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Dear Member

COUNCIL - THURSDAY, 22 SEPTEMBER 2016

I am now able to enclose, for consideration at the Thursday, 22 September 2016 meeting of the Council, the amendments and revised officer recommendations in respect of the following agenda items.

Agenda No	Item	Page
9.	Amendments to the Corporate Asset Management Plan - Mayor's Response to Council Recommendations	(Page 299)
11.	Capital Investment Fund	(Pages 300 - 303)
12.	Parking Strategy 2016-2021	(Page 304)
21.	Capital Investment Plan Update 2016/2017 Quarter 1	(Page 305)

Yours sincerely

June Gurry
Clerk

Agenda Item 9, Amendments to the Corporate Asset Management Plan Mayor's Response to Council Recommendation

Mayoral Motion

Council Meeting

22 September 2016

Motion:

- (i) that, a new Appendix AM-G ~ 'Procedure for determining applications for grants to offset market rent (grants in lieu of rent)', be added to the existing Corporate Asset Management Plan 2015 ~ 2019 (as set out in Appendix 2 to the submitted report);
- (ii) that, Appendix AM-H ~ 'Granting of sports leases – An overarching strategy', be added to the existing Corporate Asset Management Plan 2015 ~ 2019 (as set out in Appendix 3 to the submitted report);
- (iii) that, the existing Corporate Asset Management Plan 2015 ~ 2019 be amended to ensure that any grant from the Council to assist with a tenant's rent will be time bound and will not extend beyond the next scheduled rent review unless there is specific approval at Full Council to the contrary; and
- (iv) that the following wording be added to the Corporate Asset Management Plan to clarify the approach to be taken respect of sports leases:

"The estimated market rent assesses the lease value against other similar leases (i.e. sports leases) across the South Devon area. An estimated market rent will take into account whether the landlord or tenant has the liability for the cost of maintenance and what income generating facilities are at the disposal of the tenant i.e. a club house & bar, private car parking, etc. The estimated market rent would also reflect the restrictive nature (sports use only user clause) of the lease and the level of the security of tenure.

A combination of the above factors can either increase or lower the valuation and so it must not be assumed that a 'market rent' is necessarily a high rent. In the case of sports clubs the 'market rent' should not be compared with the commercial rent a business might pay in the high street."

Proposer Mayor Oliver
Seconder Councillor Excell

Council Meeting

22 September 2016

The submitted paperwork for the Capital Investment Fund contains three recommendations for Members' consideration. To provide clarity the three recommendations are set out below.

1. Mayoral Recommendation:

That the Council be recommended:

- (i) that the Investment Fund be increased by £40 million to a total of £50 million to be initially funded by prudential borrowing, with the revenue costs associated with that borrowing (MRP and interest costs) to be funded from the investment returns or higher NNDR income;
- (ii) that the Investment Strategy for the fund as detailed within Appendix 1 be approved;
- (iii) that, subject to the deletion of 7.4(a) so as to require all decisions on allocations from the Investment Fund to be approved by the Council, the governance of fund as detailed within paragraph 7.4 be approved; and
- (iv) that the Chief Executive be delegated authority to set up a delivery team including sourcing external support if required, to be funded from the investment returns.

2. Officer Recommendation:

- 3.1 That the Investment Fund be increased by £40 million to a total of £50 million to be initially funded by prudential borrowing, with the revenue costs associated with that borrowing (MRP and interest costs) to be funded from the investment returns or higher NNDR income.
- 3.2 That the Investment Strategy for the fund as detailed within Appendix 1 be approved.
- *3.3 That the Council considers the options for the governance of fund as detailed within paragraph 7.4 or the Overview and Scrutiny Board's proposal as set out at Appendix 3.**
- 3.4 That the Chief Executive be delegated authority to set up a delivery team including sourcing external support if required, to be funded from the investment returns.

- 3.5 That the Chief Executive be delegated authority to make any changes to the Strategy, in consultation with the Mayor, Group Leaders, Section 151 Officer and Executive Head of Business Services.

*There are three options for the governance arrangements the first is set out in the Mayoral recommendation at (iii) above, the second is set out in the officer recommendation at 3.3 above and the third is the recommendation from Overview and Scrutiny set out below.

3. Overview and Scrutiny Recommendation:

- 3.1 That the Council appoints an Investment Committee, comprising of 6 members (politically balanced and to receive mandatory training, including any substitutes) and with terms of reference as follows:
1. To review the Strategy and make recommendations to the Council for revision of the same.
 2. To determine any investment or purchase using the Investment Fund up to the value of £5 million, in accordance with the Investment Strategy. All investments or purchases to be subject to a (documented) review by the s151 Officer, Monitoring Officer, Fund Manager and Executive Head of Business Services.
 3. To receive performance reports on the Investment Fund on a quarterly basis.
- 3.2 Where two or more members of the Committee vote against decisions of the Committee the matter stand referred to the Council for decision. The quorum of the Committee will also be a minimum of four members in attendance (rather than three) to ensure the voting procedures meet the intended requirements. The Monitoring Officer be requested to update the Standing Orders within the Constitution to reflect the voting provision and a quorum of four for this Committee. This approach will provide the Council with confidence in respect of the Committee's decision-making on major financial issues.
- 3.3 Any investment decisions in excess of £5 million to be approved by the Council.

Agenda Item 11, Capital Investment Fund

Conservative Group Amendment

Council Meeting

22 September 2016

(Amendments shown in bold)

Proposed Amendment:

- (i) That the Investment Fund be increased by £40 million to a total of £50 million to be initially funded by prudential borrowing, with the revenue costs associated with that borrowing (MRP and interest costs) to be funded from the investment returns or higher NNDR income.
- (ii) That the Investment Strategy for the fund as detailed within Appendix 1 of the submitted report be approved **and be included as part of the Council's Policy Framework.**
- (iii) **That the governance arrangements of fund are the Overview and Scrutiny Board's proