need to move to a good quality, safe, warm and easily accessible home to enable them to live independently for as long as possible (and reduce likelihood of needing to move to a residential care facility etc.); and b) in circumstances where older people are 'under-occupying' larger accommodation, it means the existing housing stock is not supporting families that may have a considerable need for such a property which therefore often results in a high cost for the Authority in terms of securing temporary or emergency accommodation in the event of homelessness.
- 2.3 As such, development of St. Kilda's is a key priority for the Council – it will help older people live independently in our communities for the long-term, in a home that is genuinely suitable to meet their needs. It will also offer an opportunity for single people or couples, currently occupying larger family-sized social housing, to downsize into something more appropriate and manageable. This means the vacated home can be refurbished and re-let to a household with children that needs a suitably sized property.
- 2.4 Delivering homes for older people can therefore benefit the council on two fronts: it can help community sustainability by providing good quality homes for people that genuinely need them and help reduce/avoid the need for otherwise costly revenue expenditure on residential care housing solutions or placing families with children in temporary accommodation.

3 Recommendation(s) / Proposed Decision

That Council be recommended to:

1. Approve the inclusion of the St. Kilda's scheme (demolition of the site and development of 23 no. new age-restricted flats for social housing) within Torbay Council's Capital Programme.
2. Uplift the capital programme by £434,356 to facilitate the demolition and clearance of the site as set out in Exempt Appendix 1 for the 'Stage 1' works.
3. Uplift the capital programme by a further £5,248,808 to fund the development of the scheme as set out in **Exempt Appendix 1**, and delegate authority to the Director of Finance, in consultation with the Cabinet Member for Housing and Finance, to agree suitable and robust business plan parameters for the successful operation of the scheme.

That subject to 1 to 3 above the Cabinet:

4. In accordance with Financial Regulations, the Director of Finance be instructed to bid for (and accept) any applicable affordable housing grant from Homes England to support the scheme, subject to securing at least the Minimum Grant Level as set out in **Exempt Appendix 1** for the scheme to proceed.
5. Delegate authority to the Director of Pride in Place to award a suitable contract for construction to **Bidder A for the Total Contract Sum(s)** identified in **Exempt Appendix 1** (including any Stage 1 contract for demolition/site clearance and Stage 2 contract for main works, as necessary), along

with all necessary external support services required for successful delivery of the scheme following completion of successful procurement exercises (and associated due diligence). Subject to any Stage 2 contract/contract for main Works not to be signed until Homes England have confirmed that the Minimum Grant Level set out in Exempt Appendix 1 has been secured, and a Grant Agreement signed accordingly.

6. Delegate authority to the Director of Pride in Place, in consultation with the Head of Legal Services, to enter a Building License with TorVista Homes, to enable demolition to take place prior to formal transfer of the asset back to the Council (if necessary).
7. Authorise the Director of Pride in Place to enable all management provisions required for successful operation of the scheme, in accordance with the planning consent and requirements of the Regulator or Social Housing.

Appendices

Exempt Appendix 1: Full Business Case – St. Kilda’s

Background Documents

Future Structure and Operation of Tor Vista Homes Cabinet Paper – 05 December 2023

(available here:

<https://www.torbay.gov.uk/DemocraticServices/documents/s143519/TorVista%20Draft%20Dec%202023%20v3.pdf>)

Supporting Information

1 Introduction

- 1.1 Following the Cabinet and Council decisions of 19 and 20 September 2023, and 5 and 7 December 2023, TDA and TVH will be dissolved with a target date of 31 March 2024. As a result, all relevant operations, budgets, assets, and responsibilities will transfer to Torbay Council for direct delivery and operation. A consultation in relation to TUPE of posts is currently also underway for affected staff where a potential transfer into the Council has been identified.
- 1.2 A key objective of dissolving the companies is to improve the efficiency and deliverability of key capital projects and drive forward a growth agenda to generate positive outcomes for the community in Torbay. Officers are confident that this can be achieved, and plans are being worked up in respect of each key project, to facilitate their delivery in accordance with the new operating model, with the Council leading the charge.
- 1.3 One such project is the delivery of the existing social housing development commitments. There are three projects currently identified for delivery, the first of which is the redevelopment of St. Kilda's in Brixham. St. Kilda's is a former 1970s care home, which has lain vacant for some time. Planning consent has been issued for its demolition and redevelopment, which will see the construction of 23 no. new flats for people aged 55+, all for social rent. The scheme involves severing a link corridor between the former care home and the adjacent Grade II Listed Building, which has long-term potential for disposal, or for consideration to be given to bringing it back into use for residential purposes. The new housing scheme will be built on a similar footprint to the former care home, but will enable modern, high specification living in a purpose-built, sustainable location. A key driver of the scheme has been to use it to attract households that are under-occupying social housing elsewhere in Brixham to downsize, freeing up a property that could otherwise be allocated to a family in need.
- 1.4 Officers have developed a business case for St. Kilda's, based on the planning approved scheme, but amending this to be a now Council-delivered project. The business case includes a comprehensive appraisal of all key scheme elements, and considers the long-term financial implications for the Authority, in respect of its borrowing and the need for Homes England grant support.
- 1.5 A copy of the business case is provided at **Exempt Appendix 1**, which members will note provides a full and detailed appraisal of:
- scheme costs;
 - income;
 - management provisions;
 - the procurement strategy deployed; and,
 - the long-term financial model.
- 1.6 As with all projects of this type, there is a need to seek over-arching approval, along with specific delegations to resolve key matters to facilitate delivery. These are set out within this paper, and where necessary for commercial sensitivity reasons, explained in detail within the Exempt Appendix. The recommendations include formal approval to both bring the project into Torbay Council's capital programme and uplift it to enable the scheme to take place (and to enter into contract with Bidder A as set out). It is worth noting that in the revised business case attached at Exempt Appendix 1, the demolition and clearance of the site has had to be separated out from the main construction element of the scheme, but both are included for formal approval in this paper.

- 1.7 The ambition is to get St. Kilda's into contract quickly, closely followed by a large Extra Care scheme at Torre Marine. Further delivery may be undertaken at the 'Crossways' site, subject to viability. In terms of any longer-term ambitions, the Cabinet meeting of 05 December endorsed an action to consider an affordable housing delivery strategy, which will cover both direct and indirect housing delivery. This process is underway and as such, greater clarity on the extent of Torbay's direct delivery ambition will be developed in the coming weeks.

2 Options under consideration

- 2.1 Exempt Appendix 1 outlines the detail of the options available to the Authority. A desensitised summary is provided below:
- 1) **Do not proceed** – cease all work, and either mothball the site or dispose on the open market;
 - 2) Adopt **Financial Model A**, and:
 - a) Award a contract to **Bidder A** (subject to completion of necessary due diligence); or,
 - b) Re-tender for an alternative form of procurement;
 - 3) Adopt the **Financial Model B**, and:
 - a) Award a contract to **Bidder A** (subject to completion of necessary due diligence); or,
 - b) Re-tender for an alternative form of procurement.
- 2.2 Option 1 would not represent good value for money. It would also not generate the much-needed housing for older people that are the chief ambition of the project. It cannot be recommended as a way forward.
- 2.3 Option 2 was originally expected to be the way forward as it matched the other financial investments undertaken by the Council. However, this financing method cannot be made viable without a considerable input of additional subsidy which also does not offer good value for money. As such, the recommendation is to proceed with Option 3, as this offers a simple and financially advantageous way of delivering the scheme in terms of considering long-term costs and incomes.
- 2.4 In respect of the sub-options, there is a clear rationale for proceeding with the procurement strategy that has been developed with Commercial Services. Bidder A has agreed to hold their current price until Cabinet/Council have had the appropriate opportunity to scrutinise the proposal. Additionally, the Head of Commercial Services has supported the identification of an appropriate procurement strategy to proceed in accordance with Torbay Council's Contract Procedure Rules (having identified a suitable framework that can be used for this purpose). Furthermore, the Council is also able to source the necessary external professional services required from the same framework provider, meaning there is a simple contracting route for delivery of the scheme.
- 2.5 Whilst it is recognised that the original procurement was undertaken some time ago, prices have increased significantly in recent months and there is not a realistic expectation that a lower cost quote (on a like-for-like basis in terms of contracting methodology) could be secured at present. Re-tendering is expensive (in terms of physical cost and officer time) and would incur a programme delay; whereas proceeding to contract as set out enables a contract to be awarded imminently and the scheme to progress to deliver much needed housing for local households.
- 2.6 As a result, and on balance, Option 3a is the recommended route for delivery.

3 Financial Opportunities and Implications

- 3.1 Exempt Appendix 1 provides a comprehensive assessment of all scheme finances, including a detailed appraisal of scheme costs, income management provisions, subsidy allowances, project

cashflow and interest rates on debt financing. It also provides a comprehensive assessment of the options available to the Council in respect of the financial model that could be applied to the long-term scheme financing. This paper was presented to the Capital & Growth Board on 18 January 2024 and updated subsequently to take account of additional information that is relevant to the scheme. Capital & Growth Board does not have any decision or budget setting powers; however, it is a key part of the technical assurance required to validate proposed projects and provides an opportunity for robust technical assessment against critical KPIs and industry benchmarks etc.

- 3.2 The recommendation is to proceed to contract with Bidder A, for the Stage 1 and Stage 2 Total Contract Sums as set out. These figures have been sourced via a legitimate procurement exercise, through a recognised and robust procurement framework (SWPA Lot NH3). In reaching the Total Contract Sums it should be noted that a higher contract figure was originally proposed by Bidder A; however, they highlighted in their submission that a cost saving could be generated through a Value Engineering (VE) exercise. Although a range of savings were suggested, TDA/TVH selected a change to the roofing materials palette, to move from the original standing seam zinc roof to a more traditional (and less expensive) clay tile solution. The Stage 2 Total Contract Sum set out in Exempt Appendix 1 is therefore the original price, less the VE sum.
- 3.3 Members will note the comments on form of contract in the exempt appendix. The form proposed is a relatively low risk solution to getting the scheme built out efficiently, with the contractor taking principal responsibility for risk items. The price will be fixed in the contract, with suitable legal protections to ensure the Council's investment is as protected as it can be. Regardless of how much work is put in upfront by the Council and Bidder A, there is always a chance that things might not go to plan, and additional expenditure might be required to offset any hidden or unexpected costs. It's impossible to entirely design-out this risk; however, the form of contract proposed does mean that risk is minimised with benchmarked 'provisional sums' and contingencies for the small number of cost elements that are currently unknown, as well as industry standard clauses in the contract to place the balance of risk on Bidder A to sort problems if they arise. To provide a further mitigation, the SRO has built in a small additional client risk pot into the cost plan (1.5% of Stage 2 Total Contract Sum), to provide a further financial buffer.
- 3.4 Added to the construction cost, the appraisal makes allowances for the full suite of professional fees required to deliver the project (including what's been spent to date, and what's required still to achieve project completion), a capitalisation figure to fund officers' time associated with delivery, and all other associated matters. The figures quoted in Exempt Appendix 1 are therefore 'all-in' costs to deliver the project, with the overall budget figures as set out in Recommendations 2 & 3.
- 3.5 In respect of scheme incomes, a Red Book compliant social rent valuation has been provided by a local agency, which has established the rents for both the 1- and 2-bedroom flats. A notional 2% uplift has been applied to the rent calculation to account for inflation between the date of the valuation and the expected date of occupation, being late 2025/early 2026. From the Gross Rent, allocations have been made to cover the normal management costs associated with the scheme, including allowances for:
- Management costs
 - Responsive maintenance costs
 - Void & Bad Debt
 - Major Repairs
- 3.6 A suitable interest rate to be applied to debt financing (i.e. borrowing) has been agreed with the S.151 Officer, and the scheme has been cashflowed in detail to ensure that the scheme reflects both current market conditions and the contractor's programme. Long-term inflation has also been applied to rents, based on conservative estimates.

- 3.7 The scheme has already received grant funding from the government's Brownfield Land Remediation Fund to part-fund the cost associated with demolition and site remediation. The application for this site was made to government on the basis that it would deliver 23 homes for older people, and the investment made by government on the merits this generates. As this relates to the Stage 1 works (in combination with the additional top-up funding required), this is not now part of the main scheme appraisal, but is noted here for completeness.
- 3.8 In addition to the Brownfield Land Remediation Fund grant, as a 100% social housing scheme delivered by the Local Authority, it is also eligible for funding from Homes England to support delivery of the scheme for a non-market housing product. Discussions with Homes England are underway, and the business case assumes a level of grant funding can be secured, which reflects both the viability of the scheme, as well as benchmark grant rates that are likely achievable for the type of scheme proposed. Despite positive feedback on the proposal and the Minimum Grant Level proposed, it is impossible for Homes England representatives to guarantee any grant at all until the formal bid has been submitted and a technical financial assessment has been undertaken in line with their Capital Funding Guide, and other comparable schemes.
- 3.9 In December 2023, Cabinet and Council endorsed a recommendation for the Head of Strategic Housing & Delivery to seek Investment Partner status with Homes England specifically to enable grant to be secured. This process is underway, and the application and the scheme bid will be submitted as soon as it is possible to do so. The reality is that it will take Homes England some time to undertake the assessments they need and provide confirmation of grant support and agree a form of contract with Torbay Council for the use and protection of any grant funding. As a result, the recommendation in this paper is specific that the main construction contract will not be signed unless and until we have confirmation that the Minimum Grant Level required to make the scheme viable has been secured. This is good practice to ensure there is no un-funded contractual situation; it does however, mean that start on site programme cannot be guaranteed until grant confirmation has been provided. As such, there is potential for unavoidable slippage whilst Homes England carry out their assessment and due diligence of the application, but officers will do everything possible to keep this to a minimum and support Homes England colleagues' with their assessment to provide a positive outcome.
- 3.10 This scheme may involve the Council undertaking prudential borrowing to fund the scheme. Torbay Council does not currently have a Housing Revenue Account (HRA). HRAs are ring-fenced accounts solely for the purposes of providing and managing social housing stock; they have the benefit of taking a Council's cost associated with building new homes off the 'General Fund', as operational and new growth costs are met by the income, receipts and borrowing that can be supported from net rents. They also attract a discounted rate of borrowing from the Public Works Loan Board.
- 3.11 Historically, Local Authorities were only able to build and hold stock within an HRA. The rules have recently been amended however, to encourage Local Authorities to start building homes again. There is currently an ability for the Council to build and retain a maximum of 199 homes, before it becomes necessary to re-open an HRA. Such homes are held within the General Fund and financed in the normal way as part of an existing Treasury Management Strategy.
- 3.12 There are two options available to the Council in respect of the financial model that it can adopt to deliver the scheme, and these are set out in Exempt Appendix 1 and the section above. The original expectation prior to December 2023 was that the scheme would be funded on an annuity basis, in accordance with Financial Model A in Exempt Appendix 1. Following rigorous sensitivity testing, officers have concluded that this would not be viable for the authority as it required an additional internal grant subsidy of approximately £450,000, over and above the Council's existing

financial commitments to the scheme. It would also require an inflated level of Homes England grant, which would be a risk.

- 3.13 As a result, officers have concluded that the option that provides the best value for money for the Council is an 'overdraft' approach, as described in Financial Model B. This has the benefit that loan repayments (in respect of the capital borrowing) always match the net income in any given year – as such there is no 'gap' for the Council to bridge in its business plan.

4 Legal Implications

- 4.1 The Council would be entering into contract with Bidder A, using an industry standard form of contract, known as a 'JCT Design & Build'. This is a well-established contracting route, that clearly sets the responsibilities for both employer and contractor, with notice obligations and dispute resolution mechanisms (should these be necessary). The Council would also be entering into contract with a specialist firm of external advisors to provide Employer's Agent, Principal Designer and Clerk of Works services, utilising an appropriate form of contract.
- 4.2 The Council has already accepted grant funding from DLUHC specifically to enable the redevelopment of this site. Non-delivery, or delivery in a form that is not supported may trigger a repayment event, which should be avoided.
- 4.3 As set out, the scheme is dependent upon securing Homes England grant funding. Such grant is bound by strict rules on the use, applicability, and recovery in the event of a breach of terms. The Council will also be subject to mandatory yearly audit (in years where a grant claim is made).
- 4.2 Should the Council proceed with this project, it should be cognisant of the obligations on social housing landlords, imposed by the Regulator of Social Housing. For providers that own fewer than 1,000 homes (which includes Torbay Council), the obligation is less significant than larger organisations; however, there is still a requirement to provide good quality homes that are safe and well managed, where tenants are empowered and supported. A key consideration in this regard is therefore accepting that there will be an ongoing mandatory obligation on the Council – for as long as it is landlord of these properties – to ensure that there is a suitable regime of compliance testing and works undertaken to protect tenants and ensure their homes are safe to live in. Penalties for non-compliance with minimum standards are severe and so a suitable management regime will be required throughout the life of the Council's ownership and direct management of the homes.

5 Engagement and Consultation

- 5.1 The main element of engagement has been undertaken through the planning process, where local residents, neighbours and other affected stakeholders were given an opportunity to comment and provide feedback on the proposals.
- 5.2 Once contracts have been signed for the main works, the Contractor will be required to undertake an engagement exercise with nearby and affected residents, to update them on the build programme, and provide a point of contact in the event any issues arise during the construction period.
- 5.3 The Ward Councillors will also be given a full briefing on the scheme, prior to construction work commencing.

6 Purchasing or Hiring of Goods and/or Services

- 6.1 A contractor had been identified by TorVista Homes following a procurement process, but to date a contract has not been entered into. It is the intention to appoint this contractor to deliver the scheme for the Council; however progressing the award process commenced by TorVista Homes is not an option. An alternative, compliant route to appointing the contractor (Bidder A) has been identified with the support and advice of the Council's procurement team

7 Tackling Climate Change

- 7.1 The scheme involves the demolition of a poor quality, 1970s former care home. It will be replaced by 23 new, high specification and well-built flats, designed to meet a local housing need. The homes will secure an EPC rating of B as a minimum, helping to ensure that both the carbon footprint and the cost of living in the home, is low. Building homes to this standard is important for Torbay as it moves towards net zero carbon over time; particularly as a home typically is the single largest contributor to a household's carbon footprint. Improving the thermal performance of a new home therefore helps to reduce the environmental impact, and makes a positive (albeit, small) contribution to improving the quality of the housing stock in the Bay.
- 7.2 Homes are designed with a 'fabric first' approach, and will use sustainable electric heating, linked with individual solar arrays, which will offset each household's energy use.

8 Associated Risks

- 8.1 A selection of key commercial risks are highlighted throughout Exempt Appendix 1. These principally relate to the following key themes:
- Commercial risk associated with entering into a build contract in the current market;
 - Commercial and financial risk associated with borrowing capital to invest in residential development
 - Specific site risks associated with the existing structures
 - The obligations on us as a landlord
 - Risks associated with the treasury management approach selected.
- 8.2 The development of housing, and associated borrowing to fund such development, always generates a measure of risk. The mark of a successful project, however, is identifying risks, and doing as much as is both reasonable and possible to mitigate those risks in advance.
- 8.3 Officers are confident that development risks have been mitigated as far as is practical. Full planning consent has been secured, and subject to a minor variation that is in train, we can be assured that we have a well-designed scheme that will meet local need priorities. It is impossible to cover off all risk against contractor insolvency, and there have been some high-profile contractor/supplier failures in the market of late; that said, the due diligence undertaken in respect of the credit checks etc., undertaken on Bidder A do not raise any matters for alarm. Further, the project includes a 5% bond which includes insolvency cover, and work is underway to understand if this can be increased to 10%.
- 8.4 Whilst Option 2a would match the Council's existing investment strategy, this unfortunately cannot be made to work viably on this social housing scheme without a considerable injection of additional subsidy. The only realistic way forward in this case is therefore to proceed on the basis of Option 3a, which has been endorsed by the S.151 Officer, in light of our current position.

- 8.5 It is impossible to confirm whether grant will be forthcoming, as this depends on the bid that is made, at the time that it is made. Officers are confident that there is general support, and Homes England are likely to back the scheme at officer level; we cannot, however, offer any assurance on the level of grant funding that can be secured, until after Homes England have received our bid. This is not uncommon, and the model assumes a grant figure, which officers are confident has the ability to be approved.
- 8.6 It is considered that the biggest single risk for the scheme, is leaving the existing building standing for longer than is absolutely necessary. It is never desirable to have a large, empty building in our ownership, and we are aware that there have been break-ins/trespassing in recent weeks. The simple mitigation for this is to get on and demolish the building as quickly as possible – and in advance of the main construction contract if necessary. This is the approach being taken in this instance, to limit exposure to risk of harm by neighbours, or indeed, trespassers. It should be noted, however, that demolition cannot currently take place until a) the Council has control back of the site, and b) the necessary planning conditions have been discharged in respect of habitats and ecology by the Local Planning Authority and Natural England, is a risk to programme in itself.

9 Equality Impacts - Identify the potential positive and negative impacts on specific groups

	Positive Impact	Negative Impact & Mitigating Actions	Neutral Impact
Older or younger people	Homes have been designed specifically for older people and will therefore make a positive contribution to meeting the needs of this often disenfranchised element of our population.	With a restriction of 55+ in place, the downside is that younger people/families will not typically have access to this stock; however, other opportunities will be brought forward for this cohort, over time, and as part of wider efforts to increase supply.	
People with caring Responsibilities	Such people may find that those they care for are able to secure one of the new homes, meaning that they will have a safe, warm, well-designed home, which should make caring responsibilities simpler. With some homes being 2-bed, there may be opportunities for live-in/visiting carers to support people on a 1-2-1 basis, allowing a greater		

	level of independence for a longer period.		
People with a disability	Homes have been designed to M(4)(2) standard, and as such are accessible by households with limited mobility. The building includes lifts enabling access to all floors by those with limited mobility.	Homes are not specifically adapted, and therefore they may not be suitable for clients with very complex disabilities.	
Women or men			Homes will be accessible by households of any/all genders, subject to meeting age and other occupancy restrictions.
People who are black or from a minority ethnic background (BME) (Please note Gypsies / Roma are within this community)			Homes will be accessible by households from all backgrounds, subject to meeting age and other occupancy restrictions.
Religion or belief (including lack of belief)			Homes will be accessible by households with any/all religious beliefs, subject to meeting age and other occupancy restrictions.
People who are lesbian, gay or bisexual			Homes will be accessible by households of any sexuality, subject to meeting age and other occupancy restrictions.
People who are transgendered			Homes will be accessible by households of all genders, subject to meeting age and other occupancy restrictions.
People who are in a marriage or civil partnership			Homes will be accessible by households that are single, married/in a civil partnership, or co-habiting, subject to

			meeting age and other occupancy restrictions.
Women who are pregnant / on maternity leave		Bearing in mind the age-restricted nature of the scheme, the scheme is likely to exclude women that are pregnant/on maternity leave.	
Socio-economic impacts (Including impact on child poverty issues and deprivation)	This scheme is specifically designed for households that are older, that are eligible for social housing. As such, it will provide considerable positive benefits for those on lower incomes and may experience greater deprivation	As a social housing scheme, those on higher incomes (but that otherwise meet the age restrictions) would not be eligible and would be excluded from the market.	
Public Health impacts (How will your proposal impact on the general health of the population of Torbay)	A good quality home is the cornerstone of a healthy, sustainable community. New homes will provide warm accommodation and prevent excess heat/cold; damp and mould will be minimised because of modern building techniques; the ability for older people to secure a well-built home that they can live in independently is considered to be a positive benefit to health outcomes, too.		

10 Cumulative Council Impact

10.1 Not applicable

11 Cumulative Community Impacts

11.1 Not applicable

Document is Restricted

Meeting: Cabinet **Date:** 13 February 2024

Wards affected: All except Churston with Galmpton and Collaton St Mary

Report Title: Award of contract for subsidised bus services

When does the decision need to be implemented? 1st April 2024

Cabinet Member Contact Details: Cllr Adam Billings; Cabinet Member for Pride in Place, Culture & Events and Parking; adam.billings@torbay.gov.uk

Director Contact Details: Alan Denby; Director of Pride in Place; alan.denby@torbay.gov.uk

1. Purpose of Report

- 1.1 This report makes recommendation on the Bus Services which should be supported by the Council over the period April 2024 – March 2032 following the conclusion of a recent procurement exercise. The report confirms the work to date in considering the options and makes the recommendations on which services to support and associated budget requirements.
- 1.2 The current, temporary, contract for subsidised bus services across Torbay expires on 31st March 2024. A procurement exercise has been carried out for each of the currently supported bus services.
- 1.2 The outcome will be to provide a secure and stable bus network for residents and businesses of Torbay, as well as visitors to the area, that is accessible to all and increases the opportunities to travel, and choice of mode for how to travel.
- 1.3 This report makes a recommendation on the contract award for each service.

2. Reason for Proposal and its benefits

- 2.1 The proposals in this report help to deliver the ambitions of Torbay, its residents to thrive, turning the tide on poverty and tackling inequalities; where the community will have high access to education, employment and other facilities. The proposals also help play our part in reducing carbon emissions.
- 2.2 Running a procurement process for the continued financial support of the bus services allows those in the community who are reliant upon them to avoid becoming isolated, but a competitive procurement exercise with a longer-term contract commitment also supports the opportunity for investment in those services with longer operating times, better vehicles, and addressing other priorities.
- 2.3 Since March 2020, the bus network in Torbay and nationally has seen a significant reduction in passenger numbers. In Torbay this was a drop from 7.7m journeys in 2018/19 to 2.7m in 2020/21. There has been some recent recovery at 74%, up to 5.7m in 2023/24, which is a little below the recovery rate nationally (78%) but above the South West average (73%). Bus services have been supported by Government directly, and with grants to councils during this period.
- 2.4 To maintain accessibility for residents to key destinations and facilities, support the economy and to avoid members of the community becoming isolated, the Council has financially supported a total of 10 services since March 2020 and continues to do so with agreements in place until March 2024. Any further continuation of the funding needs to be considered through a full and appropriate procurement process, ensuring the Council can achieve best value for money. There is no indication that any of the services have returned to commercial viability and indeed many were at risk before March 2020.
- 2.5 Government published the National Bus Strategy in 2020 (Bus Back Better) setting out a goal “to get bus use back to what it was before the pandemic. Then we want to increase patronage and raise buses’ mode share. We can only do these things by ensuring that buses are an attractive alternative to the car for far more people.” To achieve this the investment and longer-term commitment is needed.
- 2.6 Alongside the millions of journeys made by bus each year in Torbay, it is important to recognise that over 23% of households in Torbay do not have access to a private vehicle, that almost 24% of residents have a disability that can affect their ability to travel, and the population above 65 years (those entitled to a concessionary bus pass) is well above the national average. All these factors contribute to the opportunity to have a successful, growing, and effective public transport network, but also highlight the importance of retaining and enhancing the service that is provided.
- 2.7 Based on the Equality Impact Assessment contained within this report, it is clear that the removal of subsidised bus routes is likely to lead to reduced access to key services and adverse social and financial implications for several protected characteristic groups. In the Torbay context, removal of all subsidised bus routes, could lead to social isolation for older

persons young and people with disabilities in particular. Women and girls are also likely to be negatively impacted if routes were suspended. Given that a large proportion of Torbay's population fall into one or more of these protected characteristic groups, the impact is likely to be felt by a large percentage of Torbay's population.

3. Recommendation(s) / Proposed Decision

1. That Cabinet include in their final budget proposals to Council an increase in the budget available by £70,000 per annum.
2. On that basis that (1) above is approved by Full Council, that the preferred supplier for each lot (1 to 9) be awarded a contract for the provision of bus services covered by those lots for a fixed term of 8 years beginning April 2024 (as set out at exempt appendix).
3. That the grant funding awarded to the Council for the Bus Service Improvement Plan is allocated to these contracts.

Appendices

Appendix 1: Exempt - Preferred Contractor and Tender Details

Background Documents

- National Bus Strategy
www.gov.uk/government/publications/bus-back-better
- Local Transport Plan
www.torbay.gov.uk/local-transport-plan
- Enhanced Bus Partnership and Bus Service Improvement Plan
www.torbay.gov.uk/bus-network-improvements

1. Introduction

- 1.1 Local transport authorities have a statutory duty to secure the provision of appropriate services to meet public transport requirements. In practice this means that where it is socially necessary to have a bus service, but the bus operators will not run a bus commercially, local authorities step in and subsidise a bus service or part of a bus service. Transport Act 1985, Section 63(1)(a), explains that local transport authorities must: "... secure the provision of such public passenger transport services as the council consider it appropriate to secure to meet any public transport requirements within the county which would not in their view be met apart from any action taken by them for that purpose." This principle applied to unitary authorities as Local Transport Authorities.
- 1.2 In order to support a decision about the continued funding of these services, an evidence report was commissioned to identify the need. It firstly identified that most passengers across all supported bus services throughout Torbay over a five-year period between 2016-2021 were concessionary travel card holders. The average percentage breakdown of concessionary passengers across all routes is 89%. This shows a high dependency on the services by the elderly and disabled persons within the community.
- 1.3 In part that domination can be explained by the service operation timings. Most of the routes operate between 9:30am and 4:00pm meaning that they are not well suited to supporting people to travel to work or schools and are there to serve the most socially necessary aspects. This means that there could be an additional market available to help grow the services if they were to operate extended hours of service.
- 1.4 The study analysed levels of accessibility to the three main town centres in Torbay: Torquay, Paignton and Brixham. It tested three scenarios based on current provision at the time, partial service withdrawal, and entire service withdrawal. The analysis demonstrated that Brixham would be most affected by both the 'Worst-case Scenario' and by the 'Intermediate Scenario' with Higher Brixham experiencing the biggest change in accessibility. Access to Paignton and Torquay town centres is largely unchanged in the 'Intermediate scenario' compared to the 'Base Scenario'.
- 1.5 Following on from this, a multi-criteria assessment (MCAF) of the current supported services in Torbay was developed to measure the need for them, taking account of cost to the Council, usage, accessibility and population affected by their withdrawal, with the value of each service ranked. This found that each service was necessary.
- 1.6 The MCAF found that Brixham town circular services 15 and 16 scored highest for overall value whilst services 61 (Livermead – St Lukes Road) and 65 (Torquay The Willows – Town Centre) scored lowest.

- 1.7 Since undertaking the study, although Torbay Council have not sought to fund direct replacements, some of the commercial services have been reduced either in frequency or routing.
- 1.8 The routes, generally, offer connections from the residential areas of Torbay into the Town Centres. That provides key links to facilities but also onward connections by other bus or rail services. Some also have specific connections to supermarkets and leisure facilities.
- 1.9 These services have been predominantly used by concessionary older and disabled persons, providing critical links to ensure accessibility for those communities served. The services have typically operated with minibuses that do not in every case have step free access and do not often support wheelchairs.
- 1.10 These accessibility points need to be addressed to ensure a fit for purpose and accessible to all bus network for those who need to rely on it and those who chose to travel by bus.

2. Options under consideration

- 2.1 There is a choice whether to support none, some, or all the existing supported services, and whether to seek to include a replacement to any lost service provision either with a like for like or new, alternative services.
- 2.2 The need has been highlighted for all the existing supported services.
- 2.3 Where parts of a route are altered or the frequency of the service is reduced, this will need further review.

3. Financial Opportunities and Implications

- 3.1 There is an existing base budget of £150,000 for bus subsidy provision. This can be supplemented with one off grant funds and developer contributions.
- 3.2 This level of funding is insufficient to cover the costs of each contract, assuming that there is no additional Government funding to sustain these services.
- 3.3 The tender responses only required year 1 costs to be provided but with an expectation of subsidy reduction throughout the contract. It is expected that the cost of services will be reduced over the contract period, especially after year 2 or 3, as typically bus services take around this time to establish themselves and for any marketing and new investments to attract additional users. By attracting new passengers the income from ticket sales will offset the need for subsidy with an overarching aim being to reestablish a commercial bus network by the end of the contract period.
- 3.4 In order to meet the costs of the contract through to Autumn 2028, an increase in the base budget of £70,000 (to £220,000) will be necessary as well as a commitment to support any underspends to be held in reserve for future years. The need to hold funding in reserve is because of needing to spend grant funding and developer contributions as a priority.

- 3.5 The contracts will continue beyond Autumn 2028 but with expected year on year cost reductions, and an opportunity to review services where targeted improvements are not generating expected passenger growth, it is considered appropriate to reconsider the budget during 2027/28 to determine ongoing support.
- 3.6 As noted above, a high number of concessionary pass holders rely on the use of the supported services. This means that these services are somewhat equally dependent on the income from the Council as reimbursement for those journeys that are free at the point of use for the passenger. The Council will be required to reimburse the operators for any concessionary travel journeys in addition to the subsidy payments.
- 3.7 Whilst concessionary reimbursement should not be used as a subsidy for services, it is critical in the overall financial case and our position on reimbursement will affect ongoing subsidy costs.
- 3.8 Recently Government has announced £403k for Torbay in each of this and next financial years for Bus Service Improvements. This funding is for existing and future growth of services, delivered through the Enhanced Partnership and focussed on the aims of the Bus Service Improvement Plan.
- 3.9 This funding is proposed to be used to offset additional budget costs for subsidised services for the first 2 years.
- 3.10 Another option is to invest in growth opportunities that will help to generate more passengers across the network and bring those supported services back to, or closer to, commercial viability. This could be fare offers, joint ticketing, or other further enhancing other existing services. There is also an opportunity to invest in infrastructure and vehicles, but this will be a small contribution towards those costs. The latest grant fund includes the following statement:

“The Authority may use the funding to target it on the actions that they – and local operators through their Enhanced Partnership (where relevant) – believe will deliver the best overall outcomes in growing long term patronage, revenues and thus maintaining service levels, whilst maintaining essential social and economic connectivity for local communities. In some places that may involve ensuring existing connections are maintained. Elsewhere it might be achieved through increasing the frequency on key corridors or the operating hours of some services whilst reducing others; or reducing fares or introducing new local concessions to open up new markets and revenue. The funding must be spent on bus measures.”

4. Legal Implications

- 4.1 Each of the services will have an 8-year contract in place, committing to deliver the service provision and enhancements set out in the tenders.
- 4.2 The contract length is appropriate to generate the investment and improvements to services that are needed to generate passenger growth and to recover and grow further the use of buses within Torbay.

- 4.3 The Council has a statutory duty to secure the provision of appropriate services to meet public transport requirements. In practice this is to address provision where it is socially necessary to have a bus service, but the bus operators will not run a bus commercially.

5. Engagement and Consultation

- 5.1 There was consultation carried in forming the Bus Service Improvement Plan, Bus Partnership, and specifically on-board existing supported services.
- 5.2 There has been no specific consultation or engagement on whether to award these contracts.

6. Purchasing or Hiring of Goods and/or Services

- 6.1 These contracts have been procured via an open tender process, in line with the Council's Financial Regulations and Contracts procedures for the estimated level of spend. As the estimated value of these contract is above the Regulated Procurement Threshold, the procurement process was also compliant with the Public Contract Regulations 2015. Social Value was included within the tender, with offers focusing on additional local employment.
- 6.2 The table below sets out the proposed contracts:

	Service Number	Service Route	Service Changes Proposed
Lot 1	15 and 16	Brixham Town Centre – Summercourt Way – South Bay Holiday Park – Higher Ranscombe Road	Service provision to include earlier and later journeys and removing a mid-day break. There is also the addition of a Sunday service. A low floor, low emission, vehicle will be used on this service.
Lot 2	17a	Brixham Town Centre – Furzeham – Wall Park Road – Halfway House	Service provision to align to the Monday-Saturday 17 route and offering more journeys throughout the day.
Lot 3	25	Morrisons – Paignton Town Centre – Paignton Harbour – Youngs Park	Service provision includes a change to the route to introduce new stops on Esplanade Road (not served since closure of Torbay Road), Marine Drive, and Manor Road, connecting those communities to Paignton Town Centre, Clennon Valley, and Morrisons. A low floor, low emission, vehicle will be used on this service.
Lot 4	60	Paignton Town Centre – Shorton – Preston – Ocombe Farm	Service provision includes removal of the current mid-day break and moving to a regular service pattern. A low floor, low emission, vehicle will be used on this service.
Lot 5	61	Torquay Town Centre – St Lukes Road – Livermead	Route extended to Ocombe Farm, providing a connection from Torquay Town Centre and Harbourside. Service provision is shortened to operate 09:30-15:15, instead of 09:15-17:06, this reduces the number of journeys from seven

			to five. This service operates for 3 days a week as existing. A low floor, low emission, vehicle will be used on this service.
Lot 6	62	Torquay Harbour/Strand – Cockington – Chelston – Parkhill Road	Service provision includes earlier and later journeys and operate both Saturday's and Sunday's. The route is extended to serve Drake Avenue, Sherwell Valley Road, and Sherwell Rise South in Chelston, providing links that don't currently exist. A brand-new low floor, low emission, vehicle will be used on this service. Note the service will no longer serve the rear of Cockington Court due to access restrictions. A low floor, low emission, vehicle will be used on this service.
Lot 7	64	Torquay Town Centre – Higher Lincombe Road – Middle Warberry Road – Lower Warberry Road	Service provision includes earlier and later journeys and removing a mid-day break. The service would also operate both Saturday's and Sunday's. A low floor, low emission, vehicle will be used on this service.
Lot 8	65	Torquay Town Centre – Babbacombe – St Marychurch – Hele – The Willows	Continuation of the existing service which operates 2 days a week. A low floor, low emission, vehicle will be used on this service.
Lot 9	108 and 109	Paignton Town Centre – Colley End Road – Great Parks – Foxhole	Service provision includes earlier and later journeys and removing a mid-day break. The service would also operate both Saturday's and Sunday's. A low floor, low emission, vehicle will be used on this service.

7. Tackling Climate Change

- 7.1 Bus services can help to address climate change, and specifically to reduce emissions, in two ways.
- 7.2 Supporting travel by bus, and other 'modal shifts', help to reduce carbon emissions, particularly those arising from the use of private vehicles often with single occupants. Transport is the second largest contributor to carbon emissions in Torbay and accounts for around a third. Whilst there are many aspects to this and lots of ways that need to come together to tackle it, supporting more people with a choice of how to travel, including by public transport, is one of those.
- 7.3 The other aspect is to reduce emissions from the buses, either with zero or low emission vehicles operating the routes. In this case the tender responses include commitments for reduced emission vehicles that will have a direct impact on tackling climate change across Torbay.
- 7.4 Not awarding the contracts or therefore operating the services, would have a negative consequence as journeys will return to private vehicles, which could cause an increase in emissions, and impact on traffic and parking capacity.

8. Associated Risks

- 8.1 If the contracts are not awarded, in February, the supported bus service network will cease (without alternative funding arrangements) after March 2024.
- 8.2 Without a full network, as considered within the evidence base, there is a risk of reduced accessibility and increased isolation within parts of the community, particularly amongst older and disabled persons.
- 8.3 There is a risk with the budget for future years, the calculations in years ahead are based on assumptions of inflation and passenger growth, alongside reimbursement rates for concessionary fares. There are a lot of factors that can change throughout the contract period and to mitigate the impacts, the contracts will be reviewed regularly both internally and with the contract providers.

9. Equality Impacts - Identify the potential positive and negative impacts on specific groups

Assessment Summary

Based on the below assessment, it is clear that the removal of all subsidised bus routes (Option 1) is likely to lead to reduced access to key services and adverse social and financial implications for several protected characteristic groups. In the Torbay context, removal of all subsidised bus routes, could lead to social isolation for older persons young and people with disabilities in particular. Women and girls are also likely to be negatively impacted if routes were suspended. Given that a large proportion of Torbay's population fall into one or more of these protected characteristic groups, the impact is likely to be felt by a large percentage of Torbay's population.

Whilst there is a lesser impact associated with Option 2, the removal of these services is likely to have an adverse impact on access to services, as well as social and financial impacts, if relied on by individuals with protected characteristics.

To understand these impacts further, analysis of the type of passenger regularly using or who is reliant on the subsidised services could be investigated. For example, understanding if a particular subsidised route is used by a large proportion of the elderly population, or pupils travelling to and from school, will help to understand the travel needs of these groups who would otherwise, if the services were discontinued, rely on private transport or transport funded by the Council. Similarly, if other groups who may not have access to a car, can no longer rely on the bus as an alternative mode of transport, this could have a social and financial implications for the individual, and could also impact Torbay's local economy.

With this in mind, it is therefore recommended that the savings associated with the removal of subsidised routes are weighed up with the wider economic and social impacts associated with poor access to public transport.

Background

This Equality Impact Assessment (EIA) will assess the following options regarding the future of Torbay's subsidised bus network:

- Option 1: All subsidised routes are removed
- Option 2: Only routes 61 and 65 are removed

Note that the recommendation made is that neither of these options are supported and, instead, all services are retained. These options were considered in order to reflect on the impact should an alternative decision be made.

Drawing on demographic data and accessibility outputs from Podaris modelling (an early-stage transport modelling tool, allowing users to import the local transport network, understand the impact of transport changes and identify any resulting accessibility issues) this EIA will assess the potential impact of the options above on each of the nine protected characteristic groups. Options 1 and 2 have been compared with Option 3: All subsidised routes are retained; the business-as-usual scenario and provides a baseline to assess the potential impact of change.

Context

Since March 2020, the bus network in Torbay and nationally has seen a significant reduction in passenger numbers. In Torbay this was a drop from 7.7 million journeys in 2018/19 to 2.7 million in 2020/21. There has been some recent recovery at 74%, up to 5.7 million in 2023/24, which is a little below the recovery rate nationally (78%) but above the Southwest average (73%). Bus services have been supported by Government directly, and with grants to councils during this period.

As such, completing a procurement process for the continued financial support of the bus services allows those reliant upon them to avoid becoming isolated. A competitive procurement exercise with a longer-term contract commitment also supports the opportunity for investment in those services with longer operating times, better vehicles, and an improved network overall.

Alongside the millions of journeys made by bus each year in Torbay, it is important to recognise that over 23% of households in Torbay do not have access to a private vehicle, that almost 24% of residents have a disability that can affect their ability to travel, and the population above 65 years (those entitled to a concessionary bus pass) is well above the national average. All of these factors contribute to the opportunity to have a successful, growing, and effective public transport network, but also highlight the importance of retaining and enhancing the service that is provided.

Torbay Council currently supports all bus services within Torbay regarding concessionary fares at 2019/2020 rates due to the impacts of COVID-19. A total of 17 routes out of a total of 32 registered local bus services in Torbay also receive a subsidy, however for the purposes of this assessment, only the routes in

Table 1 have been assessed. This is because some of the other subsidised services are funded by other sources, only operate at specific times or are not within the scope of this report and contract award consideration.¹.

Table 1 - Torbay supported bus services

Route No.	Description	Operator
15	Brixham Town Service via Summercourt Way/Higher Ranscombe Road	Country Bus
16	Brixham Town Service via South Bay Holiday Park	Country Bus
25	Paignton Morrisons - Bus Station - Youngs Park, Goodrington	Torbay Buses
60	Paignton - Preston - Occombe Farm - Livermead	Torbay Buses
62	Torquay Meadfoot - Seafront - Cockington	Torbay Buses
64	Torquay Castle Circus - Middle Warberry Road	Torbay Buses
108	Paignton - Great Parks - Foxhole	Torbay Buses
109	Paignton - Great Parks - Foxhole	Torbay Buses
17	Brixham Town Service via Summercourt Way/Higher Ranscombe Road	TCDT
95	Paignton Morrisons - Bus Station - Youngs Park, Goodrington	TCDT

17
95
46

Assessment Screening Tool

The following section provides evidence on each of the protected characteristic groups and inclusion groups, including demographic data, travel behaviour and patterns, and outputs from Podaris modelling. This evidence has then been used in the quality considerations section, to identify any potential impacts associated with the two options outlined above.

¹ This refers to bus service 17a which operates on Sunday's and Bank Holidays only.

Age

When compared to the national and regional averages, Torbay has a higher-than-average population aged 65 years and over, and lower than average population of children and working-aged people. Between the last two censuses, the average age of the Torbay population increased by three years, from 46 to 49 years. Torbay has a higher average age than the Southwest in 2021 (44 years) and a higher average age than England (40 years)². With these figures in mind, it is likely that a high proportion of Torbay's population will be reliant on buses as their primary mode of transport, particularly given that total concessionary journeys made up 32.7% of all local bus passenger journeys in England, in the financial year ending 2022³.

Figures 1 and 2 show the percentage of the population over 65 years and under 18 years, with the subsidised bus routes overlaid, demonstrating the distribution of elderly and young in Torbay relative to the services.

There are currently 17 nursery schools and many private nurseries, 30 primary schools, 9 secondary schools and three special schools in Torbay. There are roughly 18,400 children attending Torbay's primary and secondary schools. Torbay Council currently spends in the region of £1.83m a year on home to school travel, with 900 children and young people receiving transport assistance to and from school⁴.

The Torbay and South Devon NHS Foundation Trust runs Torbay Hospital, as well as five community hospitals, stretching from Dawlish to Brixham. These include Totnes Community Hospital, Teignmouth Community Hospital, Newton Abbot Community Hospital, Dawlish Community Hospital and Brixham Community Hospital. These services are likely to be relied on by the elderly and young population of Torbay, more than the general population.

It is also important to acknowledge the intersectionality between age and disability. For example, approximately 16 million people in the UK, the equivalent of 24% of the population, had a disability in 2021/2022. The prevalence of disability rises with age: around 11% of children were disabled, compared with 45% of adults over State Pension age⁵.

² https://www.nomisweb.co.uk/sources/census_2021/report

³ [https://www.gov.uk/government/statistics/annual-bus-statistics-year-ending-march-2022/annual-bus-statistics-year-ending-march-2022#:~:text=Total%20concessionary%20journeys%20\(elderly%20or,year%20ending%202020%20\(33.7%25\).](https://www.gov.uk/government/statistics/annual-bus-statistics-year-ending-march-2022/annual-bus-statistics-year-ending-march-2022#:~:text=Total%20concessionary%20journeys%20(elderly%20or,year%20ending%202020%20(33.7%25).)

⁴ <https://www.torbay.gov.uk/council/policies/cs/school-transport-policies/sustainable-travel-strategy-for-schools/>

⁵ <https://researchbriefings.files.parliament.uk/documents/CBP-9602/CBP-9602.pdf>

Figure 1: Percentage of Population over 65 years in Torbay

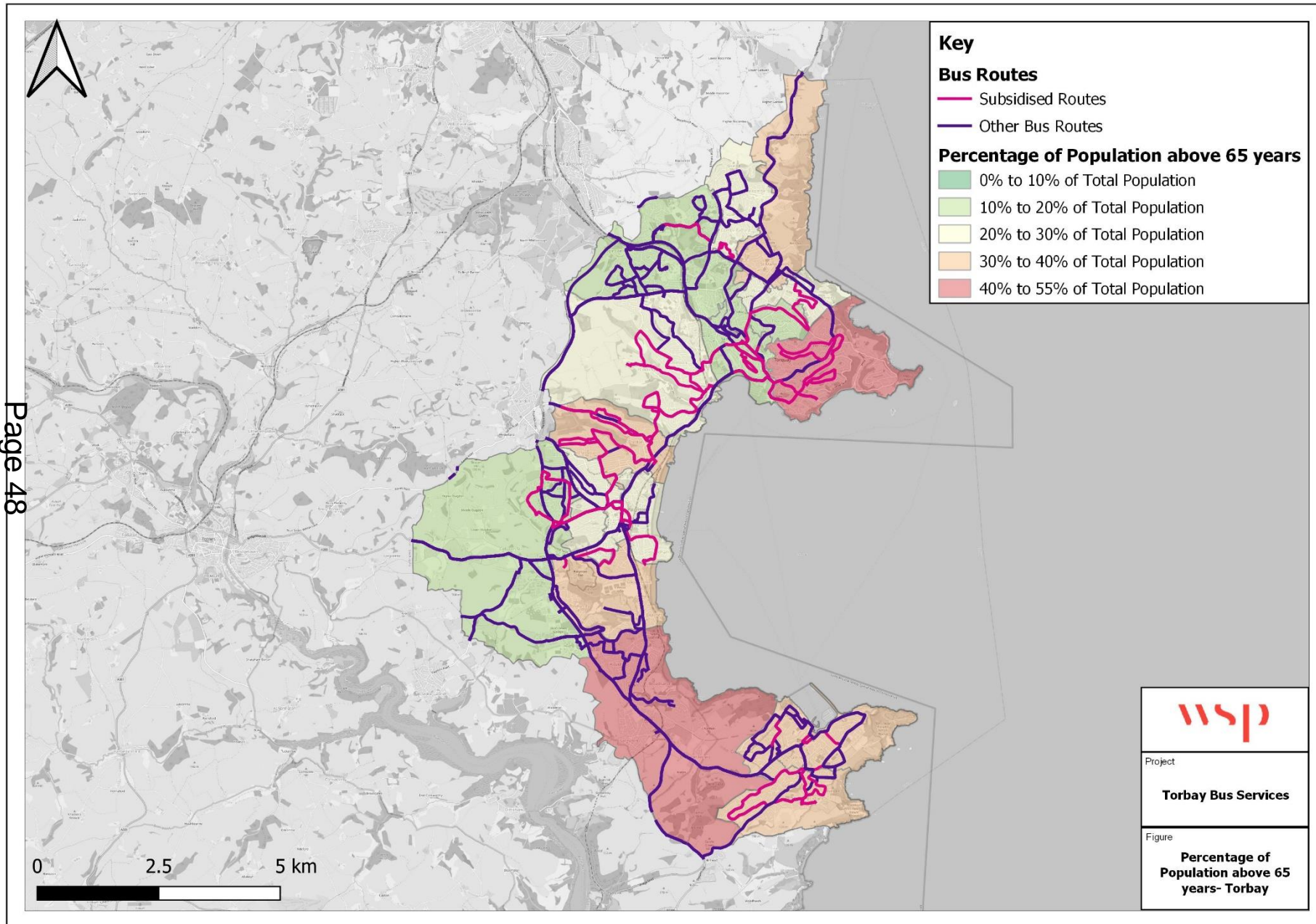
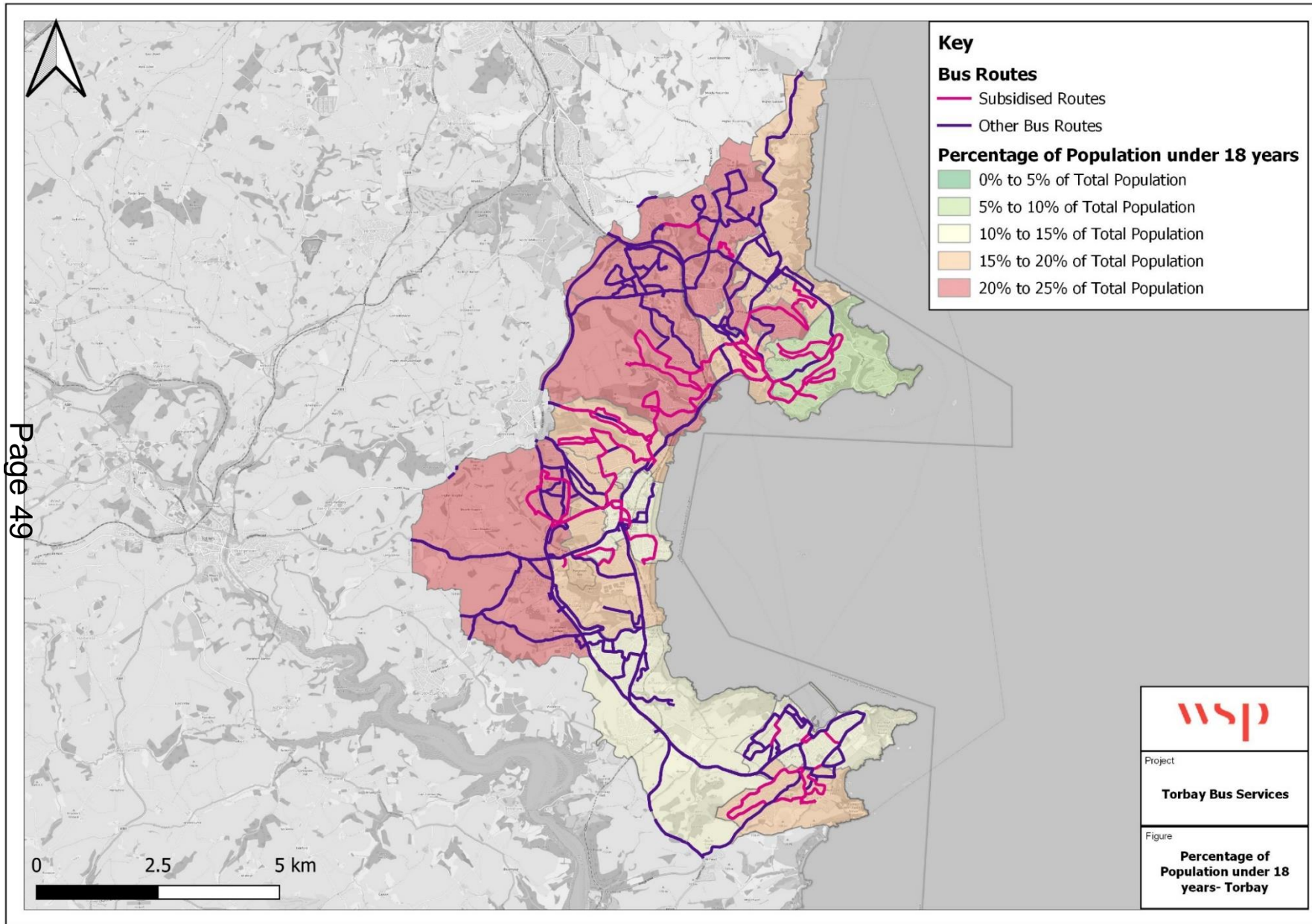


Figure 2: Percentage of Population under 18 years in Torbay



Equality Considerations

Option 1: All subsidised routes are removed

As shown in **Figure 1**, a large proportion of Torquay (40-45%), which is served by subsidised routes, is above the age of 65. Similarly, between 30-40% of the population in the Brixham and Preston areas, are over the age of 65, areas which are also served by subsidised routes.

Although a smaller proportion of the population, between 20-30%, are over the age of 65 in the Chelston area (see **Figure 1**), there are fewer non-subsidised bus routes, therefore should all subsidised routes be removed, this could have a detrimental impact on public transport accessibility for the elderly living here.

Figure 3 supports this, showing that the distance in minutes to a bus stop increases where the subsidised routes are removed.

Figure 3: Option 1 - Bus Service Accessibility (Minutes) Population 65+

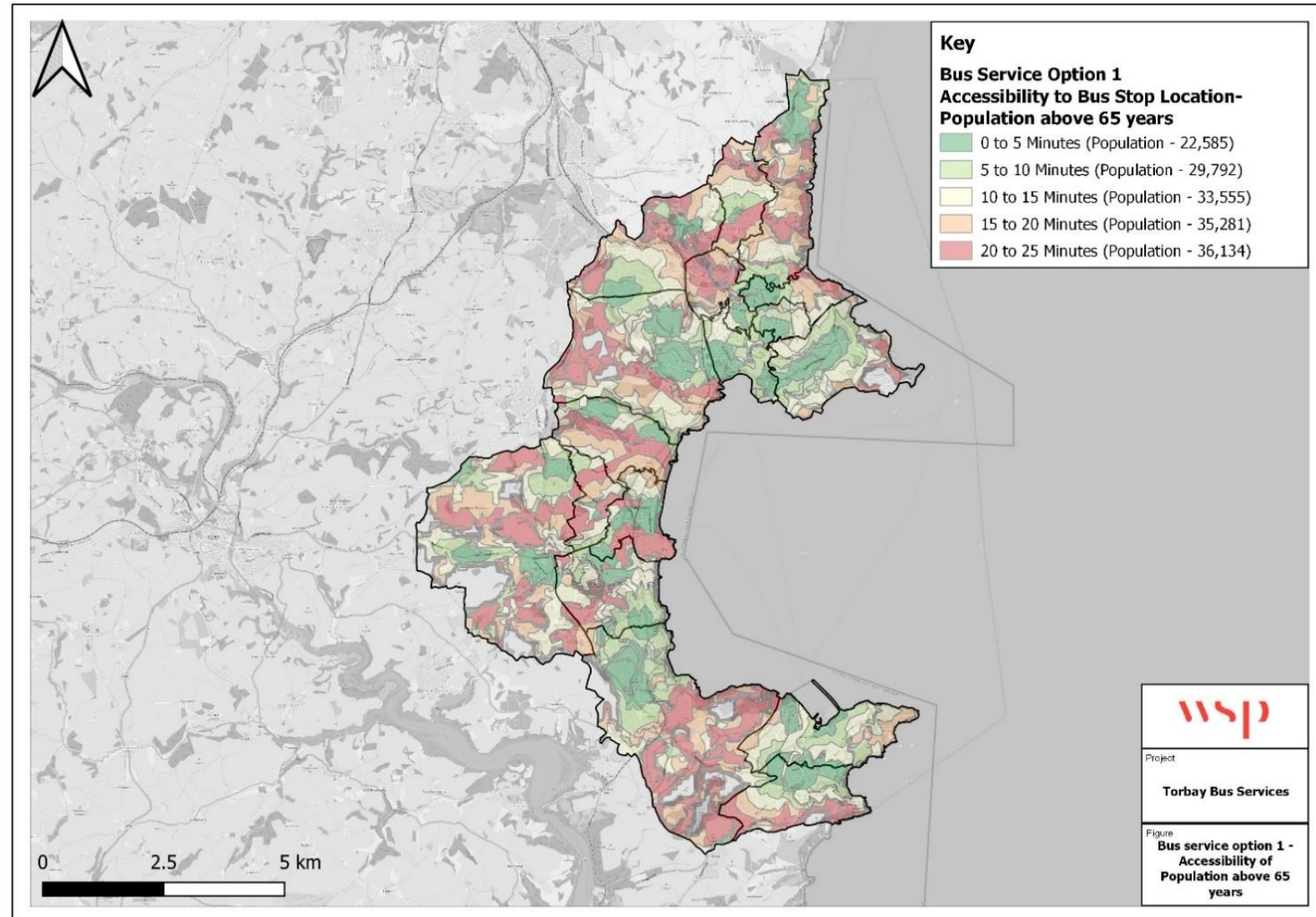


Table 2 below details the change in accessibility by population over 65 between Option 1 and Option 3 (all subsidised routes are retained), illustrating that if all subsidised routes are removed, in total 20% of the population in Torbay who are over 65 will no longer be within 5 minutes (14%) or 10 minutes of a bus stop (6%).

Table 2: Population over 65 - Change in Access to Bus Stops (Minutes)

	Option 1	Option 3	% Change	Equiv. Pop
0 to 5 Minutes	22585	26282	-14	3697
5 to 10 Minutes	29792	31608	-6	1816
10 to 15 Minutes	33555	34215	-2	660
15 to 20 Minutes	35281	35545	-1	264
20 to 25 Minutes	36134	36458	-1	324

It should be noted that the removal of subsidised routes has less of an impact on the elderly population who already live between 15-25 minutes from a bus stop. This is likely to reflect the distribution of the existing services and potentially more rural areas of Torbay. A similar trend can be seen for the population below 18 years as shown in **Table 3** below.

Table 3: Population below 18 - Change in Access to Bus Stops (Minutes)

	Option 1	Option 3	% Change	Equiv. Pop
0 to 5 Minutes	15679	17923	-13	2244
5 to 10 Minutes	20584	21568	-5	984
10 to 15 Minutes	22840	23308	-2	368
15 to 20 Minutes	23939	24055	0	115
20 to 25 Minutes	24601	24704	0	103

As shown in **Figure 2**, there is a smaller population of under 18's in Torquay, making up between 0-5% of the total population. Conversely, there is a higher proportion of under 18's in the Chelston (20-25%) and Brixham (15-20%) areas, both of which are served by subsidised routes. As outlined in their

Sustainable Travel Strategy for Schools⁶, Torbay Council wants to encourage an increase in pupils travelling by sustainable modes, including a 12% increase in bus passengers⁶.

Existing services do not start until after 9 am, meaning that they do not currently provide access to schools. However, new route proposals do increase the number of services that start before 9 am. Should the existing subsidised routes be removed, young people living in these areas may have few alternative transport options, including for travel from school.

Building on this, the Torbay Bus Assessment assessed all subsidised bus routes in Torbay for their Value for Money through a Multi Criteria Assessment Framework. The results from the assessment found that Brixham town circular services 15 and 16, both of which are subsidised, scored highest for overall value. In addition to this, route 15 serves Brixham Community Hospital and route 16 serves Compass House Medical Centre. Both routes serve Brixham Town Centre, as well as multiple schools in the area. Given the importance of these destinations to Torbay's young and elderly population, the removal of route 15 and 16 is likely to have a detrimental impact on their accessibility, which can lead to adverse social and financial impacts.

As outlined in the BSIP, bus services in the Torbay region are socially important due to the proportion of elderly residents and the topography of Torbay which creates challenges for the elderly and those with reduced mobility in accessing the commercial services on the waterfront, with much of the housing located up steep streets.

Building on this, although only 3.3% of Torbay residents travel to work via bus with the vast majority, 53.5%, travelling by car or van², if the subsidised bus services were to be removed, those relying on these routes are likely to switch to private vehicle to access key services or not be able to gain access to work at all given the 23% of homes with no access to a private vehicle. This could add a reasonable number of trips to the Torbay network which could in turn lead to congestion and contribute to adverse air quality⁷ and road safety impacts, issues which disproportionately impact the elderly and young.

⁶ <https://www.torbay.gov.uk/council/policies/cs/school-transport-policies/sustainable-travel-strategy-for-schools/>

⁷ <https://www.unep.org/news-and-stories/blogpost/young-and-old-air-pollution-affects-most-vulnerable>

Option 2: Only Routes 61 and 65 are removed

Table 4 below details the change in accessibility by population over 65 between Option 2 and Option 3 (all subsidised routes are retained).

Table 4: Population over 65 - Change in Access to Bus Stops (Minutes)

	Option 2	Option 3	% Change	Equiv. Pop
0 to 5 Minutes	25382	26282	-3	900
5 to 10 Minutes	31580	31608	0	29
10 to 15 Minutes	34214	34215	0	1
15 to 20 Minutes	35544	35545	0	1
20 to 25 Minutes	36456	36458	0	2

The same analysis has been undertaken for the population under 18 shown in Table 5 below.

Table 5: Population under 18 - Change in Access to Bus Stops (Minutes)

	Option 2	Option 3	% Change	Equiv. Pop
0 to 5 Minutes	16964	17923	-5	959
5 to 10 Minutes	21548	21568	0	20
10 to 15 Minutes	23208	23208	0	0
15 to 20 Minutes	24054	24055	0	0
20 to 25 Minutes	24704	24704	0	0

Figures 4 and 5 below show this change spatially.

Figure 4: Option 2: Bus Service Accessibility (Minutes) Population 65+

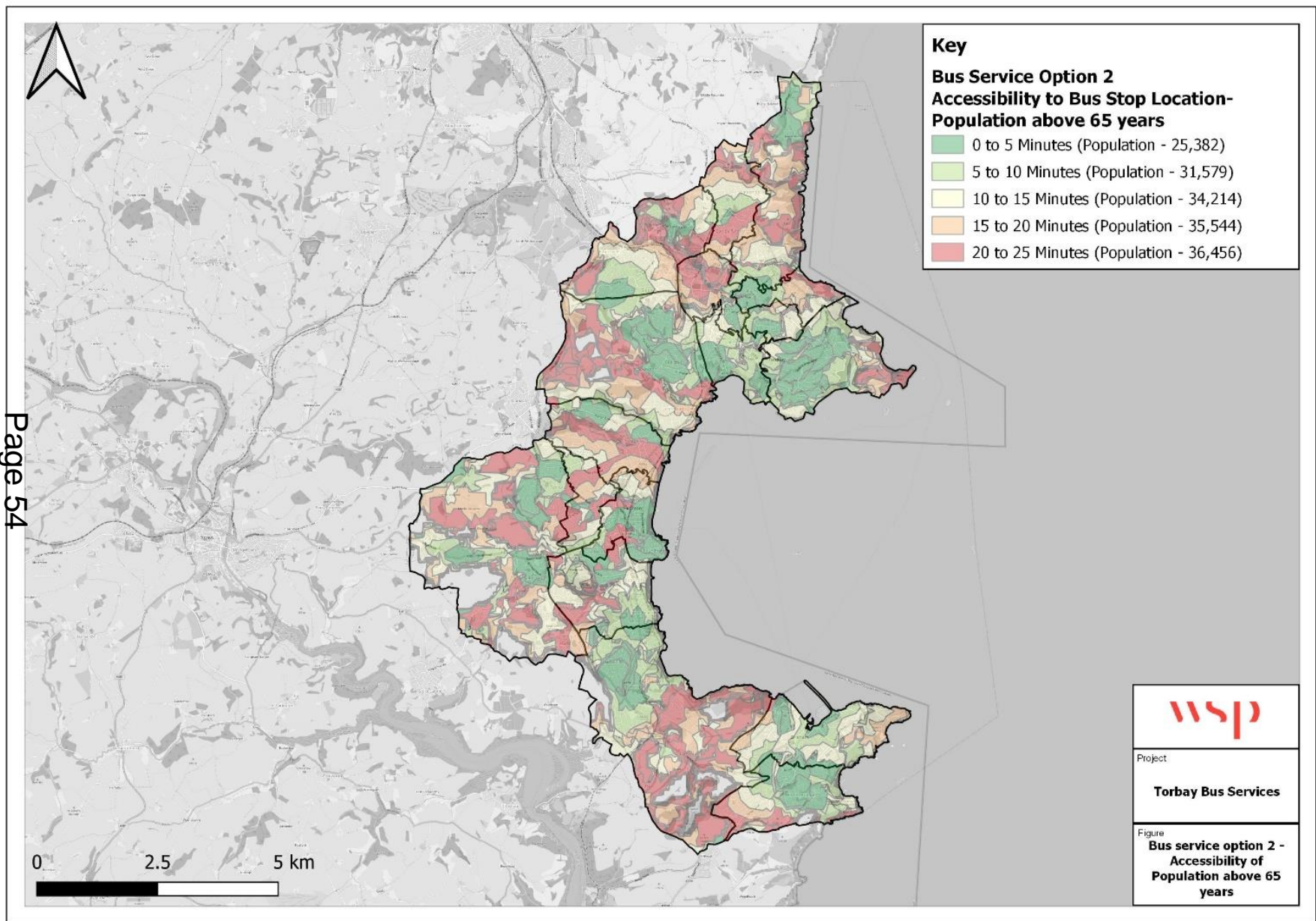
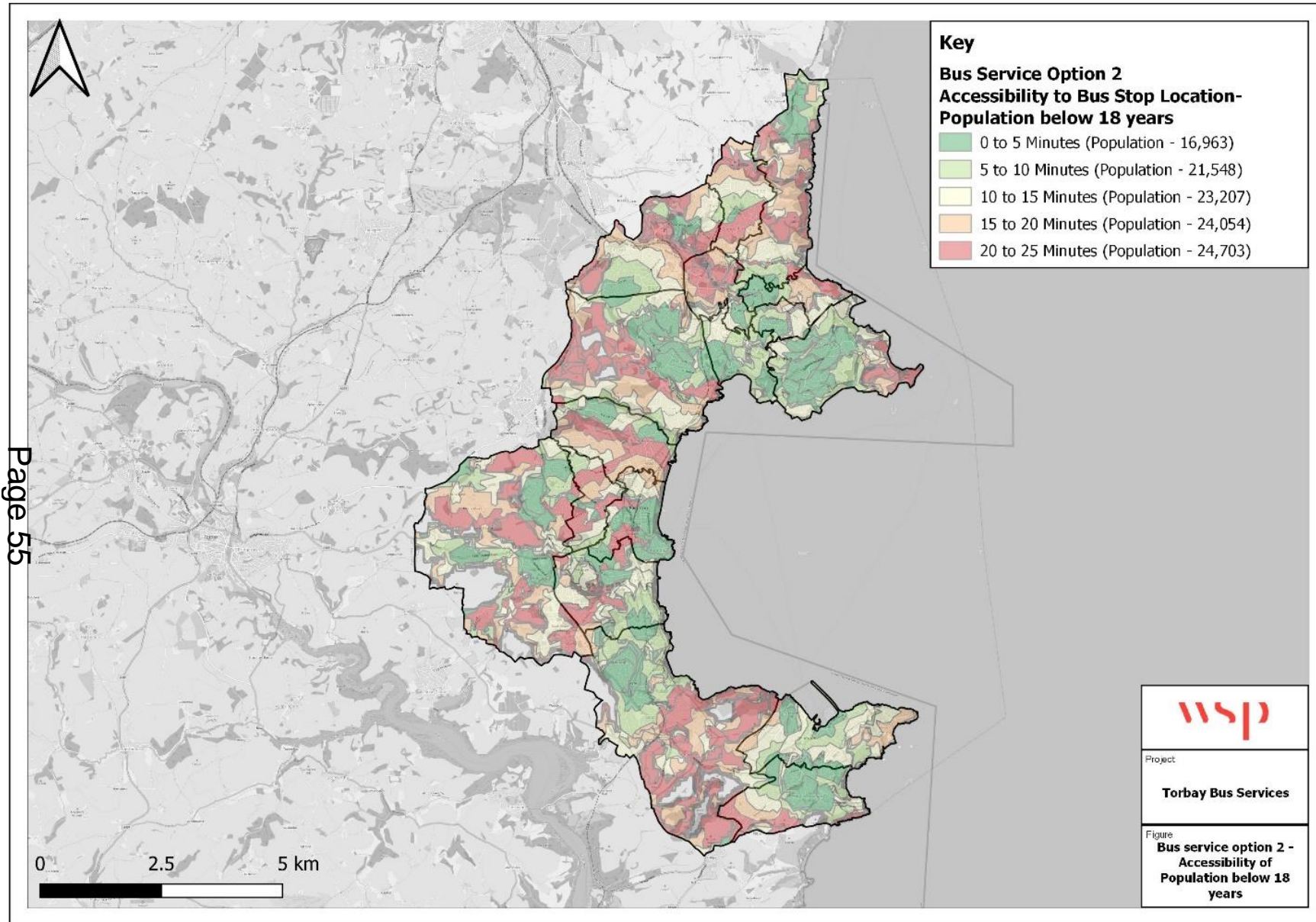


Figure 5: Option 2: Bus Service Accessibility (Minutes) Population 65+



Although the percentage change is minimal, both routes 61 and 65 serve several key locations. For route 61, this includes Abbey Road Health Centre as well as the Chelston Area, where there are fewer alternative bus routes available should this subsidised route be removed. The current three days a week and limited hours service pattern for Route 65 means that it is unlikely to be used by the young to travel to or from school. However Route 65 serves a number of key trip generators which the elderly are likely to require access at certain times, these include All Saints Church, United Reformed Church, Town Hall and Barton Health Centre.

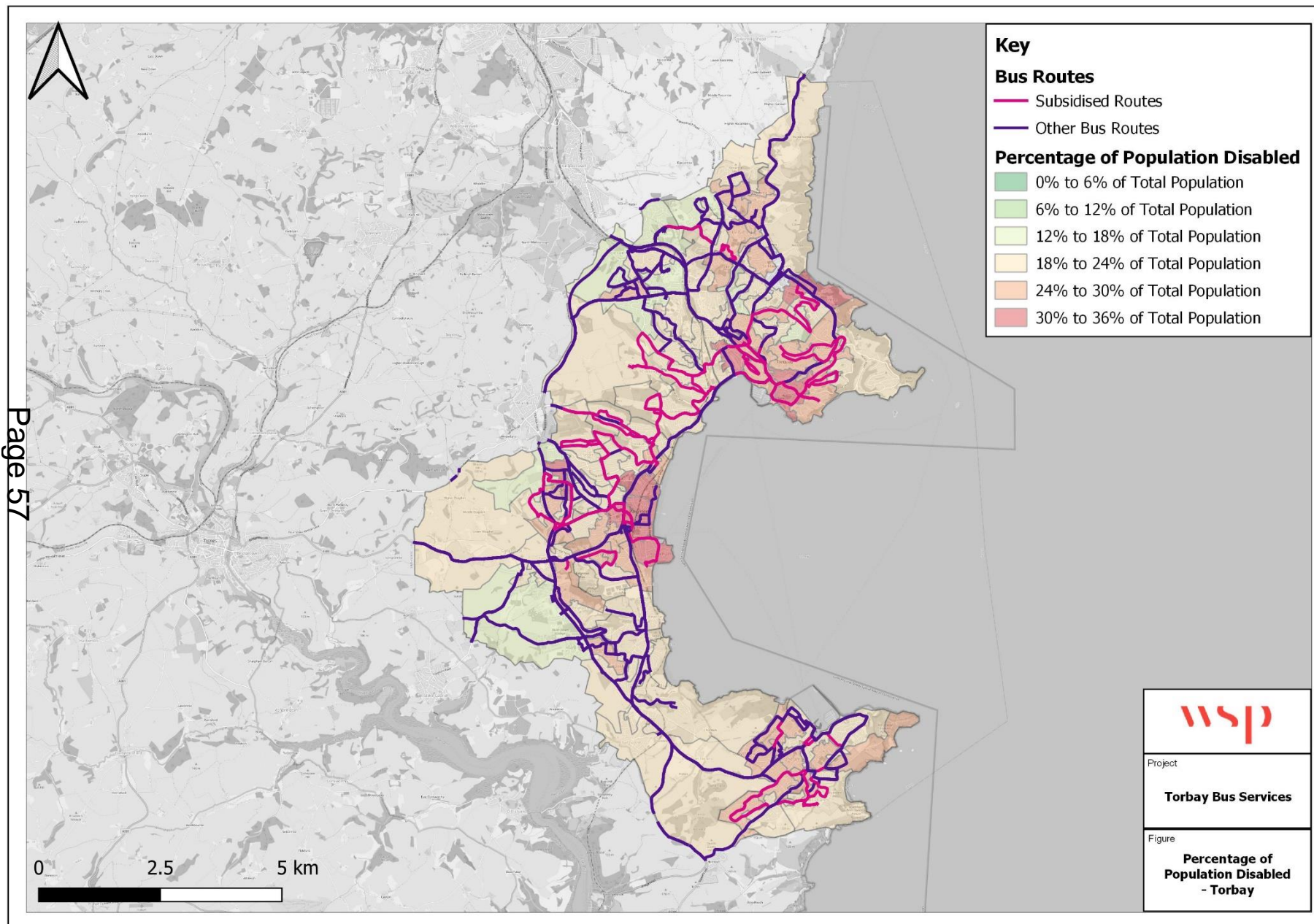
Disability

11.0% of Torbay residents are considered to be disabled under the Equality Act 2010 where their day-to-day activities are limited a lot. In addition to this, 12.9% of Torbay residents are considered to be disabled under the act with their day-to-day activities limited a little. 7.2% are not considered disabled under the Equality Act but may have a long term physical or mental health condition. The remaining 69.0% are not considered disabled and have no long term physical or mental health conditions².

As mentioned above, the Torbay and South Devon NHS Foundation Trust runs Torbay Hospital, as well as five community hospitals, stretching from Dawlish to Brixham. These hospitals, along with other local clinics and practices, are likely to be relied on by those with disabilities.

Figure 6 below shows the percentage of the population considered disabled, with the subsidised bus routes overlayed, demonstrating the distribution of the residents with a disability in Torbay relative to the services.

Figure 6: Percentage of Population considered Disabled in Torbay



Equality Considerations

Option 1: All subsidised routes are removed

As outlined above, a large proportion of the population in Torbay, roughly 24%, have a disability which can affect their ability to travel. If all subsidised routes were to be removed, this is likely to have a detrimental impact on access for disabled residents to key destinations and facilities, including healthcare.

Looking more specifically at where disabled residents live relative to the subsidised bus services, Figure 6 shows that a high percentage of people living in the Torquay, Paignton and Roundham areas, as well as some parts of Brixham, are considered to have a disability. In Torquay and Paignton, this is as high as 30-36% of the total population.

Further to this, **Figure 7** illustrates that car ownership is a lot lower in some parts of Torquay and Paignton, relative to the rest of Torbay where ownership exceeds 80%. This suggests that for disabled residents living in areas where car ownership is

low and where there are subsidised routes, the removal of such routes could significantly impact transport choices for some disabled residents.

Figure 7: Car Ownership in Torbay

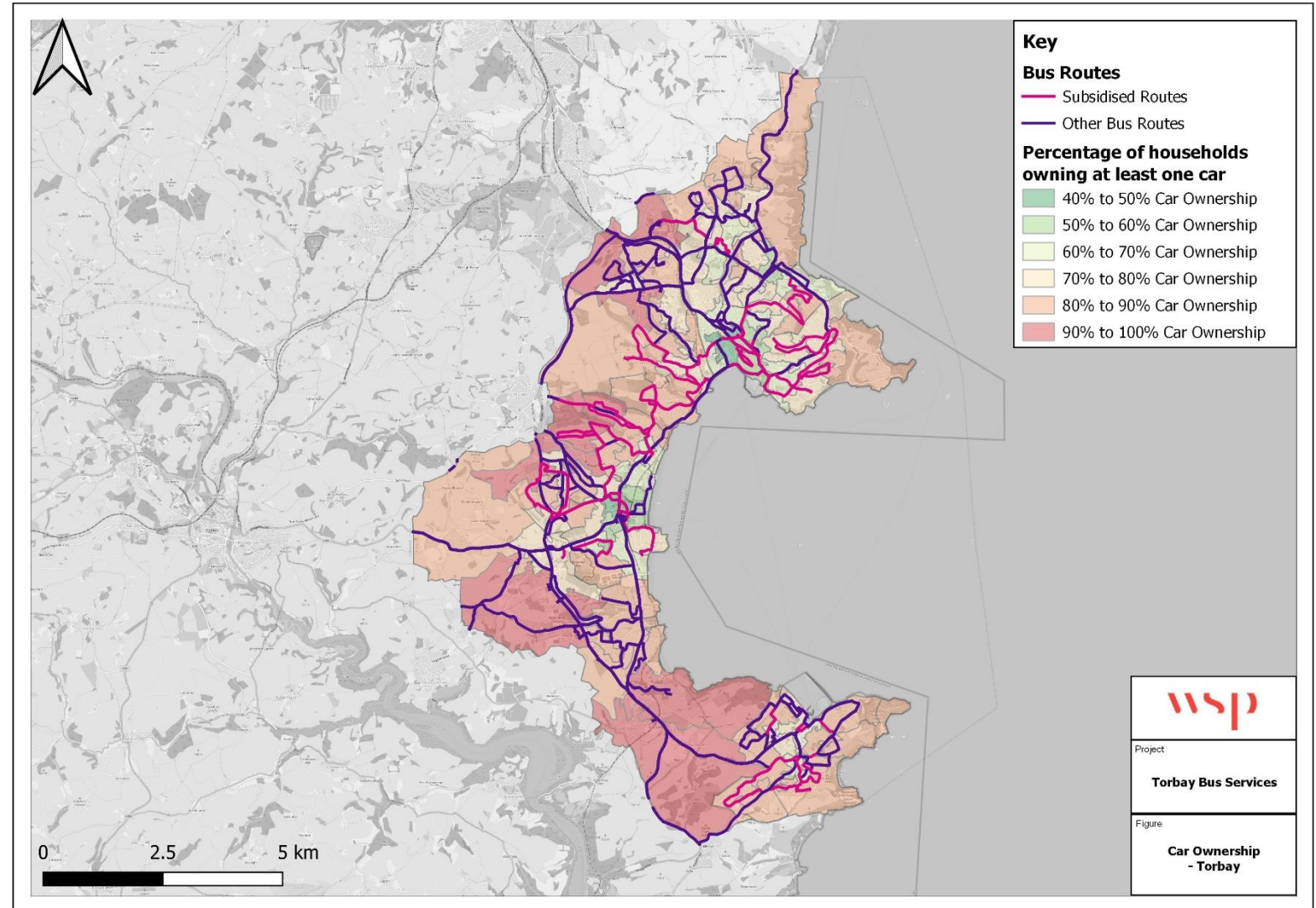


Table 6 below details the change in accessibility for Torbay’s disabled population between Option 1 and Option 3 (all subsidised routes are retained), illustrating that if all subsidised routes are removed, in total 15% of Torbay’s disabled population will no longer be within 5 minutes (11%) or 10 minutes of a bus stop (4%). This in turn could have an adverse impact on those with disabilities, particularly physical disabilities, where mobility is already limited, and any additional distance could impact access to the bus services. For example, if further distance is required to access a bus stop and the pedestrian route is uphill, the quality of footways poor and there are little or no resting places along a route, this may cause anxiety for some residents with disabilities who find the additional distance difficult unachievable and uncomfortable to navigate. This may lead to them choosing not to travel at all.

Table 6: Disabled Population - Change in Access to Bus Stops (Minutes)

	Option 1	Option 3	% Change	Equiv. Pop
0 to 5 Minutes	29463	33172	-11	3709
5 to 10 Minutes	37359	38813	-4	1454
10 to 15 Minutes	46445	46728	-1	283
15 to 20 Minutes	50095	50163	0	68
20 to 25 Minutes	50401	50506	0	105

Option 2: Only Routes 61 and 65 are removed

Table 7 below details the change in accessibility by disabled population between Option 2 and Option 3 (all subsidised routes are retained).

Table 7: Disabled Population - Change in Access to Bus Stops (Minutes)

	Option 2	Option 3	% Change	Equiv. Pop
0 to 5 Minutes	32238	33172	-3	934
5 to 10 Minutes	38794	38813	0	19
10 to 15 Minutes	46728	46728	0	0
15 to 20 Minutes	50162	50163	0	1
20 to 25 Minutes	50506	50506	0	0

The results from this analysis are similar to that of age, demonstrating that although the percentage change is minimal, both routes serve several key locations, which are likely to be used by disabled groups.

Marriage and Civil Partnership

Of Torbay residents aged 16 years and over, 32.8% said they had never been married or in a civil partnership in 2021. Almost half of the Torbay population is either married or in a registered civil partnership (44.2%), according to the 2021 census, which is slightly above the national average².

Across England, the percentage increased by 3.3 percentage points, from 34.6% to 37.9% between 2011 and 2021. These figures include same-sex marriages and opposite-sex civil partnerships in 2021, neither of which were legally recognised in England and Wales in 2011. Same-sex marriages have been legally recognised in England and Wales since 2014 and opposite-sex civil partnerships have been recognised since 2019.

Equality Considerations

Option 1: All subsidised routes are removed

There is no clear evidence, data, or rationale that the removal of all subsidised routes would have a disproportionate effect on groups based on marriage of civil partnership.

Option 2: Only Routes 61 and 65 are removed

There is no clear evidence, data, or rationale that the removal of subsidised routes 61 and 65 would have a disproportionate effect on groups based on marriage of civil partnership.

Pregnancy and Maternity

ONS Conception Statistics provides conception numbers for Torbay, recording 1,114 live births in the borough in 2021. This is 40 more than in the year before but the lowest number of births for all upper tier local authorities in the Southwest region².

Equality Considerations

Option 1: All subsidised routes are removed

Although there is no specific spatial data available for this protected characteristic, it should be noted that some pregnant women or women who have recently given birth, may rely on buses as a means of travel. This includes travel to hospital and clinic appointments. If these bus services are removed, this could impact access to these key services for this protected characteristic group if alternative transport options are not available.

Option 2: Only Routes 61 and 65 are removed

As above, some pregnant women or women who have recently given birth, may rely on routes 61 and 65 as their primary mode of travel and/or as a means to access key facilities. For route 61, this includes Abbey Road Health Centre as well as the Chelston Area, where there are fewer alternative bus routes available should this subsidised route be removed. Route 65 serves a number of key trip generators which pregnant women and those who have recently given birth may require access to, this includes Barton Health Centre and several schools.

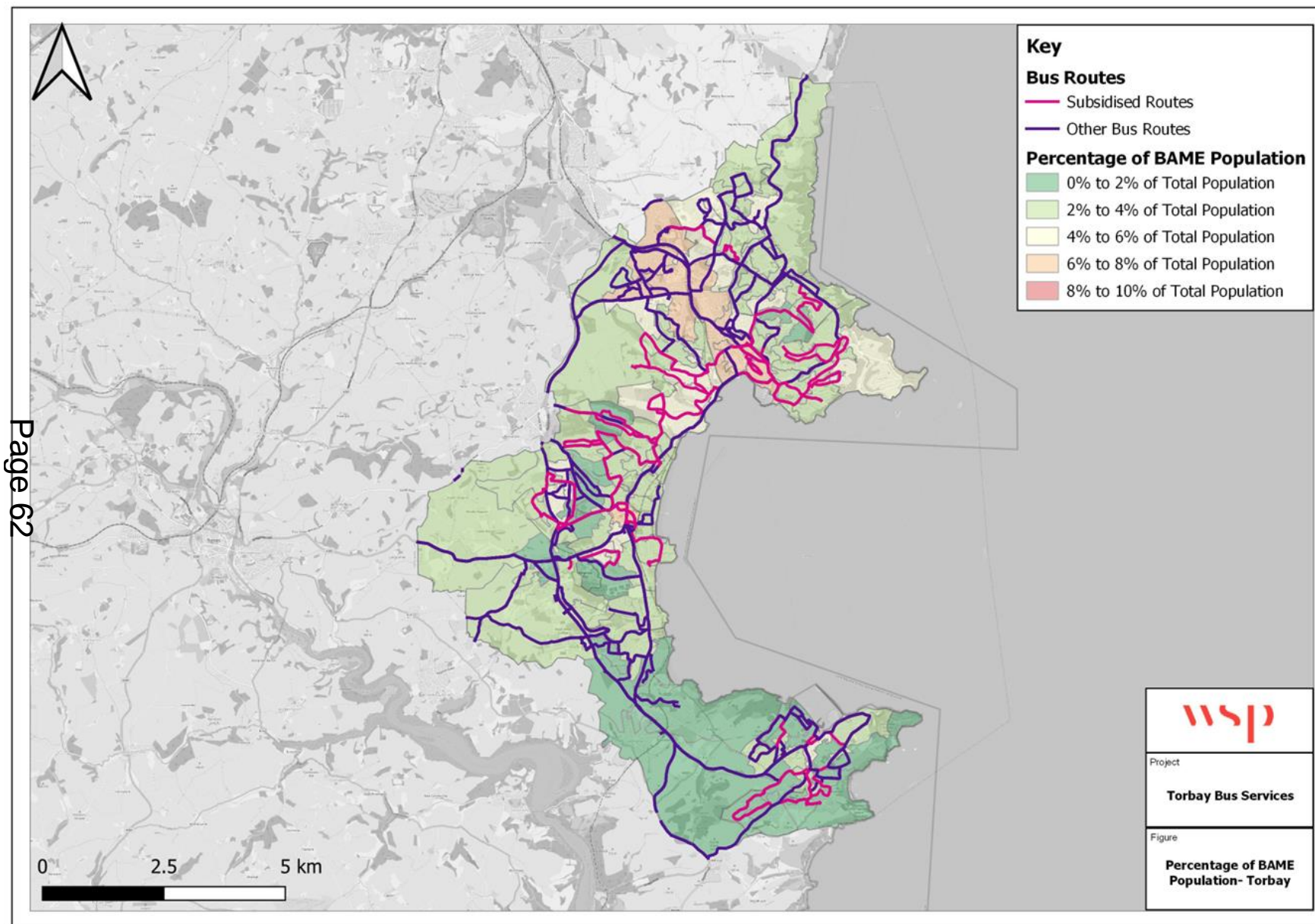
Race

Census data from 2021 shows the percentages of the population who identify as a particular ethnicity. The ethnicity breakdown for Torbay is detailed below:

- > Asian, Asian British or Asian Welsh - 1.6%
- > Black, Black British, Black Welsh, Caribbean or African - 0.3%
- > Mixed or Multiple Ethnic Groups - 1.5%
- > White - 96.1%
- > Other Ethnic Group - 0.4%

As illustrated above, most of Torbay's population, 96.1%, identify as ethnically White and either English, Welsh, Scottish, Northern Irish or British. There has been a 1.4% increase in Torbay's ethnic minority population (including white ethnic groups) since the 2011 census².

Figure 8: Percentage of BAME Population in Torbay



Equality Considerations

Option 1: All subsidised routes are removed

As shown in **Figure 8**, the percentage of BAME groups living in the Torbay region is generally low, with less than 4% of the population in the majority of the region coming from a BAME group. There is however a small concentration of BAME groups living in the north of Torbay which is served predominantly by non-subsidised routes. This suggests that if all the subsidised routes are removed, there may be less of an impact on BAME groups, than other protected characteristic groups discussed above.

It should be acknowledged however that White people are consistently the most likely ethnic group to have a driving licence, and Black people the least likely. With this in mind, some of the BAME groups living in areas predominantly served by subsidised routes and who do not own a car, may experience accessibility issues if all subsidised routes are removed.

Option 2: Only Routes 61 and 65 are removed

Route 65 serves the Torquay area, where less than 2% of the population are from BAME groups. Route 61 serves the west of Torquay through to the Chelston area, where the BAME population is slightly higher at 6-8%, however alternative non-subsidised routes are available.

Religion and Belief

Census 2021 data shows the percentages of the population who identify with a particular religion. The religion breakdown taken from Census 2021 for Torbay is detailed below:

- > Christian - 48.5%
- > Buddhist - 0.4%
- > Hindu - 0.2%
- > Jewish - 0.1%
- > Muslim - 0.6%
- > Sikh - 0.0%

43.2% of the population said they had no religion, with a further 0.7% selecting 'other religion' and 6.3% not providing an answer to this question².

Equality Considerations

Option 1: All subsidised routes are removed

Given that half of Torbay's population identifies with a religion, the removal of all subsidised routes could impact access to places of worship.

Although these trips are generally more infrequent (once or a couple times a week), some religious groups visit places of worship more regularly, particularly at certain times of the day, week and year when they will want to attend services, prayers and other religious gatherings and celebrations. Those from minority faiths including Buddhism, Hinduism, Islam, and Sikhism are likely to also be from ethnic minorities.

Option 2: Only Routes 61 and 65 are removed

Building on the above argument, the removal of routes 61 and 65 could impact access to places of worship for some religious groups, particularly because route 65 has designated stops at All Saints Church and United Reformed Church. It is also likely that these routes serve a number of other places of worship across the region.

Sex

The Census 2021 reported that females comprised 51.3% of the population in Torbay, whereas males comprised 48.7%². This is a similar split to the national average which shows males comprising 49% of the population and females 51%.

Equality Considerations

Option 1: All subsidised routes are removed

The existing subsidised routes outlined in Table 1 run largely Monday to Saturday between the morning (earliest 8:15) and the early evening (latest 17:10). It should be noted that new service proposals include the offer of extended hours for some services. However, safety is a common concern for women when using public space and public transport. Findings from YouGov's Women's Safety Survey (2022)⁸ reports that 66% of women surveyed said they always, often, or sometimes feel unsafe walking alone at night, compared to 39% of men. Further to this, 25% of women surveyed said they always, often, or sometimes feel unsafe walking alone in the daytime, compared to 10% of men.

Despite many of the existing services in Torbay stopping early evening, it is important to note that in the winter months, daylight hours are shorter, therefore women and girls are likely to be travelling to and from work and school, and for leisure trips, during the dark. If these subsidised routes were to be removed, this could impact women and girls' perception of safety when travelling, particularly on their own. This in turn, could lead to an overreliance on alternative modes such as taxis or being driven by a family member, friend, or partner. This has a direct effect on women and girls' autonomy over how, when and where they travel, and can also have financial implications if they become reliant on private hire vehicles. It should also be noted that women have less likely to have a driving licence, which again could impact their access to alternative modes⁹.

Option 2: Only Routes 61 and 65 are removed

Although routes 61 and 65 operate a more limited service¹⁰, their removal could also impact women and girls' perception of safety when travelling to and from work and school, and for leisure trips, and could again lead to an overreliance on alternative modes, which have social and financial implications.

⁸ <https://yougov.co.uk/topics/society/articles-reports/2022/03/08/how-often-do-british-women-feel-unsafe-doing-day-d>

⁹ <https://assets.publishing.service.gov.uk/media/64ef09d0da845100146323f7/nts-2022-factsheet.pdf>

¹⁰ 61 route operates Monday, Wednesday, and Friday between 9:15 and 16:15, and route 65, operates Tuesday and Thursday between 9:28 and 11:28

Sexual Orientation

In Torbay, 89.5% of the population identify as straight or heterosexual, 1.7% of the population identify themselves as lesbian or gay, 1.1% say they are bisexual, and 0.1% describe themselves as pansexual².

Equality Considerations

Option 1: All subsidised routes are removed

There is no clear evidence, data, or rationale that the removal of all subsidised routes would have a disproportionate effect on groups based on sexual orientation.

Option 2: Only Routes 61 and 65 are removed

There is no clear evidence, data, or rationale that the removal of subsidised routes 61 and 65 would have a disproportionate effect on groups based on sexual orientation.

Gender Reassignment

With regards to gender reassignment, census data from 2021 indicates that 0.4% of people aged 16 years and over in Torbay have a gender identify different from their sex registered at birth. This percentage is slightly higher to England as a whole at 0.25%, however within England, the region with the highest percentage who reported that their gender identify was different from their sex at birth was London at 0.91%².

Equality Considerations

Option 1: All subsidised routes are removed

There is no clear evidence, data, or rationale that the removal of all subsidised routes would have a disproportionate effect on groups based on general reassignment.

Option 2: Only Routes 61 and 65 are removed

There is no clear evidence, data, or rationale that the removal of subsidised routes 61 and 65 would have a disproportionate effect on groups based on gender reassignment.

10. Cumulative Council Impact

10.1 None

11. Cumulative Community Impacts

11.1 None

Document is Restricted

Meeting: Cabinet **Date:** 13 February 2024

Wards affected: Tormohun

Report Title: Developing a resilient future for Torquay Pavilion

When does the decision need to be implemented? Implementation to follow decision and after the call-in period.

Cabinet Member Contact Details: Councillor Chris Lewis, Cabinet Member for Place Services & Economic Growth, chris.lewis@torbay.gov.uk

Director Contact Details: Alan Denby, Director of Pride in Place, alan.denby@torbay.gov.uk

1. Purpose of Report

- 1.1 To present a way forward for the restoration of Torquay's Pavilion. Torquay Pavilion has been empty and unused since 2013. The property is leased to Marina Developments Ltd (MDL) on a 99-year lease from January 1985. The Marina and adjoining car park are also leased to MDL on a separate 99-year lease agreement from 1987. The Council has been working with MDL to find a solution which would see the restoration of the Pavilion and ultimately bring this important landmark building back into use.
- 1.2 The Pavilion has extensive repair and maintenance needs with the cost of repairs a significant obligation. Under the Lease, neither the landlord nor the tenant has responsibility for inherent defects. Therefore, over many years, there has been a stalemate on this matter. In more recent years, the tenant and landlord have explored solutions that involve the potential to deliver a development of the adjacent car park which is demised under the separate 1987 lease, to ensure the restoration and renewed use of the Pavilion.

2. Reason for Proposal and its benefits

- 2.1 Torquay Pavilion has been allocated £2million towards its restoration, from the Torquay Town Deal. This funding is intended to support a restoration of the Pavilion to allow the

building to be returned to an active life contributing to the vibrancy of the Torquay harbour area in line with the objectives of the Torquay Town Deal.¹

- 2.2 In the Town Investment Plan the Pavilion's situation is described as "*Owned by Torbay Council but leased to Marina Developments Limited the site was included in a proposed development scheme that has ultimately failed. There is desire from the community for the site to be restored as part of a revitalised harbour area which could provide an ideal facility for waterside dining, leisure, culture or heritage uses supporting both the day and night time economies. The Pavilion has significant liabilities which require remediation.*"
- 2.3 Since the Town Deal was secured, work has developed the understanding of the structural issues within the building. These issues and external events, ranging from the collapse of regional contractors, the impact of the war in Ukraine, inflation and the extent of alternative opportunities in construction, have all contributed to higher costs for construction projects across the country. This means that the expected restoration costs are now forecast to be significantly in advance of those contained in the 2020 Town Investment Plan and the business case approved by Cabinet in 2021².
- 2.4 Cabinet will be aware that Torquay's Pavilion is a prominent Grade 2 listed Victorian landmark and seafront building. It has been in state of disrepair and vacant since 2013. The property is leased to MDL Marinas Group Ltd (MDL) on a 99-year lease from January 1985. The Marina and adjoining car park are also leased to MDL on a separate 99-year lease agreement from 1987. The Council has been working with MDL over the recent years to find a solution which would see the restoration of the Pavilion and ultimately bring this important landmark building back into active use.
- 2.5 Defects with the Pavilion have made the cost of repair a significant obligation with the lease ambiguous on where liability for rectifying these defects lies. Therefore, over many years, there has been a stalemate on this matter. In more recent years the tenant and landlord have explored solutions that involve the potential to deliver a development of the adjacent car park which is demised under the separate 1987 lease, to ensure the restoration and renewed use of the Pavilion.
- 2.6 The negotiations with MDL have now resulted in a surrender premium being offered by MDL to the Council. Agreement to the offer will result in the site reverting to the Council at a date to be confirmed in the spring or summer of 2024. MDL is seeking as part of the proposal an extension to their marina lease and are requesting that landlords consent is not unreasonably withheld to a development on the adjoining car park site. Recognising the history of development proposals on that site it is important to highlight that landlords consent is separate and without prejudice to the proper considerations of any planning application that might come forward. In committing to the heads of terms the Council is not

¹ <https://www.torbay.gov.uk/leisure-sports-and-community/regeneration/torquay-towns-fund/>

² <https://www.torbay.gov.uk/DemocraticServices/ieListContent.aspx?CId=741&MIId=18600&Ver=4>

predetermining an application which will be properly considered by officers and presented to Planning Committee as and when any application is made. The Council would expect that the applicant would engage in pre application discussions and engage with the community as part of that process.

- 2.7 Assuming the recommendations of this report are agreed, work will begin to specify the works and confirm the procurement route, to allow for the restoration works to begin in late summer to avoid additional disruption to the harbour area over the peak months and to secure the relevant consents required to undertake the restoration works.
- 2.8 Agreement to the recommendations of this report will also ensure that the Town Deal grant allocated to Torquay can be committed in line with the vision and objectives of the Torquay Town Deal.
- 2.9 Despite the surrender premium and the Town Deal grant, additional investment will be required. Officers are in discussion with National Lottery Heritage Fund in respect of the key heritage assets in Torbay, to understand how the Council can work most effectively with the Fund to support the restoration of these sites which include the Pavilion and Oldway Mansion. It is anticipated that some Council investment will be required to complete the funding arrangements with such funding expected to be borrowing underpinned by the payment of rent from an occupier(s).
- 2.10 The future use of the Pavilion has not been determined as part of this process. The Council has previously sought advice as to potential uses which have include culture, food and drink, heritage and leisure uses. Given the range of options this report recommends an early expression of interest process to highlight to potential occupiers that the scheme is coming forward which will allow for a more informed consideration of potential uses and how they align to the Town Investment Plan and related Council strategies such as the Destination Management Plan and Heritage Strategy.

3. Recommendation(s) / Proposed Decision

1. To delegate to the Director of Pride in Place, in consultation with the Cabinet Member for Place Development and Economic Growth and the Director of Finance, agreement of the final heads of terms for the surrender of the lease in respect of the Pavilion. (the draft heads of terms are set out at exempt Appendix 1).
2. That the Director of Pride Place seek expressions of interest from investors and occupiers, to work with the Council for uses aligned to the Torquay Town Investment Plan 2020 with this process to begin before the end of February 2024.
3. That the Director of Pride in Place prepares a funding strategy for the restoration of the Pavilion.

Appendices

Heads of Terms

Background Documents

Torquay Town Investment Plan & Pavilion Business Case

1. Introduction

- 1.1 Torquay Pavilion has been empty and unused since 2013. The property is leased to Marina Developments Ltd (MDL) on a 99-year lease from January 1985. The Marina and adjoining car park are also leased to MDL on a separate 99-year lease agreement from 1987. The Council has been working with MDL to find a solution which would see the restoration of the Pavilion and ultimately bring this important landmark building back into use.
- 1.2 The cost of repair and restoration represents a significant obligation and, under the Lease, neither the landlord nor the tenant has responsibility for inherent defects. Therefore, over many years, there has been a stalemate on this matter. In more recent years the tenant and landlord have explored solutions that involve the potential to deliver a development of the adjacent car park which is demised under the separate 1987 lease, to ensure the restoration and renewed use of the Pavilion.
- 1.3 In the summer of 2021, MDL and Torbay Council entered a Memorandum of Understanding (MOU), whilst not legally binding, essentially meant the initial costs to fully re-evaluate the condition of the Pavilion were split 50/50, up to a cap of £250,000 for each party. The MOU set out various actions and milestones, that meant proposals would come forward in a timely manner. This was predicated on an assumed repair cost of circa £3,500,000 which was a figure used to inform the inclusion of the Pavilion in the Town Investment Plan submitted to Government in 2020.
- 1.4 The MOU also provided comfort to MDL that should they secure the necessary consents and funding, this in principle would trigger a surrender of the current Pavilion lease which would see the Pavilion building returned to the control of the Council, either fully restored or with sufficient match funding to cover 50% of the restoration costs.
- 1.5 The intervening period from 2020 to the present day has seen construction costs increase significantly and the contractor market regionally has seen the failure of established businesses which has seen risk and cost move to clients. The consequence of this is that the repair costs now are circa 300% of what they were in 2020.
- 1.6 Since 2020, there has been some initial progress. This has included works to ascertain the condition including various surveys, scaffold design work, internal soft strip etc. However more intrusive surveys have not yet commenced on site, these will follow if the recommendations are accepted.
- 1.7 Running in parallel, have been discussions with MDL regarding the potential for a surrender of the Pavilion Lease. It has been considered that having direct control over the asset is a preferable position for the Council. Potential surrender premium values for the Pavilion lease, alongside some Heads of Terms, have been subject to ongoing discussions throughout 2023.

- 1.8 Alongside these negotiations, officers considered a variety of options to provide a clear direction of travel for the Council, the community and the tenant. These options are summarised under section 2 of this supporting information.
- 1.9 A backdrop to reaching an agreed position with MDL has been the complexity of the lease terms, the condition of the building, repairing obligation and the inherent defects. The Council has previously obtained Counsel opinion (in the 1990's), specifically on the issue of the repairing liability.
- 1.10 The Pavilion lease requires the lessee to keep the premises in good tenable repair and condition. On the face of it, a clear and simple covenant. However, the whole matter rests on the central issue as to whether the remedial works, which are needed, go beyond what is required under the covenant to repair. It has been documented that the original design defects (faience block with no expansion joints have cracked over time, moisture / salt water and air have entered blocks resulting in further damage and rusting to the steels causing exacerbation of the issue, flat roofs with inefficient rainwater goods, condensation, and lack of ventilation) have resulted in the more minor repairs becoming serious items of disrepair over time. The works required to remedy the issues are now likely to be considered a mix of improvements and repairs. Counsel is of the opinion that much of the work now required, would not come under the definition of repair. The lack of certainty on these lease terms means that for the Council and MDL a collaborative solution is better than pursuing through the lease.
- 1.17 Turning to the funding available for the repair and restoration, £2,000,000 sits within the Town Deal funding, allocated to the Pavilion. Increasing this figure from within the Town Deal is possible but it would be to the detriment of other projects.
- 1.18 It was originally anticipated that the full restoration costs would be met 50/50 by the Council and MDL. The Council would find circa £5m from a combination of Town Deal funding (£2m), council borrowing, (against rent from a new tenant), and other sources. The recommendations of this report seek approval to explore options with other external funding sources which might include the Government's Long-Term Plan for Towns for Torquay and potentially heritage funding. However, Cabinet is asked to note that the National Lottery Heritage Fund (NLHF) has also been identified as a partner for the Resilient Future for Oldway project.

2. Options under consideration

Option A – Do nothing

- 2.1 A do-nothing option will see the status quo persist with progress towards the vision and objectives set out in 2.4 above limited. There is a cost of doing nothing financially and reputationally. Doing nothing will see pressure on the repair and maintenance budget continue to grow. As the site degrades this is likely to have a short-term financial impact. It is also likely that do nothing would have an impact on the NLHF's willingness to support the Council at other sites. The recent designation of Oldway by Historic England as an at-risk site, emphasises the challenges of the site and the importance of the site beyond Torbay.

Option 2 – Surrender Premium – Heads of Terms

- 2.2 Negotiations have been ongoing with MDL on the potential surrender premium linked to some specific Heads of Terms. These Heads of Terms include that landlord's agreement to development on the adjacent car park in the future should not be unreasonably withheld, subject to any development gaining planning permission. Following protracted negotiations, the surrender premium, while not meeting 50% of the forecast repair costs, is at a level which officers are prepared to recommend (subject to a full condition survey).

Option 3 - Enforcement Action

- 2.3 Whilst the Council could argue that the property is in disrepair and therefore MDL is technically in breach of its repairing obligation, the ultimate sanction by the Council is to forfeit the lease. This would result in the Council being responsible for the property and MDL would jettison their liability without having to pay a surrender premium.
- 2.4 Whilst the Council as landlord would be entitled to damages for breach of the repairing covenant, such damages would be the difference between the value of the property as it stands and the value it would have had if the tenant had carried out its obligations. Such damages would be a fraction of the extensive sums required to restore the building.

Option 3 – New lease/tenant post restoration

- 2.5 JLL, an international property consultancy, was instructed by the Council, through TDA, to provide an update to the original Market Assessment Report dated July 2021, with reference to the restoration and repurposing of the Pavilion. As a further year or more has passed since the first report, market conditions have changed, and it was felt that an update was prudent.
- 2.6 JLL believe the location and nature of the building is likely to be attractive to both the food and beverage and leisure sectors. Many casual dining operators undertook some form of financial restructuring during the pandemic, leading to several venues closing. This enabled many to continue to trade by shedding underperforming sites and cutting costs and debt. Whilst not at the pace witnessed during the pandemic, should we enter a recessionary period, it is anticipated some companies will look to restructure further. This has led to operators tightening their expansion criteria, to prioritise the best locations.
- 2.7 Within the leisure sector, operators continue to seek long term (10+ year) leases, primarily due to the fit-out costs involved. Tenants are however seeking greater incentives from landlords in the form of capital contributions and extended rent-free periods. Flexibility is paramount, not only for the occupier regarding the lease terms, but also for the developer on the planning consent and layouts, as a more open consent allows for greater marketability and the line between each 'use class' is becoming increasingly blurred.
- 2.8 JLL believe the profile of the Pavilion and the opportunity it presents is likely to attract potential interest from companies active in a range of sectors, including brewers and pub companies, restaurant operators, food hall operators and possibly live music / events and

experiential leisure. Some will have a requirement for the whole, whilst others, such as casual dining operators will have smaller space requirements and potentially have greater confidence if a cluster of smaller units is created.

- 2.9 Anticipated rental levels have not changed since July 2021. The overall rent to be achieved is nevertheless dependent upon whether the building is let as a whole or split to create multiple lettings. JLL advise the best approach is to seek expressions of interest, guiding parties at a global rent of £10 per sq. ft. Should it be decided to explore multiple lettings in the property, dependent on the split and size of units, they would anticipate higher quoted rents of c.£20 per sq. ft, as operators will approach this by considering the overall quantum of rent, against their trading projections. A fully occupied unit is therefore likely to achieve a rent in the range of £175 – £250k per annum.

Option 4 – Cease all restoration-based activity

- 2.10 This option would bring negotiations to a halt at this point. Because of the anticipated rising costs of restoration, an inability to reach agreement with MDL, along with MDL’s own reluctance to push on with their intended development of the adjoining car park site, the Council may decide to postpone the project until such time as market conditions improve.
- 2.11 Some community representatives have suggested a demolition and rebuild of the building. The Pavilion project board instructed some initial work on this option, the estimated cost was £28,000,000 and this option was discounted.

3. Financial Opportunities and Implications

- 3.1 The current estimated cost of restoration and conversion of the Pavilion and repair is circa £11 million. Securing the balance of the funding required to complete the restoration will require additional grant funding and is highly likely to require additional Council funding to complete.
- 3.2 The report seeks permission to agree that funding strategy and preliminary approaches have been made already to National Lottery Heritage Fund to understand how Torbay can best work with NLHF to unlock the opportunity at Oldway and Pavilion. Additional opportunities may include Arts Council England and the Long-Term Plan for Towns which will be submitted to Government by June 2024.
- 3.3 Any Council funding will need to be based on a clear business plan relating to the future use of the building hence the importance of understanding the interest of the occupier market. Subject to the expression of interest and any required procurement or letting process there will be an opportunity for rental income and possibly business rate income as the site is returned to active use.

- 3.4 The restoration costs are not yet finalised and there is a requirement for works over the next quarter to establish what the final costs may be. The extent of these works and agreeing permission to carry them out is an issue still to be resolved between the parties.
- 3.5 There is a cost of doing nothing financially and reputationally. Doing nothing will see further pressure from the community and potential enforcement action levelled to the Council for repair and restoration works. This would see the Council have to commit officer time and budget to deliver these works. Reputationally allowing such a position to come to pass would weaken the understanding and commitment of partner agencies in the Council's role as a custodian of these assets.
- 3.6 Additionally there would be non-financial benefits of any associated employment or visitors that would be expected to come forward depending on the end user.

4. Legal Implications

- 4.1 The heads of terms for the surrender, the required lease alterations and the relevant issues regarding any future development on the car park site have been supported by the Council's legal team.
- 4.2 Should a private partner be identified there will be a requirement for a lease to be drafted and agreed. Indicative terms that the Council will consider will need to be developed linked to the call for proposals referenced in 6.1 below.
- 4.3 The Council will need to consult its insurers throughout the process to ensure that its insurance cover reflects the changing risks as the project develops.

5. Engagement and Consultation

- 5.1 Historically there has been engagement with the community in the development of the Torquay Town Deal Investment Plan. That engagement continues through the Community Board, which sits underneath the Town Deal Board and the Town Deal Board itself.
- 5.2 The responses to expression of interest process will be reported through to Cabinet and Group Leaders at its conclusion with any emerging recommendations tested with the Town Deal Board in due course.
- 5.3 Should MDL bring forward a planning application for the adjoining car park site consultation and engagement for that application will be subject to the normal expectations of the planning process.

6. Purchasing or Hiring of Goods and/or Services

- 6.1 To take forward the recommendations of this report, it is likely that a call for proposals will be issued seeking responses from potential private sector partners to work with the Council. Officers will follow the Council's Financial Regulations and Contracts Procedures in respect to ensure that the Council is compliant with the Public Services Value (Social Value) Act 2012 in consultation with the Director of Finance and the Procurement Team.
- 6.2 The Council will also seek to maximise the opportunity for local employment and local supply chain benefits through the contractor procurement.

7. Tackling Climate Change

- 7.1 No direct implications from the recommendations, the Council will seek to support the objectives of the Climate Emergency Action Plan in delivering the recommendations set out in this report.

8. Associated Risks

- 8.1 The key risk in the short term if the recommendations are not taken forward is reputational harm to the Council. This would be a risk from the community based on the historic deterioration in the condition of the site and the lack of progress hitherto in identifying a clear way forward for the site.
- 8.2 In taking forward the recommendations securing the finances to allow this project to progress will be a challenge and as such presents a risk to delivery.
- 8.3 In line with the Council's programme and project management approach a full risk register will be compiled for this project.

9. Equality Impacts - Identify the potential positive and negative impacts on specific groups

	Positive Impact	Negative Impact & Mitigating Actions	Neutral Impact
Older or younger people			No discernible impact anticipated.
People with caring Responsibilities			No discernible impact anticipated.
People with a disability			No discernible impact anticipated.

Women or men			No discernible impact anticipated.
People who are black or from a minority ethnic background (BME) (Please note Gypsies / Roma are within this community)			No discernible impact anticipated.
Religion or belief (including lack of belief)			No discernible impact anticipated.
People who are lesbian, gay or bisexual			No discernible impact anticipated.
People who are transgendered			No discernible impact anticipated.
People who are in a marriage or civil partnership			No discernible impact anticipated.
Women who are pregnant / on maternity leave			No discernible impact anticipated.
Socio-economic impacts (Including impact on child poverty issues and deprivation)			No discernible impact anticipated.
Public Health impacts (How will your proposal impact on the general health of the population of Torbay)			No discernible impact anticipated.

10. Cumulative Council Impact

10.1 None

11. Cumulative Community Impacts

11.1 None

Meeting: Cabinet **Date:** 13 February 2024

Wards affected: Tormohun

Report Title: Leonard Stocks Acquisition

When does the decision need to be implemented? 21st February 2024

Cabinet Member Contact Details:

Cabinet Member: Cllr Chris Lewis, Cabinet Member for Place Development and Economic Growth and Deputy Leader, chris.lewis@torbay.gov.uk

Director Contact Details:

Alan Denby, Director of Pride in Place, alan.denby@torbay.gov.uk

1. Purpose of Report

- 1.1 This report seeks approval to acquire the Leonard Stocks Homeless Hostel building and applicable packages of land, and to assume the grant liability attached to the site which is held with Homes England.
- 1.2 The acquisition would result in Torbay Council owning the entirety of the site and having full control the asset and subsequent income generated from Housing Benefit which will enable the provision to be operated more efficiently.
- 1.3 Owning the building and land in full would also provide Torbay Council more flexibility and options in the future, in terms of transitioning to a new model of service provision and future development of the Castle Circus area.

2. Reason for Proposal and its benefits

- 2.1 The Leonard Stocks building and much of the land it sits on is currently owned by Langley House Trust (LHT), with one parcel of land owned by Torbay Council and leased to LHT in return for full nomination rights enforced via a Nomination Agreement.
- 2.2 In 2021, LHT approached Torbay Council with an offer to sell the building and their land holdings to Torbay Council for £1. It is understood that on review of their business model

and national footprint, LHT no longer see the Leonard Stock's Hostel as 'core business' and it now sits outside of their geographic focus.

- 2.3 LHT's alternative to selling to Torbay Council, would be either a) sell the building to another party (which would affect the deliverability of the service), or b) cease operation and management. As there is evident need for hostel-type provision, the impact of option b) would be that Torbay Council would need to set up alternative provision elsewhere.
- 2.4 The Leonard Stocks Hostel is Torbay's only purpose-built short term homeless hostel and is equipped to tackle rough sleeping and rehabilitation for multiple complex needs. It is a crucial part of Torbay's rough sleeping and homelessness strategy (2020-2025), and demand is always high for the services it provides.
- 2.5 The expected benefits of acquiring the site are:
- The Council maintains and enhances its only Homeless provision and remains compliant against legislative duties.
 - The Council would be able to utilise some of the income from Housing benefit to offset the operational staffing costs, in line with regulations (subject to agreement).
 - There would be potential to use some of the additional income (as outlined in section **Error! Reference source not found.**) to support the service offer which were identified by a commissioned report in 2022.
 - We would own the site in its entirety which would afford us regeneration and development options in the future should we move to a different model of delivery for our homeless provision.
 - We would be able to influence the positive regeneration of the wider regeneration of Union Square and Temperance Street.
 - There could be an opportunity (in the future) around adding solar PV and air source heat pumps. This would help to offset the Council's operational costs of running the building and demonstrate a continuous level of investment. This would also support the council's ambitions towards carbon neutrality.

3. Recommendation(s) / Proposed Decision

1. That, subject to completion of all necessary due diligence, the Director of Pride in Place be authorised to proceed with the acquisition of the Leonard Stocks homeless hostel, with the Chief Executive to be given delegated authority to implement all necessary actions to achieve the same.
2. The Director of Adult and Community Services prepare options for discussion with the Cabinet Member for Adult and Community Services and all Group Leaders, as to how any residual income resulting from this acquisition can be best used to support the work of the hostel.

Appendices

Business Case

Background Documents

N/A

1. Introduction

Reason for change

- 1.1 The Leonard Stocks building and much of the land it sits on is currently owned by Langley House Trust (LHT), with one parcel of land owned by Torbay Council and leased to LHT in return for full nomination rights enforced via a nomination's agreement.
- 1.2 In 2021 LHT approached Torbay Council with an offer to sell the building and their land holdings to Torbay Council for £1. It is understood that on review of their business model and national footprint LHT no longer see the Leonard Stock's Hostel as 'core business' and it sits well outside of their usual business footprint geographically.
- 1.3 LHT's alternative to selling to Torbay Council would be either a) sell the building to another party (which would affect the deliverability of the service), or b) cease operation and management. As there is evident need for hostel-type provision, the impact of option b) would be that Torbay Council would need to set up alternative provision elsewhere.

Strategic Need

- 1.4 The level of homelessness within Torbay is higher than the national average. Throughout June 2023, 54 cases of homelessness/rough sleeping were recorded, an increase of 54% in the last year. At its peak, 35 people were identified as sleeping rough in a single night.
- 1.5 Since the start of 2023, 7 individuals known to Torbay Council, have died whilst rough sleeping. Those affected by homelessness are 10 times more likely to die prematurely than those of a similar age in the general population; the life expectancy of a homeless person is just 47 years. The situation in Torbay is further nuanced with an estimated 55% of street homeless adults having some form of substance misuse problem, and an additional number suffering from complex mental health issues.
- 1.6 The Leonard Stocks Hostel is Torbay's only purpose-built short term homeless hostel and is equipped to tackle rough sleeping and rehabilitation for multiple complex needs. It is a crucial part of Torbay's rough sleeping and homelessness strategy (2020-2025), and demand is always high for the services it provides.

- 1.7 Torbay Council is required to take reasonable steps to help homeless clients secure suitable accommodation for at least 6 months. Without this provision the Local Authority would be required to look at alternative solutions such as other temporary accommodation or Hotel and Bed & Breakfast accommodation. However, such accommodation is often in short supply (particularly in peak tourist season) and is unsuitable for long-term occupation. Furthermore, it is expensive, and not all costs can be recovered from Housing Benefit, leading to a risk of significant revenue pressure on the Council's budgets.
- 1.8 A wider model of accommodation and support is being developed, to ensure sufficiency of supply. This will form part of the homelessness and Rough Sleeping Strategy which will commence development in January 2024. The wider model of delivery is currently limited and is in the form of leased step-down accommodation. Also, hotels will no longer take this client group due to other local authorities placing in our area, therefore impacting on the availability of accommodation.

Practical Considerations

- 1.9 Development of the building was supported by £2.6m of Homes England grant in 2008. The sale of a grant-funded asset by an RP normally triggers a 'repayment event' in line with Homes England's Capital Funding Guide; however, there is an exception where the purchaser is also an RP, and where the scheme continues to provide an equivalent affordable housing product. This would apply to the Council's proposed acquisition, meaning that a repayment obligation is not triggered.
- 1.10 Notwithstanding the above, officers consider that the site may offer an opportunity for long-term town centre regeneration. As this would involve demolishing/repurposing the building, this would normally trigger a repayment event in the future. However, LHT and Council officers have mitigated this by renegotiating with Homes England to a) limit the value of the grant obligation to the asset's current Red Book market value of £1.275m; and b) limit the obligation to ten years from the date of signing a Deed of Covenant. If the facility ceases to be used for this purpose within 10 years, the original grant obligation would be recoverable by Homes England without discount.
- 1.11 Officers have secured an advantageous position in so far as the building's purchase helps to safeguard vital homeless accommodation in the Town Centre, whilst offering an opportunity to unlock a high-profile regeneration opportunity in the long-term. The minimum retention period of 10 years also gives the Council time to work out its longer-term ambitions and develop and put into operation more appropriate forms of homeless accommodation throughout The Bay, to reflect local need (and modern best practices of

such accommodation). Officers anticipate that should market values drop, there may be further opportunities to negotiate again with Homes England in due course.

Operational Considerations

- 1.12 Previously the support provider was unable to deliver adequate through-put of clients through the site, with some clients being in place for as long as 5 years. In addition, there was an ongoing issue around the antisocial behaviour around the top end of Torquay Town. However, as of February 2023, Torbay Council have taken on the support and management element of the Homeless shelter due to being unable to source a suitable support provider through the Multiple Complex Needs (MCN) Alliance. This is currently in the form of an SLA with LHT, where they remain the responsible registered provider and Torbay Council get paid to undertake the administrative function related to the housing management. This allows for maximum Housing Benefit to be reclaimed for the accommodation.
- 1.13 Since Torbay Council management has been in place there has been a demonstrable improvement in throughput of clients through the service from the average stay of tenants being around 506 days in Feb 2023 down to a current average of 204 days in November 2023. This increased throughput enables more bed spaces to be available, therefore increasing the off the street provision for street homeless and those with complex needs.
- 1.14 The new management at the hostel has also implemented new initiatives to deal with the anti-social behaviour such as curfews and enhanced liaison with the police leading to an increased police presence and number of dispersal orders for those who have a negative influence on the hostel clients.
- 1.15 Although the service is now showing significant improvements, the onboarding and bolstering of staff for the service into Torbay Council employment has increased the operational costs for the service. Where appropriate in line with housing benefit regulations, it is expected that some of these costs may be absorbed or offset by the income generated by the scheme from Housing Benefit as identified in section **Error! Reference source not found.**

Other Considerations

- 1.16 Leonard Stocks is near Union Square shopping centre and Temperance Street, an area identified for development as part of the Town Investment Plan work to improve the

vibrancy of the town centre, reduce the area's dominance of secondary retail and increase the residential footprint within town.

- 1.17 The schemes are high value projects, aimed at supporting working families into the town centre. This is a key part of the place-based regeneration of Torquay, and it is crucial that the two sites' redevelopment lead to a step-change in the profile and vibrancy of the town centre, if they are to lead to successful regeneration outcomes. As part of this place-based regeneration strategy it is therefore essential to consider whether any wider regeneration needs to take place, to support Union Square and Temperence Street to succeed.
- 1.18 The reality is that whilst it is an essential resource for the community in Torquay, the Leonard Stock's model is dated, in so far as it is a large concentration of highly vulnerable, complex needs individuals in a single place, in what is effectively a cul de sac. It is surrounded by disused brownfield land, which attracts anti-social behaviour itself; it also – by virtue of the vulnerable client group living in the site and having minimal natural surveillance – attracts (or risks attracting) antisocial behaviour by residents, visitors, and other people.
- 1.19 The modern approach is to move towards a dispersed model of such accommodation, whereby smaller facilities are built in multiple locations to help reduce both the impact and likelihood of antisocial behaviour. The reality is that it would be more difficult to achieve this outcome if the site is not in our control and this is therefore a welcome opportunity to take strong place-based leadership in the future success of Torquay.
- 1.20 The Homelessness and rough sleeping strategy is currently being developed and has an aspiration to move towards a dispersed model of delivery that recognises the complex levels of care and support required for the client group. Acquiring this site increases the Council's land ownership in a key area of the town and will allow us options and flexibility in the future to incorporate this site in the regeneration around the Castle Circus area. There is a risk that if we do not exercise the ability to purchase the asset now, we may lose an ability for long-term regeneration if whomever does purchase the site takes a different view about the longevity of the existing building. There is also a risk that this will cost us more.

2. Options under consideration

Option 1 - Do Nothing

- 2.1 We could choose to do nothing and let LHT decide the future of the site. LHT have stated that they would seek to change the operational model of the service or cease operation entirely if Torbay Council are unable to purchase the land and building from them.
- 2.2 Although unlikely due to the grant liability, LHT may be able sell the building to an external 3rd party and new nomination rights would have to be secured. This could potentially lead to a reduced number of spaces for Torbay referrals.
- 2.3 The **benefits** of this option are:
- No financial risk in relation to the acquisition of a capital asset, or revenue operation
 - 'Risk adverse' approach – no expenditure; no liability.
- 2.4 The **risks** associated with this option are dependent on a few scenarios based on how LHT will proceed:
- 2.4.1 Should the Council not proceed to purchase, and the LHT close the building:
- significant investment by Torbay Council (or another provider) would be required to re-provide an equivalent service elsewhere in The Bay.
 - The staff which have just been TUPE over to Torbay Council would be at risk of redundancy or redeployment.
 - Potential failure in our legislative duties if a suitable service is not available.
 - Significant reputational damage if we are unable to secure a suitable alternative as well as and relationship breakdown with the current owner/wider community.
- 2.4.2 Should LHT sell the facility to another provider:
- New nomination rights would need to be agreed. There is a risk that the Council may not be able to secure 100% nominations from a new provider.
 - New lease for the land would have to be agreed which would constrain the land for the foreseeable future and make any future acquisition more complex and costly.
 - The current support contract provided by Torbay Council may not be agreed to, as this is undertaken at the facility with the agreement of the current property owner.
- 2.4.3 In a best-case scenario where LHT change their minds and continue to operate the service.
- We would lose the opportunity to put the income the service receives to better operational use within the hostel. Currently any surplus is absorbed into LHTs wider portfolio.
 - LHT may not agree to continue to the support contact under the existing SLA.
- 2.4.4 In any scenario where we do not acquire:
- Torbay Council could lose the ability to secure the long-term regeneration of this part of Torquay (or the ability to purchase at a beneficial price).

- Does not support the Town Investment Plan objectives.
- Puts significant risk on the Union Square and Temperance Street development projects as having the hostel here long term impacts the attractiveness for residential / key worker accommodation use.
- We can acquire this site now at a peppercorn due to the grant liability which we have de-risked due to our negotiations with Homes England. If this opportunity passes us, it is likely that if we ever want to acquire the site in the future it will be at a much higher cost.

Option 2 – Acquire the site / building from LHT.

2.5 We choose to acquire the land and building from LHT and accept the agreed grant liability and running costs.

2.6 The **benefits** of this option are:

- The Council maintains and enhances its only Homeless provision and remains compliant against legislative duties.
- In agreeing a purchase price of £1, no Stamp Duty Land Tax would be due.
- The Council would be able to utilise some of the income from Housing benefit to offset the operational staffing costs, in line with regulations (subject to agreement).
- There would be potential to use some of the additional income (as outlined in section **Error! Reference source not found.**) to support the service offer which were identified by a commissioned report in 2020.
- We would own the site in its entirety which would afford us regeneration and development options in the future should we move to a different model of delivery for our homeless provision.
- We would be able to influence the positive regeneration of the wider regeneration of Union Square and Temperance Street.
- There could be an opportunity (in the future) around adding solar PV and air source heat pumps. This would help to offset the Council's operational costs of running the building and demonstrate a continuous level of investment. This would also support the council's ambitions towards carbon neutrality.

2.7 The **risks** associated with this option are:

- The operational costs of the building are more, or become more, than anticipated due to increased energy bills for example. The estimates have however been constructed with heavy contingency to de-risk this. Also, investment in the energy efficiency of the building as suggested above may mitigate this issue.

- The building develops an unforeseen issue and requires repairs before the sinking fund is sufficiently established. A conditions survey has been carried out to assure us the state of the building is in good condition to mitigate the likelihood of this.
- The building would still retain a significant grant obligation of £1.275m. This will be capped at the current building value, so this risk has been reduced to as low as possible and could – in theory – be renegotiated again later if necessary. However, this obligation only remains for 10 years, which would allow the medium-long-term redevelopment of the site to take place without penalty.
- There is an uncertainty around who would fulfil the landlord function for the hostel. This is being reviewed as part of a wider question around TorVista and other Council Landlord requirements. Interim arrangements could be put in place, to allow wider strategies to be developed more comprehensively across all units owned by the Council.

3. Financial Opportunities and Implications

Acquisition costs and contingency

- 3.1 LHT have offered Torbay Council the building and the land on which it sits for £1. This reflects that Torbay Council own a portion of the land already and reflects the consented planning use of the site. Agreement of purchase at this price also reflects that the grant obligation will transfer to Torbay Council.
- 3.2 The below table identifies other indicative costs related to the acquisition of the site, including contingency funding for some of the mitigations of risk which has been identified, which will be met from existing budgets.

Resource	Cost	Description
Housing benefit Specialist (Mitigation of Risk 005)	£2000	Assist in developing the council's housing benefit application to ensure maximum and correct income is received. Will endeavour to complete this internally but there is a chance this will have to go external specialists.
Legal fees (searches)	£2000	Cost of any applicable searches and registration fees for the building.
External legal support (Mitigation for Risk 007)	£10000	Potential that we may need to go externally for legal support around the transfer of land should our own legal team not be able to resource this. We will try to avoid this.
Total	£14,000	

Operational Costs of the building

3.3 The below table outlines the costs which have been provided by LHT from the financial year 2020/2021. This does not include any Staffing costs for the service as this is covered separately within other council budgets.

Description	2020/2021 Actuals	Modifier	Predicted costs	Comments
Maintenance	£ 81,848	200%	£163,697	*See note below Could be much less
Repairs	£13,000	300%	£39,000	Allowance for non-scheduled repairs. Tripled costs to reflect the market.
Utilities	£29,903	200%	£59,807	Using 22/23 usage from LHT and applying TC rates. This has also been doubled for good measure.
Insurance	£3,802	20%	£4,848	Allowed for a 20% increase.
Building Management	N/A	N/A	£30,000	Provision for specific resource or external contract to manage the building.
Total Operational Costs	N/A	N/A	£297,353	
Contingency / risk	N/A	10%	£29,735	10% of operational costs
Total (including contingency)	N/A	N/A	£327,088	Total all in cost including a 10% contingency

*Note: The maintenance figures are based on the current 30-year scheduled maintenance plan from LHT. We have doubled this figure to accommodate the inflated costs we are seeing in the construction market; however, this assumes we keep the building for the 30-year period which would mean replacing large ticket items such as roofing, electrics throughout etc in years 20 to 30. If we were to relinquish this building before year 15 the maintenance costs would be significantly less and require a smaller sinking fund.

Hostel Income

3.4 The primary source of income for Leonard Stocks is derived from enhanced Housing Benefit. The below figures are based on the new application from LHT for year 2023/2024. The figures assume 28 residents for the building rather than the current 30 as there are intentions to convert some of the rooms to communal areas to help with some of the anti-social behaviour the hostel experiences in the surrounding area.

Description	Value	Comments
Gross Rent	£518,612	This is based on the weekly eligible HB for each resident. (£356.19 x 28 residents x 52)
Voids	-£25,930	5% voids allowance to consider throughput of clients. Currently the site operates at max capacity with a waiting list.
Ineligible Service Charge	£48,688	This is the ineligible service charge which would go towards the general cost of living (utilities etc) which is deducted directly from the clients HE entitlement but should be recovered from the clients' personal monies. Current rate is £33.44 (x 28 residents x 52 weeks). This income is not included as recovering these monies can be difficult and varies, however this does show potential additional income and is currently being reviewed with Housing Benefit.
Net Rent	£492,682	Gross rent minus the voids. (not including potential income from ineligible service charges)

Residual income

3.5 The below table outlines the surplus funding available per year based on the current Housing Benefit income in **Error! Reference source not found.** against the predicted costs in **Error! Reference source not found.** with an additional balance against the current support contract top up which LHT currently contribute towards the support.

Description	Value	Comments
Net rental income	£492,682	As per Error! Reference source not found. , not including the potential income from the ineligible service charge.
Predicted building costs	-£327,088	As per Error! Reference source not found. , including the 10% contingency
Service tops up	-£100,000	Allocation of funding contributed towards the service provision (modelled upon LHT current contribution of circa £100k)

Total residual funding	£65,593	Funding which could be used to support and improve the service in line with Housing Benefit regulations.
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3.6 As identified in the table above there is a nominal amount of funding available (£65.5k) once all the building costs and service top up have been deducted from the income. This amount could be improved if the risk budget (£29,735) is not used and the management within the Hostel are able to recover the ineligible service charges to contribute towards the running costs (up to £48.6k), so there is potential for investment back into the service if we can optimise our costs and management of the rental collections.

Ongoing cost profile

3.7 The year one costs which have been estimated within this section have been profiled across a 30-year term and assuming a 3% inflationary increase in Housing Benefit against a 3-5% increase across the various operational costs, the site continues to be viable over a 30-year duration.

4. Legal Implications

- 4.1 Torbay Council Legal team have reviewed the Grant Agreement between LHT and Homes England as well as a version of the current nominations agreement and have confirmed there are no foreseen issues in taking on the conditions of the grant.
- 4.2 The original grant liability of £2.3m has been renegotiated with Homes England to the asset's current Red Book market value of £1.275m and to establish a ten-year lifespan for the grant liability from the date of signing a Deed of Covenant. If the facility ceases to be used for this purpose within 10 years, the original grant obligation would be recoverable by Homes England without discount, however further negotiations could be held in relation to this if Torbay Council is able to demonstrate alternative provision to support a recycling or reduction of the residual grant funding.
- 4.3 Upon agreement of this report Homes England will be instructed to draft a Deed of Covenant for the transfer of the grant liability. Once complete, Torbay Council legal team will review the Deed of Covenant and subject to satisfactory completion of this and other due diligence pertaining to the acquisition, will execute the necessary legal activities to acquire. These activities have been scoped with the legal team and agreed to be resourced internally.

5. Engagement and Consultation

- 5.1 We have engaged at length with Homes England around the potential acquisitions and they were very supportive of the proposal, and it was on that basis that the grant liability was reduced. We maintain good communications with the historic grants team to enable us to conclude these elements of works and have established a good basis for potential future changes to the site once we have developed our long-term temporary accommodation strategy.
- 5.2 We have maintained a good relationship with Langley House Trust and have worked closely with them to produce the homes England business case and wider project feasibility and business case. As the sites current landlord and in collaboration with them towards a smoother transition, we have actively engaged with them to produce a building condition survey and LHT have worked towards rectifying all the material issues which were identified for the building.
- 5.3 The on-site operational team for the homeless hostel has also been consulted and have had input into the business case to ensure that the plans for the site and financial feasibility have been tailored according to the needs of the service. For example, the feasibility is based on an occupancy for 28 people rather than the current capacity of 30 due to the aspirations to reclaim 2 of the bedroom units for more communal space to prevent clients congregating on the outskirts of the hostel.
- 5.4 Due to Torbay Council already operating the site as a service provider there will be little public facing change to the homeless hostel other than the expected benefits to the site and surrounding area. The communications team has been consulted and would manage communications as they are currently.

6. Purchasing or Hiring of Goods and/or Services

- 6.1 There is no competitive procurement involved with the acquisition of the land and building.
- 6.2 The provision of the support element has already been brought in house and is not subject to any ongoing procurement or contracts.
- 6.3 If the approval to acquire the site is granted, we will work closely with LHT to identify the current providers for the routine safety and maintenance checks and either look to novate their contracts over to the council or transfer those services over to the usual council suppliers. This will depend on any warranties, costs etc and will be determined on a case by case by the asset management team.
- 6.4 The maintenance, repairs and cleaning of the site will be procured using the same frameworks as the temporary accommodation.

6.5 If the need to procure any consultants arises (Legal works etc), we will seek out quotations from 3 appropriate sources and assess value for money based on advice from our own legal and procurement teams.

7. Tackling Climate Change

7.1 Initial appraisals of the site have identified that there is potential scope to improve the energy efficiency by introducing ground source heat pumps and / or solar panels on the roof. This would reduce the running costs of the building as well as reducing its CO2 footprint. This would be assessed once firm costs for the maintenance and running costs of the site has been established and a cost / benefit analysis has been conducted.

8. Associated Risks

8.1 Risks are outlined in the options appraisal in section 2, however the key risks here are:

- The potential loss of our only purpose-built homeless shelter, which will open us up to a legislative failure to provide temporary accommodation of rough sleepers.
- The loss of opportunity to acquire and control a key asset in the Castle Circus area.

9. Equality Impacts - Identify the potential positive and negative impacts on specific groups

	Positive Impact	Negative Impact & Mitigating Actions	Neutral Impact
Older or younger people			X
People with caring Responsibilities			X
People with a disability			X
Women or men			X
People who are black or from a minority ethnic background (BME) (Please note Gypsies / Roma are within this community)			X

Religion or belief (including lack of belief)			X
People who are lesbian, gay or bisexual			X
People who are transgendered			X
People who are in a marriage or civil partnership			X
Women who are pregnant / on maternity leave			X
Socio-economic impacts (Including impact on child poverty issues and deprivation)	Rehabilitation of clients using the homeless shelter aims to reduce reliance on benefits and enable them to become productive members of society.		
Public Health impacts (How will your proposal impact on the general health of the population of Torbay)	Will improve the health and well-being of clients utilising the homeless hostel.		

10. Cumulative Council Impact

None

11. Cumulative Community Impacts

None

Meeting: Cabinet **Date:** 13 February 2024

Wards affected: Tormohun

Report Title: Request for Delegated Authority to Award Procured Contract – Automatic Number Plate Recognition (ANPR) system for Fleet Walk Car Park

When does the decision need to be implemented? As soon as possible

Cabinet Member Contact Details: Cllr Chris Lewis, Cabinet Member for Place Development and Economic Growth and Deputy Leader of the Council. chris.lewis@torbay.gov.uk

Director Contact Details: Alan Denby, Director of Pride in Place. alan.denby@torbay.gov.uk

1. Purpose of Report

- 1.1 Fleet Walk's car park revenue system, which is over 23 years old, requires replacement. An obsolescence notice has been received from the manufacturer stating that manufacturing of a dated component has ceased resulting in withdrawal of maintenance support on 31st May 2024. Procurement for a new parking system has been published and is with contractors for tendering.
- 1.2 Approval from Cabinet is sought to delegate authority to the Director of Pride in Place to award the contract in order to deliver the procurement timetable to facilitate completion of the new car park system by the maintenance support withdrawal date.

2. Reason for Proposal and its benefits

- 2.1 The proposal in this report will help us to deliver this ambition by delivering the new automatic number plate recognition car parking system by the target date of 31st May 2024. It is our aim to deliver an efficient and effective parking experience at Fleet Walk Car Park which focus on exceeding expectation.

- 2.2 The new automatic number plate recognition (ANPR) system will aim not only to streamline access and egress from the car park but to optimise income through efficiencies and “smart” technologies. By upgrading the asset with a new ANPR system, it is understood it will generate additional income from customers staying longer at the car park, together with opportunities to maximise revenue streams from pre-registered individuals, businesses, theatre and hotel operators within the vicinity who traditionally struggle to provide adequate parking provision for guests.
- 2.3 The reason for the decision is to help us to deliver this ambition within the constricted time limits available.

3. Recommendation(s) / Proposed Decision

- 3.1 That the Director of Price in Place be authorised to award the successful contract to facilitate delivery of the new automatic number plate recognition (ANPR) system within the procurement timetable.

Appendices

Appendix 1: Photographs of current car park system.

Appendix 2: Procurement Timetable - EXEMPT

Background Documents

Projected Tender Costs - EXEMPT

1. Introduction

- 1.1 Fleet Walk car park is a multi-storey parking facility situated to the rear of Fleet Walk Shopping Centre. Constructed in 1989 the car park provides nine levels within which 414 parking bays are delineated. Since April 2000 when the system was installed, ticket sales have been generated through a “Pay on Foot” (PoF) token operated system prior to leaving the car park. The system was subject to an upgrade in July 2010 with credit card payments enabled.
- 1.2 Manufacturing of spare parts and components ceased in July 2023 and the current provider will be withdrawing maintenance support for the car park system on 31st May 2024. Replacing the current parking system is a priority to safeguard the parking revenue in 2024 and beyond.
- 1.3 Photographs of the now obsolete parking system are attached as Appendix 1.
- 1.4 Both customer retention and growth in new users are of top priority for Fleet Walk Car Park. Going forward, it is our aim to provide a positive customer experience through enhanced technologies and efficient systems.

2. Options under consideration

- 2.1 The Council was served an obsolescence notice by the manufacturer in May 2023 stating that parts for Fleet Walk Car Parks current system will no longer be manufactured by July 2023. Withdrawal of maintenance support has been presented to the Council as a fait accompli with no option or possibility to extend the existing support contract. There are no alternatives but to proceed with the procurement of a new car park management system. Given the age and functional obsolescence of the existing infrastructure, a complete system replacement was an inevitability as mechanical parts would continue to wear out and call-outs to service and repair would continue rising.
- 2.2 The procurement timetable to replace the car park system by 31st May 2024 is tight, with only a small contingency for delays. It is proposed that delegated authority be granted to the Director of Pride in Place to award the contract in line with the procurement timetable.
- 2.3 The alternative would be to await until the April 2024 Cabinet meeting to award the contract, resulting in a delay of approximately one month in the procurement timetable. Installation and completion of the new system would not be ready to meet the deadline date of 31st May 2024.

3. Financial Opportunities and Implications

- 3.1 Projected financial costs for the new ANPR system are attached as a Part 2 Exempt report.
- 3.2 Should the Council not grant delegated authority for the Director of Pride in Place to award the contract, there is a risk the car park will continue to operate for a short period of time without adequate maintenance and support. If the payment system malfunctions, there is potential for loss in revenue over this period.

4. Legal Implications

- 4.1 There are no legal implications concerning the grant of delegated powers to award the contract. The grant of delegated authority is within the Council's Constitution.

5. Engagement and Consultation

- 5.1 No engagement or consultation is planned.

6. Purchasing or Hiring of Goods and/or Services

- 6.1 A formal procurement process is currently being undertaken. Social Value, using the agreed Torbay TOMs Measures has been included within the evaluation criteria for this tender.

7. Tackling Climate Change

- 7.1 The new ANPR system will streamline entry and exit processes, resulting in minimal queues. By ensuring a more continuous traffic flow, adverse environmental impacts associated with congestion are minimised.
- 7.2 The Council will manage its land and buildings and guide future decision making towards creating a carbon neutral estate by 2030.

8. Associated Risks

- 8.1 Associated risks are as identified in Section 3 of the Supporting Information.

9. Equality Impacts - Identify the potential positive and negative impacts on specific groups

	Positive Impact	Negative Impact & Mitigating Actions	Neutral Impact
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Older or younger people			There is no differential impact.
People with caring Responsibilities			There is no differential impact.
People with a disability			There is no differential impact.
Women or men			There is no differential impact.
People who are black or from a minority ethnic background (BME) (Please note Gypsies / Roma are within this community)			There is no differential impact.
Religion or belief (including lack of belief)			There is no differential impact.
People who are lesbian, gay or bisexual			There is no differential impact.
People who are transgendered			There is no differential impact.
People who are in a marriage or civil partnership			There is no differential impact.
Women who are pregnant / on maternity leave			There is no differential impact.
Socio-economic impacts (Including impact on child poverty issues and deprivation)			There is no differential impact.
Public Health impacts (How will your proposal impact on the general health of the population of Torbay)			There is no differential impact.

10. Cumulative Council Impact

10.1 None.

11. Cumulative Community Impacts

11.1 None.

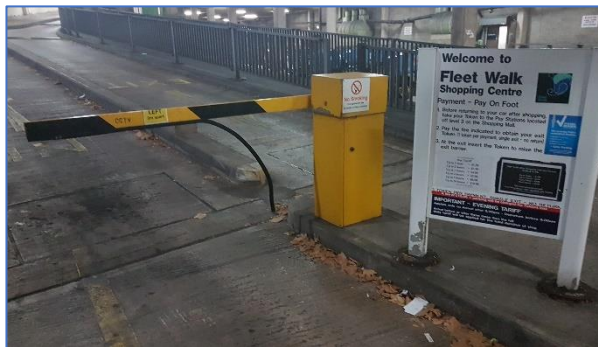
Appendix 1

Replacement of Parking Machines

and Barriers at Fleet Walk Car Park

Photographs of current car park system

The photographs below provide a visual aid to illustrate the dated current parking system:



Lower-level barrier access off Cary Parade



Barrier post (Cary Parade)



Token operated barrier system (Cary Parade)



Token payment terminal (level 3)



Level 9 barrier access to Rock Road



Token operated barrier system (Rock Road)

Document is Restricted

Meeting: Cabinet/Council

Date: 22 February 2024

Wards affected: All wards in Torbay

Report Title: Torbay Council Annual Pay Policy Statement and Review of Pensions Discretions

When does the decision need to be implemented? 22 February 2024

Cabinet Member Contact Details: Councillor Jackie Thomas, Cabinet Member for Tourism, Culture & Events and Corporate Services, (01803) 207087, Jackie.thomas@torbay.gov.uk

Director/Divisional Director Contact Details: Matthew Fairclough-Kay, Director of Corporate Services, (01803) 207449, matthew.fairclough-kay@torbay.gov.uk

1. Purpose of Report

- 1.1 Section 38 (1) of the Localism Act 2011 requires English and Welsh Authorities to produce a pay policy statement for each financial year. This is a statutory requirement, and the pay policy statement must be approved formally by Council. The pay policy statement draws together the Council's overarching policies on pay and conditions and will be published on the Council's Website.
- 1.3 Under the current Pensions Regulations, Torbay Council is able to exercise a range of discretions in regard to how the Local Government Pension Scheme (LGPS) is applied to its employees who are members of the Scheme.

2. Reason for Proposal and its benefits

- 2.1 The Annual Pay Policy Statement 2024/25 must be approved by the Council in order for the Council to be compliant with Section 38 (1) of the Localism Act 2011.
- 2.3 The Employers Pensions Discretions must be reviewed and approved by Council annually in line with the LGPS regulations.

3. Recommendation(s) / Proposed Decision

That Council be recommended:

- 1) the Torbay Council Annual Pay Policy Statement 2024/25 as set out in Appendix 1 to the submitted report be approved for publication.
- 2) the Employers Pensions Discretions set out in Appendix 2 to the submitted report be approved for publication.

Appendices

Appendix 1: Torbay Council Pay Policy Statement Report 2024/25

Appendix 2: Torbay Council Pension Discretions

Background Documents

Copies of Torbay Councils associated Pay Policies will be made available upon request. All current policies are held on the Council's MyView system:-

<https://myview.torbay.gov.uk/dashboard/dashboard-ui/index.html#/landing>

The following documents/files were used to compile this report:-

Localism Act Pay Policy Guidance from the Local Government Association

<https://www.local.gov.uk/introduction-localism-act>

Supporting Information

1. Introduction

- 1.1 The publication of the Annual Salary Statement is a statutory requirement under Section 38 (1) of the Localism Act 2011. If Council does not approve the Salary Statement, then the Council will be in breach of the legislation.

See Annual Pay Policy Statement, Appendix 1 for full details.

- 1.3 Under the current Pensions Regulations, Torbay Council is able to exercise a range of discretions in regard to how the Local Government Pension Scheme (LGPS) is applied to its employees who are members of the Scheme. The Employers Pensions Discretions must be reviewed and approved by Council annually in line with the LGPS regulations.

See Pensions Discretions, Appendix 2, for full details of the existing and recommended discretions.

2. Options under consideration

- 2.2 There are no options to be considered in regard to the publication of the Pay Policy Statement as it is a statutory requirement of Section 38 (1) of the Localism Act 2011.

- 2.3 The Employers Pensions Discretions were last approved by Council in March 2022. Although there are no changes proposed, Council are required to approve these discretions on an annual basis.

3. Financial Opportunities and Implications

- 3.1 There are no financial opportunities. The implications are in relation to financial penalties that the Council could face for non-compliance, for example, under equal pay legislation.

4. Legal Implications

- 4.1 The Council would be in breach of its statutory obligation if it does not publish its Annual Pay Policy Statement in accordance with the Localism Act 2011.

- 4.2 The Pay Policy Statement and associated pay policies set out the processes and procedures by which the Council pays its staff. These practices are in accordance with the Equality Act 2010 and associated employment law and so must be complied with.

5. Engagement and Consultation

5.1 Trade Unions representing staff within Torbay Council will be consulted at Joint Consultative meetings.

6. Purchasing or Hiring of Goods and/or Services

6.1 There are no associated services or goods that need to be purchased or hired under these proposals.

7. Tackling Climate Change

7.1 There are no climate change implications associated with these proposals.

8. Associated Risks

8.1 Non-Compliance with Section 38 (1) of Localism Act 2011, please see above. It is currently not determined as to whether there would be a financial penalty for non-compliance with the Localism Act however, under employment law non-compliance could result in heavy penalties for the Council (e.g. Equal pay and discrimination claims).

8.3 In addition to the risk of enforcement action by the EHRC, the Council should also consider the potential damage to their reputation of non-compliance with equal pay legislation if pay and grading processes are not followed.

9. Equality Impacts - Identify the potential positive and negative impacts on specific groups

	Positive Impact	Negative Impact & Mitigating Actions	Neutral Impact
Older or younger people			In regard to the Employers Pensions Discretions, these will only affect employees who are 55 years and above. A neutral impact as the proposal is that the discretions will not change since they were last reviewed in 2022.
People with caring Responsibilities			
People with a disability			

Women or men	An Equality Impact Assessment was undertaken for the Council's Pay and Grading structure in 2019 – this indicated that men and women are both positively impacted by the new pay and grading structure.		
People who are black or from a minority ethnic background (BME) (Please note Gypsies / Roma are within this community)			
Religion or belief (including lack of belief)			
People who are lesbian, gay or bisexual			
People who are transgendered			
People who are in a marriage or civil partnership			
Women who are pregnant / on maternity leave			
Socio-economic impacts (Including impact on child poverty issues and deprivation)			
Public Health impacts (How will your proposal impact on the general health of the population of Torbay)			Neutral, no public health impact identified as a result of proposals.

10. Cumulative Council Impact

10.1 None.

11. Cumulative Community Impacts

11.1 None.

Annual Pay Policy Statement 2024 - 2025

Date February 2024

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

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1 Purpose and Scope

1. Section 38 (1) of the Localism Act 2011 requires the Council to prepare an Annual Pay Policy Statement.
- 1.2 Supplementary guidance was published in February 2013 – “Openness and Accountability in Local Pay: Supplementary Guidance”. Due regard has been given to that guidance in preparation of this policy.
- 1.3 In dealing with staff pay it is the Council’s strategy to ensure that our Pay Policy facilitates the recruitment and retention of staff with the skills and capabilities the Council needs.
- 1.4 Arrangements for staff pay must comply with Equal Pay legislation.
- 1.5 Senior Officers – these are posts with specific responsibility such as Section 151 Officer and/or where the salary is above £50,000
- 1.6 This Pay Policy Statement is a supplement to Torbay Council’s overarching Pay and associated policies which form part of the terms and conditions of employees. These include but are not limited to:-
 - Torbay Council Pay Policy
 - Job Evaluation Scheme Policies (Greater London Provincial Councils Job Evaluation Scheme).
 - NJC Terms and Conditions of Employment (Green Book)
 - JNC Terms and Conditions for Chief Executives
 - JNC Terms and Conditions for Chief Officers (Directors within Torbay Council are appointed to these Terms and Conditions).
 - NHS Terms and Conditions
 - Torbay Council Local Government Pension Scheme Policy Discretions
 - Employment of Apprentices Policy
 - Re-evaluation Policy
 - Temporary Acting Up Policy
 - Temporary Additional Duties Policy
 - Expenses Policy
 - Market Supplement Policy
 - Market Forces Policy
 - Staff Travel Plan
 - Key Skills Retention Policy
 - Key Skills Golden Hello Scheme
 - Key Skills Student Loans Allowance Scheme
 - Key Skills Referral Scheme
 - Key Skills Accommodation Allowance
 - Flexible Retirement
 - Retirement and Long Service Award
 - Re-organisation and Redundancy Policy

1.7 Guidance from the Secretary of State makes reference to the Hutton Review of Fair Pay. This indicated that the most appropriate metric for pay dispersion is the multiple of Chief Executive pay to median salary. Tracking this multiple will allow the Council to ensure that public services are accountable for the relationship between top pay and that paid to the wider workforce. This annual pay policy statement will publish this multiple along with the following information:

The level of salary for each of the Officers as defined in 1.5 above;

The salary of the lowest paid employee - this information can be found in Appendix 1 of this policy.

2. Arrangements for officer pay

2.1 The general terms and conditions of employment are governed by the following national agreements:

- Chief Executive/Head of Paid Service - JNC for Chief Executives of Local Authorities
- Directors and Divisional Directors - JNC for Chief Officers of Local Authorities
- Senior Officers - NJC for Local Government Services
- Educational Advisors and Inspectors/ Educational Psychologists – Soulbury Pay and Conditions
- All other Employee Groups – NJC for Local Government Services
- Public Health – NHS Terms and Conditions of Service (for employees who have transferred under TUPE)

2.2 The Council uses two forms of Job Evaluation to identify officer pay. This is either through the Council's GLPC Job Evaluation Scheme or the Hay Evaluation Scheme. The Hay Evaluation scheme produces both a Know How Score and a total points score for each post evaluated. Torbay Council pays salary (with a pay band of 4 spinal points) on the basis of the Know How Score only (not the final points score). Know-How is the sum of every kind of knowledge, skill and experience required for standard acceptable job performance.

2.3 The Hay Job Evaluation scheme is used to evaluate the following roles within the Council:-

- Chief Executive/Head of Paid Service
- Directors and Divisional Directors
- Senior Officers

All Grade N and O roles are evaluated under GLPC and Hay (this is due to the cross over point of the two schemes).

Public Health posts are evaluated on the Council's GLPC Job Evaluation Scheme. Public Health posts can also be evaluated using the "Agenda for Change" evaluation scheme in order to ensure pay parity for similar clinical roles in the NHS.

All other posts within the Council are evaluated under the Torbay Council GLPC evaluation scheme in accordance with the agreed policies.

- 2.4 A review of Hay salary data was purchased in 2018 and salaries were reviewed in line with this and with South-West public and private sector data. Since 2018 there has been annual benchmarking of salary rates. This salary information, together with corresponding job descriptions, is available from the Council's internet page, link as follows:-
<http://www.torbay.gov.uk/council/finance/salary-levels/>
- 2.5 In determining the salary for the Chief Executive/Head of Paid Service within the Council, and in the absence of appropriate data from Hay, the Council will take advice from the Head of Human Resources. In such a scenario independent advice may be taken from South West Councils (HR and Employment Services) and other professional organisations to advise the Council as to the appropriate level of remuneration to be awarded.
- 2.6 The Chief Executive under the general scheme of delegation within the Council will determine the terms and conditions of employment of all officers. Advice will be sought from the Head of Human Resources as required.
- 2.7 Following significant changes in duties, any post can be re-evaluated. The evaluation will be based on a Job Evaluation Questionnaire which will be assessed by an independent panel of Job Evaluation trained assessors. External advice and benchmarking will also be undertaken if necessary to ensure that market conditions are taken into account for pay and grading.
- 2.8 Salary increases in relation to cost of living will be applied to all posts according to the awards made by the appropriate National Joint Council as described in paragraph 2.1.
The Council's pay and grading structure is available from the Council's website :-
www.torbay.gov.uk/council/jobs/what-we-offer/salary-and-grades/
- 2.9 No additional payments are made to in respect of:
- Bonus payments or Performance payments to the Senior Officers defined in 1.5, unless where given as a result of protections under TUPE, i.e. a transfer from another employer.
 - Additional enhancements are paid to NJC Employees who are employed on SCP 23 or below of the Torbay Council Salary Scale. These enhancements were varied in accordance with a Collective Agreement with our Trades Unions, dated 13th December 2016.
- 2.10 Additional payments are made to any Council Officers who act as Returning Officers, Deputy Returning Officers and those who carry out specific duties at elections. These payments are calculated according to the approved scale or set by a government department depending on the nature of the election. This is treated as a separate employment as and when required.
- 2.11 In comparing the Chief Executive/Head of Paid Service pay with the wider workforce the Council will use the following definitions:
- The lowest-paid employee: the employee or group of employees with the lowest salary (full-time equivalent) employed by the Council at the date of assessment.
 - The median: the mid-point salary when full-time equivalent salaries are arranged in order of size (highest to lowest). Based on salary levels of staff on the date of assessment.

This excludes those employed on casual contracts of employment but includes part time employees where their salaries are normalised to the full-time equivalent. It also excludes Apprentices who are employed on the Torbay Council apprentice pay grade.

3. Pensions contributions and other terms and conditions

3.1 All staff who are members of the Local Government Pension Scheme make employee contributions to the scheme in accordance with the following LGPS contributions table:-

Band	Salary Range	Contribution Rate Employer	*Contribution Rate Employee
1	£0 To £16,500	5.50%	2.75%
2	£16,501 To £25,900	5.80%	2.90%
3	£25,901 To £42,100	6.50%	3.25%
4	£42,101 To £53,300	6.80%	3.40%
5	£53,301 To £74,700	8.50%	4.25%
6	£74,701 To £105,900	9.90%	4.95%
7	£105,901 To £124,800	10.5%	5.25%
8	£124,801 To £187,200	11.4%	5.70%
9	£187,201 or more	12.5%	6.25%

3.2 The Torbay Council employer pension contribution rate is 18.4% from 1 April 2024.

*The above contribution rates are for 2023/24 and are subject to change and awaiting final confirmation from the pension provider.

3.3 All employees are currently able to apply for a Car Parking permit, which enables employees to park on Council property for a reduced daily rate.

4. Termination payments - Chief Officers

4.1 The Council's approach to statutory and discretionary payments on termination of employment of Chief Officers, at retirement age or prior to this, is set out within its Redundancy policy and is in accordance with Regulation 5 of the Local Government (Early termination of Employment) (Discretionary Compensation) Regulations 2006 and Regulations 8 and 10 of the Local Government Pension Scheme (Benefits, Membership and Contribution) Regulations 2007. Final payment details are submitted to Full Council for approval.

5. Salary packages upon appointment

- 5.1 Any salary package offered in respect of a new appointment for a Chief Executive /Head of Paid Service will be approved by Full Council. This will include any new salary package equating to £100,000 or more.
- 5.2 In the case of salary packages for Directors and Divisional Directors, this will need to be approved by the Council's Employment Committee, acting on behalf of Full Council. This will include any salary package equating to £100,000 or more

6. Settlement agreements

- 6.1 Torbay Council will only enter into Settlement Agreements in exceptional circumstances where it is in the Council's overall commercial and financial interests to do so. Any Settlement Agreement for the Chief Executive/Head of Paid Service will be approved by the Full Council. This will include any severance package including associated pension costs equating to £100,000 or more.
- 6.2 In the case of Settlement Agreements for Directors and Divisional Directors, this will need to be approved by the Council's Employment Committee acting on behalf of full Council. This will include any severance package including associated pension costs equating to £100,000 or more.
- 6.3 Settlement Agreements for any other member of staff will need to be authorised by the Director of the service following consultation with the Chief Executive/Head of Paid Service.

7. Gender pay gap reporting

- 7.1 The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 requires Torbay Council to calculate and publish the pay gap between male and female employees every year. Pay data must be based on a 'snap-shot' of the pay situation as at 31st March the preceding year and must be published by 30th March annually to the Government and also on Torbay Council's website.
- 7.2 The Council's Gender Pay Gap Report will be reported separately on 30th March 2024 for the snapshot date of 31st March 2022: <https://www.torbay.gov.uk/council/information-and-data/transparency-and-data/annual-pay-policy-statement/#c7>
- 7.3 The Government publishes the results on their Gender Pay Gap Viewing Service:- <https://gender-pay-gap.service.gov.uk/>

8. Publication

8.1 Once approved by Full Council, this Policy and any subsequent amendment will be published on the Council's website. Human Resources Policy will be responsible for the annual review to ensure an accurate pay policy is published ahead of each financial year.

8.2 In accordance with the Code of Practice on Local Authority Accounting, the annual Statement of Accounts includes pay details of Senior Officers reporting directly to the Chief Executive/Head of Paid Service and statutory posts where the salary is above £50,000 per annum.

8.3 Full Council decisions in relation to staff pay matters are available from the Council's internet page, link as follows: www.torbay.gov.uk/DemocraticServices/ieDocHome.aspx

Current Salary Levels for Chief Executive/Head of Paid Service, Directors, and other Senior Officers

Torbay Council publishes a Salary Levels list with post details, salary bands and full-time equivalent salaries, available from Torbay Council's website:-

www.torbay.gov.uk/council/finance/salary-levels/

Equality Statement

This policy applies equally to all Council employees regardless of their age, disability, sex, race, religion or belief, sexual orientation, gender reassignment, pregnancy and maternity, marriage and civil partnership. Care will be taken to ensure that no traditionally excluded groups are adversely impacted in implementing this policy. Monitoring will take place to ensure compliance and fairness.

Appendix 1 - Multipliers

The idea of publishing the ratio of the pay of an organisation's top salary to that of its median salary has been recommended in order to support the principles of Fair Pay and transparency. These multipliers will be monitored each year within the Pay Policy Statement.

In comparing the highest paid salary with the wider workforce the Council will use the following definitions:-

- The lowest-paid employee: the employee or group of employees with the lowest rate of pay (full-time equivalent) employed by the Council at the date of assessment. This includes all types of employment within the Council.
- The median: the mid-point salary when full-time equivalent salaries of all core council staff are arranged in order of size (highest to lowest). Based on the salary levels of staff on the date of assessment. This includes all types of employment within the Council.

The Council's current ratio in this respect is 4.54:1, i.e. the highest salary earns 4.54:1 times more than the Council's median salary. The lowest full-time salary is £22,366 which is Grade A, scale point 1. When measured against the lowest salary the ratio between highest and lowest is 6.90:1.

Date of assessment: December 2023.

	Annual Salary	Ratio to Highest
Highest Salary	Within the banding £150,00 - £155,000	
Median (Mid-point) value	£34,001	4.54 : 1
Lowest full-time salary	£22,366	6.90 : 1

The difference in ratio between the median and lowest points in this year's pay policy statement is smaller than the 2023/24 Annual Pay Policy Statement. In 2023/24 it was 4.78:1 for the median point and 7.27:1 between the highest and lowest point values. This shows a smaller difference in the ratio between the highest and lowest salaries. This can be attributed to the 2023 NJC Pay Award that took effect in November 2023 which uplifted the lowest spinal column points considerably, in some cases by £1, therefore narrowing the difference between the highest and lowest paid employees.

Sources of Information:-

GOV.UK – Openness and accountability in local pay: guidance

www.gov.uk/government/publications/openness-and-accountability-in-local-pay-guidance

LGA – Pay Policy and Practice in Local Authorities

www.local.gov.uk/sites/default/files/documents/guide-pay-and-rewards-mem-4b6.pdf

Policy Feedback

Should you have any comments regarding this policy, please address them to the HR Policy mailbox –

HRpolicy@torbay.gov.uk

History of Policy Changes

This policy was first agreed by members of the Torbay Joint Consultative Committee in March 2012

Date	Page	Details of Change	Agreed by:
November 2012	Various	Amendment from Chief Executive to Chief Operating Officer	SSG 8.11.12 Approved by Full Council
6th December 2012	5-6	Update to pension ranges re: LGPS contribution rates Addition of Payments upon Termination Section	Approved by Full Council
6th December 2012	7	Update to Ratio + Multiplier information (Appendix 2)	Approved by Full Council
6th December 2012	6	Update to current salary levels + addition of newly appointed posts (Appendix 1)	Approved by Full Council
5th December 2013	Various	Update to current salary levels and reference to Chief Executive Officer throughout. Inclusion of Public Health information.	To be approved by Full Council – 5.12.13

5th December 2014	Various	Update to current salary levels and pension rates, reference to Executive Head of Commercial Services.	To be approved by Full Council – 4.12.14
November 2015	Various	Update to reflect structure changes, e.g. Chief Officer/Head of Paid Service and Assistant Director roles. Reference to National Living Wage from 1.4.16. New section (5) relating to approval process for Chief Officer/Head of Paid Service appointments and changes to Section 6 (Settlement Agreements) to reflect approval process, i.e. delegation to Employment Committee for decisions relating to Directors and Assistant Directors. Reference to “Openness and Accountability in Local Pay: Supplementary Guidance”	Approved by Full Council – 10.12.15

February 2017	Various	Update to reflect change in job title – Chief Officer to Chief Executive. Changes to Appendix 1 – Multipliers, due to salary pay award in 2016 and introduction of National living Wage. Changes to terms and conditions relating to enhancements and other terms and conditions that have been varied through Collective Consultation. Updated to reflect Hay 2016 rates low to medium and spinal scales. General re-wording to take into account constitution, general delegations.	Approved by Full Council February 2017
June 2017	Wording to 2.5 updated.	To reflect how Chief Executive salary will be reviewed following recommendation from Employment Committee.	Approved by Full Council 10 th May 2017.
January 2018	Various	Changes to job titles to reflect Senior Leadership Team restructure. Replace external link to Salary Disclosure information. Update to pensions contributions information. Update to Appendix 1 – multiplier information. Inclusion of Appendix 2 – Gender Pay Gap Report	Full Council Approval 22 nd February 2018.
January 2019	Various	Insertion of new section 2.9 re:- pay and grading structure changes. Update to Pensions information – Section 3 Update to Appendix 1 – multiplier information. Update of Appendix 2 – Gender Pay Gap Report Amendment to Scope of Gender Pay Gap Report – pay calculations no longer include Schools data.	Full Council Approval 21 st February 2019.

January 2020	Various	Update to Appendix 1 – multiplier information. Update of Appendix 2 – Gender Pay Gap Report. ONS Annual Earnings Survey Results included for private and public sectors.	Full Council Approval 27th February 2020.
January 2021	Various	Update to Appendix 1 – multiplier information. Update of Appendix 2 – Gender Pay Gap Report ONS Annual Earnings Survey Results figures updated for private and public sectors. Inclusion of Restriction of Public Sector Exit Payment Regulations 2020.	Full Council Approval 24th February 2021.
December 2021	Various	Update to Appendix 1 – multiplier information. Update of Appendix 2 – Gender Pay Gap Report ONS Annual Earnings Survey Results figures updated for public sector and all employers. Addition of Key Skills Accommodation Scheme and Key Skills Employee Referral Scheme. Removal of Restriction of Public Sector Exit Payment Regulations 2020. Update to LGPS contribution rates and bandings. Update	Full Council Approval 3rd March 2022.
December 2022	Various	Update to Appendix 1 – multiplier information. Update to LGPS contribution rates and bandings. Removal of Gender Pay Gap Report, to be reported separately.	Full Council Approval 23rd February 2023.
December 2023	Various	Update to Appendix 1 – multiplier information. Update to LGPS contribution information.	Pending - Full Council Approval 22nd February 2024.

Policy to be reviewed December 2024.



Looking forward to your retirement

Employer Pensions Discretions Policy

The LGPS Regulations 2013

and

The LGPS Regulations 2014

(Transitional Provisions and Savings)

and

The LGPS Regulations 2008

(Benefits, Membership and Contributions)

(as at 14th May 2018)

Employer name: TORBAY COUNCIL

Policy effective from: 01/04/2024

These policies may be subject to review from time to time. Affected employees will be notified of any subsequent change to this Policy Statement.

Print name of authorised officer: Anne-Marie Bond

Job title: Chief Executive

Date:

Signature of authorised officer:

Mandatory LGPS 2013 & 2014 discretions

Power of employing authority to grant additional pension Regulation R31

An employer can choose to grant extra annual pension* (at full cost to themselves) to:

- a) an active member; or
- b) to a member, within 6 months of leaving, whose employment was terminated on the grounds of redundancy or business efficiency

**(Current maximum additional pension allowed is £6,822 (figure at 1 April 2018))*

Please state your decision below:

Torbay Council will not normally exercise the discretion to grant additional pension except in exceptional circumstances.

Shared Cost Additional Pension Scheme Regulation R16 (2) (e) and R16 (4) (d)

Where an active member wishes to purchase extra annual pension by making additional pension contributions (APCs)*, an employer can choose to voluntarily contribute towards the cost of purchasing that extra pension via a shared cost additional pension contribution (SCAPC)

**(Current maximum additional pension allowed is £6,822 (figure at 1 April 2018))*

NOTE: this discretion does not relate to cases where a member has a period of authorised unpaid leave of absence and elects within 30 days of return to work (or such a longer period as the Scheme employer may allow) to pay a SCAPC to cover the amount of pension 'lost' during that period of absence. That is because, in those cases, the Scheme employer must contribute 2/3rds of the cost to a SCAPC; there is no discretion [regulation 15(5) of the LGPS Regulations 2013].

Please state your decision below:

Torbay Council will not normally enter into a Shared Cost Additional Pension Contribution contract to count towards a member's APC purchase except in exceptional circumstances.

Flexible Retirement

Regulation R30 (6) and TP11 (2)

Under the regulations, once an employee reaches age 55, they may remain in employment and draw their retirement benefits.

However, there are certain conditions that must be met:

- a) The employer must agree to the release of the pension.
- b) The employee must reduce either their hours, and/or their grade. *(The specific reduction required is not set out in the regulations, but instead must be determined by the employer, who must specify the requirements within their flexible retirement policy).*

In such cases, pension benefits will be reduced in accordance with actuarial tables unless the employer waives reduction on compassionate grounds, or a member has protected rights).

If flexible retirement is permitted, employers will need to publish a Flexible Retirement Policy and send Peninsula Pensions a copy. This can be done on the final section of this template.

Please state your decision below:

Torbay Council will take all reasonable steps to accommodate an employee's request for Flexible Retirement.

The Council will consider waiving a reduction to pension benefits where flexibility will enable the Council to retain key skills within critical service areas.

The Council will also consider requests where an employee is aged between 55 and 60, satisfies the 85 year rule and in which case the decision incurs a pension strain cost. Such requests will be considered by the Head of Paid Service and/or the Council, dependent on the seniority of the role and the associated cost, in line with the Local Government Transparency Code 2015.

Waiving of actuarial reduction

Regulation R30 (8) , TP3 (1), TPSch2, Para 2(1), B30 (5) and B30 (A) (5)

Employers have the power to waive, on compassionate grounds, the actuarial reduction (in whole or part) applied to members' benefits paid on the grounds of flexible retirement.

Employers may also waive, on compassionate grounds, the actuarial reduction (in whole or part) applied to members' benefits for deferred members and suspended tier 3 ill health pensioners who elect to draw benefits on or after age 60 and before normal pension age.

Please state your decision below:

Torbay Council will consider waiving a reduction to pension benefits in the event of Flexible Retirement where flexibility will enable the Council to retain key skills within critical service areas.

The Council will not waive the actuarial reduction applied to deferred member's benefit requests, suspended tier 3 ill health pensioners

Employers also have the power to waive, in whole or in part, the actuarial reduction applied to active members' benefits when a member chooses to voluntarily draw benefits on or after age 55 before age 60 and on or after age 60 and before Normal Pension Age (NPA).

or active members who retire voluntarily and draw benefits from age 55 to Normal Pension Age.

Power of employing authority to 'switch on' the 85 year rule (excludes flexible retirement) upon the voluntary early payment of benefits.

TP1(1)(c) Sch2

The 85-year rule does not (other than on flexible retirement) automatically fully apply to members who would otherwise be subject to it and who choose to voluntarily draw their benefits on or after age 55 and before age 60.

An employer can therefore choose whether to switch on the 85-year rule for members:

- 1) who voluntarily draw their benefits on or after age 55 and before age 60 and,
- 2) former members who ceased active membership between 1st April 2008 and 31st March 2014 and choose to voluntarily draw their suspended tier 3 ill health pension (on or after 14 May 2018) on or after age 55 and before age 60.
- 3) former members who ceased active membership between 1st April 1998 and 31st March 2014) and elect for voluntary early payment of any deferred benefits

Please state your decision below:

Torbay Council will not 'switch on' the 85 year rule for current or former members who voluntarily draw their pension benefits early, except in exceptional circumstances.

Non-Mandatory/Recommended LGPS 2013 & 2014 discretions

Regulation R17 (1) and TP15 (1) (d) and A25 (3) and definition of SCAVC in RSch 1

Shared Cost Additional Voluntary Contribution Arrangement

An employer can choose to pay for or contribute towards a member's Additional Voluntary Contribution via a shared cost arrangement (SCAVC). An employer will also need to decide how much, and in what circumstances to contribute to a SCAVC arrangement.

Please state your decision below:

Torbay Council will not currently contribute to a member's Shared Cost Additional Voluntary Contribution arrangement.

Non-mandatory policies but recommended by Peninsula Pensions:

Reg 16(16) - An employer can extend the 30-day deadline for a member to elect for a SCAPC upon return from a period of absence from work with permission with no pensionable pay (otherwise than because of illness or injury, relevant child-related leave or reserve forces service leave).

Reg 22(7) and (8) - Whether to extend the 12-month time limit for a member to elect not to aggregate post 31st March 2014 (or combinations of pre-April 2014 and post March 2014) deferred benefits.

Reg 27 of the LGPS (Amendment) Regs 2018 - Whether to extend the 12-month option period for a member to elect to aggregate pre-1st April 2014 deferred benefits.

R100 (6) - Extend normal time limit for acceptance of a transfer value beyond 12 months from joining the LGPS

R9(1) & R9(3) - Determine rate of employees' contributions and when the contribution rate will be assessed

Please state your decision below:

Reg 16(16) – Torbay Council will not extend the 30-day deadline upon return from a period of absence allowing for a member to elect for a SCAPC unless the Council have not provided sufficient time to enable the member to make the election.

Reg 22(7) and (8) – Torbay Council will not extend the 12-month time limit except in exceptional circumstances.

Reg 27 of the LGPS (Amendment) Regs 2018 - Torbay Council will not extend the 12-month option period except in exceptional circumstances.

R100 (6) – Torbay Council will consider member requests for the acceptance of transfer values on an individual basis.

R9(1) & R9(3) – Torbay Council will assess and determine an employee's contribution rate on a monthly basis.



Pre LGPS 2014 discretions

To cover scheme members who ceased active membership on or after 1 April 2008 and before 1 April 2014 (no need to complete if not applicable).

Reg 30(5) , TP2(1) Sch2, Reg 30A(5) TP2(1) Sch 2

Early payment of benefits

Whether, on compassionate grounds, to waive any actuarial reduction that would normally be applied to deferred benefits which are paid before age 65

Whether, on compassionate grounds, to waive any actuarial reduction that would normally be applied to any suspended tier 3 ill health pension benefits which are brought back into payment before age 65

Policy decision

Torbay Council will not waive the actuarial reduction to the early payment of a deferred benefit except in exceptional circumstances.

Torbay Council will not waive the actuarial reduction to any suspended tier 3 ill health pension benefits which are brought back into payment before age 65.

To cover scheme members who ceased active membership between 1 April 1998 and 31 March 2008 (no need to complete if not applicable).

Regulation 31(2), 31(5), 31(7A) of the LGPS Regulations 1997 and paragraph 2(1) of Schedule 2 to the LGPS (TP) Regs2014

Early payment of benefits

Employers can allow the early payment of deferred benefits to former members of the LGPS between the ages of 50 and 55.

Employers can also choose, on compassionate grounds, to waive any actuarial reduction that would normally be applied to benefits which are paid before age 65

Regulation D11(2)(c) of the LGPS Regulations 1995

In relation to members who ceased active membership before 1 April 1998:

Policy decision

Torbay Council will consider requests for the early payment of deferred benefits to former members between age 50 and 55 where there is no cost to the Authority.

Torbay Council will not waive any actuarial reduction that would apply to benefits paid before age 65 where there is a cost to the Council.

Reg D11(2)(c) of the LGPS Regs 1995 – Torbay Council will only grant applications for early release of deferred pension benefits on

Whether to grant applications for the early payment of deferred pension benefits on or after age 50 and before NRD on compassionate grounds.

compassionate grounds to former members between age 50 and NRD where there is no cost to the Council.



Flexible Retirement Additional Policy

Flexible Retirement (Regulation R30 (6) and TP11 (2))

This must be completed if you allow flexible retirement

You will need to consider; -

1. The minimum reduction in hours or grade required.
2. Whether the employee should commit to a reduction in hours or grade for a minimum period.
3. Whether the employee should commit to remaining in employment with the employer for a minimum period

You should also state; -

1. Whether, in addition to the benefits the member has accrued prior to 1st April 2008(which the member must draw) to permit the member to choose to draw;
 - All, part, or none of the benefits they accrued after 31st March 2008 and before 1st April 2014 and/or,
 - All, part, or none of the benefits accrued after 31st March 2014, and,
 - Whether to waive, in whole, or in part, any actuarial reduction which would normally be applied to the benefits for Flexible retirement taken before normal retirement age.

Please state your decision below:

1. The minimum recommended reduction in hours is 40%, however, reductions of 20% will also be considered. The minimum reduction in grade is one full grade.
2. The employee must commit to a permanent reduction in hours or grade.
3. The employee must commit to remaining in employment for a minimum period of 1 year, however, the Council can terminate that employment prior to the 1 year deadline.
 - Torbay Council will permit Flexible Retiree's to draw all of their benefits accrued after 31st March 2008 and before 1st April 2014.
 - The Council will permit members to draw all of their benefits accrued after 31st March 2014.
 - The Council will not waive, in whole, or in part, any actuarial reduction which would normally be applied to benefits taken before NRA except in exceptional circumstances.



Meeting: Overview & Scrutiny Board/Cabinet/Council **Date:** 7 Feb/13 Feb/22 Feb 2024

Wards affected: All Wards

Report Title: Budget Monitoring 2023/24 – April to December 2023 Revenue and Capital Outturn Forecast.

When does the decision need to be implemented? N/A

Cabinet Member Contact Details: Alan Tyerman, Cabinet Member for Finance
alan.tyerman@torbay.gov.uk

Supporting Officer Contact Details: Ian Rowswell, Deputy Director of Finance,
ian.rowswell@torbay.gov.uk,

1. Purpose and Introduction

- 1.1. This report provides a high-level budget summary of the Council's revenue and capital position for the financial year 2023/24, reviewing budgets and considering year-end forecasts. These forecasts are based on the levels of spend and financial information at the end of quarter 3 (up to 31 December 2023).
- 1.2. The Council continues to face significant external pressures due to the wide-reaching implications of the current economic situation. The levels of cost inflation have reduced but are still impacting Council services in terms of direct cost pressures. We are also seeing an impact on the levels of income received, with many projections being below the levels budgeted. This pressure is resulting in a year end forecast for 2023/24 of **£0.8m overspend**, a £500k reduction on the forecast made at quarter 2.
- 1.3. The Capital Plan has now been reviewed, with an updated forward looking capital programme included within the 2024/25 budget papers, currently out for consultation. The Council is currently projecting spend of £55m on capital projects in 2023/24, compared with an original budget of £90m. The updated Capital Plan is now estimating a much reduced spend of £90m over the next 4-year capital programme (2023/24-2026/27). However, further projects will be moved from feasibility and development to fully approved projects throughout 2024/25 upon completion of robust Business Cases which will include drawing down various elements of circa £92m of external grant funding held.

2. Recommendations

Recommendations for Overview and Scrutiny Board

- 2.1. That the Overview & Scrutiny Board notes the Council's forecasted revenue outturn position and mitigating action identified and make any comments and/or recommendations to the Cabinet.
- 2.2. That the Overview & Scrutiny Board notes the revised Capital Investment Plan (as detailed in Appendix 2) and make any comments and/or recommendations to the Cabinet.

Recommendations for Cabinet/Council

- 2.3. That the Cabinet notes the forecasted revenue outturn position and recommends that Council approves:
- 2.3.1. The revised Capital Investment Plan (as detailed in Appendix 2)

3. 2023/24 Budget Summary Position

- 3.1. Budget monitoring has identified a number of spending pressures and is now forecasting a total overspend at year end 2023/24 of £0.779m, broken down between Council Directorates as follows:

Service	Current Budget £m	Projected Outturn £m	Est. Outturn Variance Q3 £m	Est. Outturn Variance Q2 £m
Adult Services	51.559	52.589	1.030	1.055
Children's Services	50.338	51.329	0.991	1.382
Corporate and Executive Services	12.356	12.719	0.363	0.449
Finance	-12.444	-14.544	-2.100	-2.000
Investment Portfolio	-4.134	-4.134	0	0
Place	22.829	23.342	0.513	0.433
Public Health	10.446	10.446	0	0
TOTAL	130.950	131.747	0.779	1.319

- 3.2. Appendix 1 provides a summary of the agreed budget savings for 2023/24, showing whether these saving proposals have been achieved. Further details of the savings can be found within the published budget papers - [proposals-for-efficiencies-income-generation-](#)

[and-service-change.pdf \(torbay.gov.uk\)](#). Almost 70% of the total savings have already been achieved at this point in the year.

3.3. The projection has improved by £0.540m since the quarter 2 report, mainly resulting from plans to draw down £500k from central contingency in response to overspends on Childrens Services. Delivering a mitigated and reduced overspend by the end of the year will continue to require robust financial management and control from all services across the Council. Overspend recovery plans have been completed by each Director and will continue to be reviewed by the Senior Leadership Team.

3.4. The following areas will require particular focus over the rest of the financial year due to the level of overspends being forecast.

- Increasing costs associated with homelessness prevention activity and the provision of Temporary Accommodation.
- Cost pressures being experienced by Councils around Childrens Services Placements, including caring for Unaccompanied Asylum-Seeking Children (UASC).
- The Dedicated Schools Grant and in particular the Higher Needs Block, which is not currently shown within the table above. Spend continues to be monitored as part of the safety valve agreement in order to facilitate the future write off of accumulated deficits of over £12m.

4. **Service Budgets**

4.1. The table below summarises the most material variances (over £100k) currently being forecast at the end of December 2023. Please note there are other smaller variances which are not highlighted within the table below.

Service	Current Budget £m	Projected Outturn £m	Q3 Outturn Variance £m	Projected variance at Q2 £m
Adults Service - Housing (Temporary Accommodation)	1.853	2.593	0.740	1.020
Adults Service – Homelessness prevention	0.145	0.400	0.255	0
Corporate and Exec Service - Legal services	1.336	1.752	0.416	0.510
Children’s Services – Care placements incl. Unaccompanied Asylum Seeking Children (UASC)	21.431	22.979	1.548	1.856
Childrens – Net staffing underspend across various CS teams/services.	19.573	18.744	(0.829)	(0.568)
Childrens Services – Recruitment and Retention	0.170	0.030	(0.140)	0
Childrens – Home to School Transport	3.818	4.130	0.312	0
Finance – Investments and borrowing	(1.927)	(3.927)	(2.000)	(2.000)
Place - Income below target across services (<i>N.b figures relate to income only</i>)	(1.850)	1.456	0.394	0.644
Place – Income from Green Waste Service	(400)	0	0.400	0
Place - Waste disposal	4.453	3.983	-0.470	(0.470)

Place - Management fee to TCCT	0.320	0.490	0.170	0.170
			0.796	1.319

Adult Services (incl. Community and Customer Services)

- 4.2. Within Adult Social Care the majority of spend is against a fixed price financial arrangement (contract) for the delivery of services provided by the Integrated Care Organisation (ICO). This agreement was uplifted by £5m in 2023/24, with a further £1.1m agreed for the following year. A new arrangement will need to be negotiated for 2025/26 onwards and activity is well underway with partners to identify actions that can reduce spend and enhance financial sustainability for the future.
- 4.3. The overspend currently forecast at Q3 for Adult services is mainly within our Housing Service and predominantly relates to increasing costs for both homelessness prevention (£0.255m) activity and the provision of Temporary Accommodation (£0.740m). There continues to be considerable demand in this service, fuelled by the cost of living, which is impacting significantly on clients both financially and emotionally. The main reasons for homelessness is the loss of private rented accommodation and breakdown in family relations.
- 4.4. Since 2020, there has been a 64% increase in people presenting to the local authority as homeless and a 66% increase in those being provided temporary accommodation. Compared to this point in time in 2022 there has been a 40% increase in presentations. Increasingly, families are approaching the service, and overall complexity is increasing.
- 4.5. This is combined with low availability of temporary options for individuals and family groups in need of temporary accommodation. As at 22 January 2024 there were 121 households living in Temporary Accommodation, of which 59 were families, with a significant amount of prevention activity underway to mitigate the risk of numbers significantly increasing.
- 4.6. Throughout 23/24 there has been a focus on directly purchasing and leasing property to reduce the costs associated with spot purchasing and increase the stability of accommodation options available to the Housing Options team. As at 22 January 2024, 31 properties have been purchased by Torbay Council, with 26 currently occupied by families. This will help to stabilise costs and allow more work to be done to prevent homelessness and support households to find more permanent housing. Work also continued on improving accommodation pathways and commissioning plans.

Corporate Services & Executive

- 4.7. An overspend of £0.416m is currently being forecast within Legal Services. This is a result of the difficulties the service continues to face in recruiting permanent staff to meet levels of demand. This has meant the service have had to use more expensive agency staff to continue delivering legal support to services across the Council.
- 4.8. The council have struggled to compete with the salaries paid by other organisations – both within the private and public sector. The service is now applying additional market

factors in the hope this will make a difference to their ability to recruit and reduce their requirements of agency workers. However, it should be noted that recruitment of legal professionals in the public sector is a national issue.

4.9. Within Corporate and Executive Services, there are some underspends forecast across other teams and service areas, which are partially offsetting the overspend within Legal Services.

Children's Services

4.10. Overall Children's Services is experiencing significant financial pressures due to extreme external forces outside of the control of the Council. An overspend of **£1.548m** is currently being forecast across care placements, despite the overall numbers of cared for children being lower than previous years. Significant shortages of suitable available placements are driving up costs within the market, with price increases since 21/22 of over 30% in residential and unregulated/unregistered placements. The legislation on unregulated placements changed in September 2022 and is resulting in further pressure on this budget into 2023/24.

4.11. This is exacerbated by the demand arising from the cases allocated to Torbay through the National and Regional allocation of Unaccompanied Asylum Seeking Children (UASC). Costs of placement and support are in excess of the Home Office Funding, with current financial pressures arising from UASCs estimated at £0.643m and significantly contributing to the overspend.

4.12. All of this means that despite the continued oversight, challenge and support from colleagues, external factors are now significantly influencing spend.

4.13. There is also cost pressure within the Home to School Transport budget as a result of increasing costs. This now totals **£0.312m** and relates to the existing routes. A thorough review of provision is planned for 2024/25, including a review of single occupancy taxis and the promotion of independent travel.

4.14. Offsetting some of these pressures are underspends in staffing budgets totalling **£0.829m** and underspends in recruitment and retention budgets **£0.140m**. Agency costs have been a significant financial pressure in recent years, but following successful recruitment and retention within the service, the total agency costs are forecast to be £2.3m this year compared with spend in 2021/22 of £4.9m. This demonstrates that Torbay Council has achieved significant improvements to influence spend where it can. We are now seeing significantly increased salary expectations within the agency market and stiff competition from other Councils that are offering increased hourly rates to stabilise their own workforces.

4.15. Outside of Local Authority funded activities, the schools' higher needs block in the Dedicated Schools Grant (DSG) remains under financial pressure from continual referrals for assessment for higher needs support for children.

4.16. The Council is part of the Education and Skills Funding Agency (ESFA) and Department for Education (DfE) Safety Valve programme, which supports councils in

achieving future financial sustainability in this area. If the council can deliver on its recovery plan and achieve a balanced higher needs budget, all of the historic DSG deficit will be written off, through additional funding by ESFA.

4.17. Torbay Council has already received £6.193m from the ESFA in response to its recovery plan, without which the DSG cumulative deficit was forecast to be £12.963m by the end of the financial year. For 2023/24 the DSG is forecasting an overspend of £1.262m at quarter 3, in line with the forecast deficit within the agreed safety valve plan of £1.263m. It is of importance to the Council's future budget position that the Council delivers its recovery plan.

Finance

4.18. A **£2.0m** positive variance is being forecast, mainly as a result of increased interest rates, being applied on council investments. This means the Council is forecast to earn higher levels of interest on its current cash balances than was budgeted. Given the current low levels of spend on Capital projects, there is also a saving on interest payable by the Council as lower levels of spend activity means lower amounts borrowed, therefore reduced interest paid by the Council.

4.19. As part of setting the 2023/24 budget a few centrally held contingencies, mainly linked to pay and inflation risks, were held under finance and will be released to contribute towards known cost pressures.

4.20. A total of £0.920m has been transferred to service budgets to offset the additional costs arising from the 23/24 pay award, which was in excess of the 4% budgeted. Further contingency will be released before the year end to address specific budget pressures identified within 2023/24, mainly in relation the Childrens Services.

Investment Portfolio

4.21. The Council's Investment Portfolio is forecast to contribute £4.134m towards Council activity – in line with budget. The investment property reserve is in place to cover lost rent and holding costs arising from empty units.

Place

4.22. Within the Place directorate an overspend of **£0.513m** is currently forecast, mainly due to levels of income being lower than budgeted.

4.23. Planning have highlighted that projected application fee income is £0.150m below target and building regulation applications are similarly projecting a £0.050m shortfall. In addition, a shortfall of £0.060m is forecast on income from local land searches. All three of these elements reflect the challenging economic position of the country and the region.

- 4.24. An overspend of £0.100m is forecast for Torre Abbey despite admission numbers being higher than this time last year. The Paddington Exhibition and planned events/activities had some positive impact on admissions, but income from the Café continues to be below budget.
- 4.25. Income from the Garden Waste service is projected to be short of the amount budgeted, with numbers of subscribers being lower than the levels anticipated. The shortfall is forecast to be £400k, after a contribution from reserves of £150k – as part of supporting the scheme’s first year of operation.
- 4.26. The reduced Directorate levels of income are expected to be offset by an underspend within the waste budget. This is currently forecast at £470k due to disposal levels and associated costs being lower than forecast.
- 4.27. An overspend of £170k is being forecast in respect of the management fee paid to the Torbay Coast and Countryside Trust for management of land leased to the Trust by Torbay Council. This provides protection and enhancement of Torbay’s natural heritage for the benefit of the community and visitors. The additional fee is to provide short term support, whilst the Trust implements a number of measures to improve its financial sustainability.
- 4.28. Currently Parking Services is overall forecast to break even, with forecast losses in parking income offset by increases in enforcement income.

Public Health

- 4.29. Overall Public Health is reporting a balanced position within its ring-fenced grant. A significant amount of spend relates to the provision of 0-19 services, which is expected to see increased spending pressures in future years, because of inflation.

5. Collection Fund

- 5.1. Collection rates for 2023/24 are currently slightly below forecast levels, with the rising cost of living appearing to be having an impact. We continue to explore opportunities to increase our overall collection rates, whilst supporting residents and businesses. This will not have any impact on the 2023/24 financial year and the collection fund equalisation reserve is maintained to manage any impact in the following year.

6. Wholly owned companies

- 6.1. SWISCo. has been managing the financial pressures associated with rising costs, particularly fuel and materials. However, due to movements in the international markets, the value of recycled material resale has dropped considerably and a shortfall of £175k is now being forecast for year end. SWISCo will continue to manage these pressures with the aim of returning to a breakeven position for 2023/24.
- 6.2. The pay award for 2023/24 resulted in a fixed £1,925 per full time employee, which has a disproportionate percentage impact on SWISCo given the average salary. As a result,

the Council has agreed an additional £0.391m of funding to meet the shortfall in the pay award.

6.3. TDA divisional Commercial P&L account to the end of November 2023 reported a year to date surplus of £0.399m (net of transition costs) against a budget of £0.203m. Within the TDA Group, TorVista reported a loss at the end of Sept 2023 of £0.290m against a budgeted loss of £0.222m. A specific budget code has been established to capture the transitional costs associated with managing the transfer of TDA to Torbay Council.

7. Statement of Accounts – 2020/21 and 2021/22

7.1. The Council's Statement of Accounts for 2020/21 were only signed off by Grant Thornton in April 2023, despite their findings being presented to Audit Committee in December 2021.

7.2. Delay in auditing Council's Statement of Accounts by the Government's Statutory deadline has been highlighted previously and is a national issue, partly due to lack of capacity in the market. In the light of continuing problems nationally, the Government's statutory deadlines have been revised. Torbay Council's current position is that the audit of 21/22 accounts will be complete in the next few weeks, whilst the 22/23 and 23/24 accounts will both be audited by 30/09/24.

7.3. The protracted statement of accounts process has continued to put significant pressure on the finance team, who continue to work concurrently on multiple financial years.

8. Capital

8.1. The Council is seeing extreme cost inflation in respect of its Capital projects. As a result, several schemes that are in progress are facing rising costs, which are at variance to initial business cases and forecasts. The viability of schemes supported by prudential borrowing are further impacted from the recent rises in borrowing rates.

8.2. The revenue outturn position for 2022/23 enabled £0.4m surplus to be transferred to a specific earmarked Capital Reserve, which will assist the Council in the re-prioritisation, and ultimate delivery, of the Capital Investment Programme. Revenue costs will be required to continue with design and feasibility work for specific schemes alongside bolstering capacity, and skills, in project delivery.

8.3. The Capital Investment Plan has now been reviewed and an updated forward looking capital programme included within the 2024/25 budget papers.

8.4. The Council is projecting spend of £55m on capital projects in 2023/24, compared with an original budget of £90m. This spend is part of a wider capital programme now estimated to totalling £90m over a 4-year period. The update Capital investment Programme providing further details of estimated costs is shown in Appendix 2 to this report.

8.5. The Capital Investment Plan is funded from capital receipts, capital grants and contributions, reserves and revenue budget contributions, and long-term borrowing to ensure a balanced budget over the life of the Plan.

8.6. The following new grant allocations have been announced since figures reported at Q2.

8.6.1. Additional allocation of £230,000 from DfT for 2023/24 from the Road Surfacing Fund for local highways maintenance. The same level of additional funding has also been announced for 2024/25.

8.6.2. Grant allocation of £950,000 from DLUHC, Brownfield Land Release Fund, following a successful bid for Crossways project.

9. Risks & Sensitivity

9.1. There are a number of financial risks facing the Council as shown below:

Risk	Impact	Mitigation
Financial sustainability and write off of the DSG Deficit	High	The Council has a recovery plan approved with the Department for Education's Safety Valve programme.
Adult Social Care funding is not sufficient to meet forecast costs.	High	The Director of Adult Social Care is developing a range of intervention activity and savings plans, in collaboration with Health Trust colleagues
High inflation rates have a major impact on both revenue and capital costs.	High	The 23/24 budget includes a higher than usual allowance for inflationary pressures, with contingencies also held for revenue and capital. A strategic review of the capital programme has commenced.
The "cost of living" economic impact on the Council's residents from higher mortgage, rent, fuel and utility costs is likely to impact on both demand for council services and may result in reduced income from council tax.	High	The Council will continue to mitigate where possible the impact on council services and support/signpost residents to appropriate support.
Collection Fund shortfall	High	Additional resources allocated to support the Revenues & Benefits team and a review of debt recovery will be undertaken. End to end processes are being reviewed.

Unable to recruit staff and need to use agency staff.	High	Work continues to identify solutions to these challenges which seem to be on a national scale.
Delivery of Children's Services cost reduction plan	High	Meetings continue to monitor the current rate of delivery against the identified actions from the Sufficiency Strategy.
Investment Property Income changes	High	The Investment Board will continue to review future leases and manage any potential break clause implications – maintaining appropriate balances within the Investment Reserve
Temporary Accommodation – increasing demand and cost pressures within the local housing market.	High	Work is underway on directly procuring and leasing property to increase the stability of accommodation options available to the Housing Options team. The Council has also increased its focus and resources on preventive work.

10. Appendices

10.1. Appendix 1 – Monitoring of published savings identified for 2023/24

10.2. Appendix 2 – Capital Plan Summary – Quarter 3 2023/24

Monitoring of savings appearing on 23/24 published budget papers				
Description of saving/efficiency	Directorate	£m	Achieved?	Comments
Harbour Health and Safety post to be funded by Harbours	Adults & Community	-0.050	Partial	Part achieved for £40k salary cost
CCTV - contribution from Fleet Walk	Adults & Community	-0.050	Yes	Achieved - budget adjusted
Home to School Transport	Childrens	-0.067	No	Pressures remain in H2S Transport
Reduction in agency costs	Childrens	-0.030	Yes	Savings achieved
Removal of Tranformation post	Corporate	-0.060	Yes	Achieved - budget adjusted
Digitalisation within electoral services	Corporate	-0.010	No	Not yet achieved
Use of MS365 - security	Corporate	-0.020	Yes	Savings from New E365 liccences - from Jan 24
Town Hall - savings from reduced usage	Place/Corporate Services	-0.100	Partial	Behind target on achieving savings
Transport post funded from capital	Place	-0.050	No	Issues flagged and listed as budget pressure
SWISCO efficiencies	Place	-0.250	Yes	Achieved - budget adjusted
Climate change savings offsetting borrowing costs	Place	-0.060	No	Issues flagged and listed as budget pressure
Increased recycling reducing costs of waste disposal	Place	-0.055	Yes	Achieved - budget adjusted
Increased income from Section 38 highways works	Place	-0.010	Yes	Savings achieved
Marketing costs to picked up externally	Place	-0.006	Yes	Budget adjusted and no issues
Increased income from events	Place	-0.033	No	Pressures emerging at Q1
Reduce net costs of Torbay Airshow - sponsorship	Place	-0.027	N/A	Additional budget found to reverse saving
TDA to fund borrowing costs of regeneration schemes	Finance	-0.200	N/A	Additional budget found to reverse saving
Total published savings		-1.078		
Savings achieved		-0.481	45%	
Savings n/a		-0.227	21%	
Savings partially achieved		-0.150	14%	
Savings not achieved		-0.220	20%	
		-1.078	100%	

CAPITAL INVESTMENT PROGRAMME - 2023/24 to 2026/27

Appendix 2

Project Details	Project Baseline Financials			Revised 4-year Plan				
	Estimated Scheme Cost £000	Spend in Prev Years £000	2023/24 Budget £000	2023/24 Revised Out-turn £000	2024/25 £000	2025/26 £000	2026/27 £000	Total for Plan Period £000
Capital Programme Project								
Schools Capital Programme								
Capital Repairs and Maintenance	on-going	on-going	300	1,010	300	250	200	1,760
Education Review Projects	on-going	on-going	1,461	111	670	670	660	2,111
High Needs Capital Provision	on-going	on-going	2,650	890	750	750		2,390
Devolved Formula Capital	315			314				314
Paignton Academy STEPS Relocation	1,250	0	0	150	1,100			1,250
Foster Homes Adaptations	300	51	100	1	83	83	82	249
Acorn Centre (Youth Investment Fund)	528	0	264	80	224	224		528

Awaiting confirmation of future year funding.
Assuming previous year funding is utilised up to 25/26
£1.5m of unallocated funding spread over 2x years.
2023/24 spend represents slippage from previous financial year
Business Case approved December 2023
Need confirmaiton that funding will still be utilised.
Need confirmation that scheme is still progressing.

Schools Closed Projects								
Mayfield Expansion	1,575	1,534	0	41				41
Paignton CS Academy Expansion	1,737	1,735	0	2				2
Roselands Primary - additional classroom	599	553	0	47				47
St Cuthbert Mayne Expansion	5,681	4,949		731				731
St Cuthbert Mayne Phase 2	1,000	34	750	966				966

Small amount of final fees to be spent up to March 2024
Retention payment and some fees still to process.
Large retention fee and some landscaping works still to be processed.
In addition to original expansion

Projects under Feasibility and Development								
Crossways, Paignton - Regeneration	36,983	2,264	5,000	1,200	250			1,450
Extra Care Housing (Torre Marine)	22,281	1,415	2,153	660	20			680
Edginswell Railway Station	24,400	613	5,000	2,297	0			2,297
Union Square Acquisition & Development (Town Deal)	70,000	3,957	7,043	846	312			1,158
Strand Land Assembly & (Debenhams) Demolition	13,600	161	2,500	50	20			70
Torquay Town Deal - Pavilion	13,000	57	1,300	423	77			500
Torquay Town Deal - Core Area Public Realm	850	60	598	60	20			80
Torbay Road Paignton (High Streets Funding)	1,500	77	426	100	33			133
Station Square (High Streets Funding)	2,540	202	2,027	211	42			253
Victoria Centre (Paignton) Phase 1 (FHSP)	652	25	602	351	276			627
Victoria Centre (Paignton) Phase 2 (FHSP)	3,862	55	3,312	1,360	325			1,685
Diversification (High Streets Funding)	0	0	1,300	0				0
Paignton Coastal Defence Scheme	17,515	238	150	211	15			226
Paignton Flood Defence (High Streets Funding)	571	0	485	37	534			571
Oldway Mansion - phase 1 of Master-Plan	0	0	0	0	250	250	250	750

Demolition spend. Development costs to Full Business Case.
Need to confirm funding to get to FBC due in March 24
Funding needed to get to Detailed Business Case.
Awaiting affordable Business Case from Regeneration partners
Awaiting affordable Business Case from Regeneration partners
Awaiting MDL settlement and subsequent Business Case
GPO Post Office Roundabout, Torquay. In procurement for contractor
Final scheme design pending
Final scheme design pending
Demolition Phase
Business Case pending
Project not progressing. Funding to be re-prioritised.
Significant funding gap. Seeking further grant.
Part of above scheme - funding from Future High Streets.
Council commitment to find £1m - funded through TM Reserve

Economic Development / Regeneration								
Edginswell Business Park Unit 1	6,927	2,200	5,724	4,727				4,727
Edginswell Enabling Works (LEP GBF)	5,281	2,489	2,250	1,720				1,720
Harbour View Hotel Development	21,249	10,445	8,600	10,804				10,804
Torquay Strand Public Realm (Town Deal Funding)	4,485	587	1,814	800	1,119			1,919
Paignton Picture House (Future High Streets Funding)	1,285	918	367	367				367
Paignton Picture House (Community Dev Fund)	2,323	0	1,800	1,950	372			2,322
Lymington Rd Business Centre (LEP GBF/EGF)	5,925	1,070	3,986	4,623	180			4,803
Small Projects - UK Shared Prosperity Fund	361	8	139	131	222			353

To be completed in 2023/24
To be completed in 2023/24. Approved increased spend.
Change request to transfer additional funding to complete.
To be completed in 2023/24
Grant passported from the Council.

Housing Development / Investment								
Temporary Accommodation	10,000	4,121	5,000	5,500				5,500
Disabled Facilities Grants	2,332	0	1,295	1,300	1,032	1,000	1,000	4,332
Enhancement of Development sites	329	137	65	132	60			192
Housing Rental Company - Loan	3,267	2,767	0	456				456
Community Led - Affordable Housing Loans	0	0	3,000	0				0
St Kilda's, Brixham - Affordable Housing	5,696	0	338	438	2,367	2,893		5,698

Acquisitions completed by March 24. Not using the full £10m
Future year funding awaiting confirmation
Expenditure required on sites to enable development and disposal.
Final drawdown on loan arrangement (Totnes Road).
No drawdown to date. Need to determine future need.
Full Business Case being considered by Council 22 February 24.

Environment / Climate Capital Investment								
SWISCO Loan - Vehicle & Equipment Replacement	2,800	1,230	2,338	0	1,570			1,570
SWISCO Loan - Buildings	1,200	0	1,000	0	1,200			1,200
Car Park Investment	850	54	500	796				796
Climate Change Initiatives	1,000	0	250	334	333	333		1,000
Green Waste Bins	929	201	619	200	264	264		728
Local Electric Vehicle Infrastructure	958	0		0	479	479		958
Changing Places Toilets	180	0	180	90				180
Solar Farm, Brokenbury (EGF)	2,275	192	1,620	288	43			331
Solar Farm, Nightingale Park (EGF)	4,150	385	2,914	484	62			546

Council original approval for £4m loans to be re-set in 2024/25
Council original approval for £4m loans to be re-set in 2024/25
Future investment linked to increased income.
£1m borrowing approved by Council. 50% to provide revenue return.
Anticipated completion by 31.3.24
Revised Business case to be considered in February 2024
Revised Business case to be considered in February 2024

Transport Capital Investment								
Transport Highways Structural Maintenance	4,361		2,038	2,771	2,050	2,050	2,050	8,921
Transport Integrated Transport Schemes	2,241		1,147	1,170	1,071	1,071	1,071	4,383
Transport - Torquay Gateway Road Improvements	3,485	3,450	20	21	14			35
Transport - Western Corridor	12,294	11,682	250	199	200	211		610
Shiphay Lane (Active Travel Fund)	227			0	226			226
Babbacombe Beach Road	469	439	31	15	15			30

Awaiting confirmation of future year funding/investment
Awaiting confirmation of future year funding/investment
Specific grant funding received in 23/24 - to be spent in 24/25

Coastal Defence / Flood alleviation								
Flood Alleviation - Cockington	328	301		27				27
Flood Alleviation - Monksbridge	412	86	295	326				326
Torquay Flood Alleviation	50	4	20	46				46
Paignton Flood Alleviation	60	10	40	50				50
Brixham Flood Alleviation	45	10	25	35				35

Sports, Leisure and Culture								
Clennon Valley Sport Improvements	70	32		22				22
Haldon & Princess Pier	95	7	50	88				88
Princess Pier - Structural repair	1,665	818	60	0	62			62
Torquay Town Dock - Infrastructure Improvements	1,200	741	211	460				460
Harbour Patrol Boat	72	0		72				72
Torre Valley North Sports Facilities	422			46				46
Park Tennis Renovation	504			504				504
Armada Park Refurbishment	91			10				10
Torre Abbey Gatehouse/SW Wing	1,290	54	707	813	422			1,235
Torre Abbey SE Wing/Courtyard/Tower	539	20	297	344	175			519
Torre Abbey Renovation - Phase 3	0	0	208	32				32
RICC Improvements - Backlog Repairs	1,250	935	0	280	35			315

Closed Projects								
Preston (North) - Development of former WCs		47	717	0				0
The Pines (TCCT)	75			75				75
Maidencombe Beach CP (TCCT)	45			45				45
EPIC Equipment (funded from LEP)	230			230				230
Claylands Redevelopment	11,150	10,748		20	20			40

Funding (to be moved to Projects Pending)								
Adult Social Care Grant	2,777	0	895	80				80
Affordable Housing	1,598	243	529	0				0
Torquay Towns Fund (General)	158	0	52	0				0
General Capital Contingency	342	0	632	342				342
Capital Contingency	0	0	600	0				0

Feasibility costs incurred
Funding to be transferred to pending
Funding to be transferred to pending
Contingency used in 23/24 to fund Harbour View shortfall

Full Capital Investment Plan Totals	352,087	74,411	90,044	55,412	18,984	10,528	5,313	90,237
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CAPITAL INVESTMENT PROGRAMME - FUNDING SOURCE

	2023/24 Budget £000	2023/24 Revised Out-turn £000	2024/25 £000	2025/26 £000	2026/27 £000	Total for Plan Period £000
Unsupported Borrowing	41,346	29,807	4,450	3,490		37,747
Grants	45,616	22,501	13,252	6,513	4,981	47,247
Contributions	570	1,012	700	21		1,733
Revenue	1,035	1,050	483	320	250	2,103
Reserves	385	497	14	162	82	755
Capital Receipts	1,092	545	85	22		652
Total	90,044	55,412	18,984	10,528	5,313	90,237

Notice of Motion – Vision Rehabilitation Services

Cabinet

13 February 2024

Vision Rehabilitation Services

Vision Rehabilitation services should fully meet the needs of blind and partially sighted people.

Effective vision rehabilitation services are important, as advocated for by the Royal National Institute of Blind People (RNIB).

Vision rehabilitation is provided as part of local authority tertiary prevention services, aimed at minimising the impact of an impairment, and supporting people to regain skills and manage or reduce need where possible. Good vision rehabilitation sessions provide crucial daily living and mobility skills, training blind or partially sighted people how to live in their homes safely and how to get out and about with confidence, offering lifesaving support at what can be a traumatic time in someone's life. We must ensure not only that support is being routinely offered to people in a timely manner, but that the offer is fit for purpose.

Every person with sight loss should receive timely, fully effective vision rehabilitation whenever they need it.

The Cabinet are requested to instruct the Director of Adult and Community Services to review the vision rehabilitation services in Torbay, should the review highlight financial investment is required the Director of Adult and Community Services be requested to make recommendations to the Cabinet for consideration during the 2025/2026 budget process.

Promoter Councillor Mandy Darling
Supporter Councillor Long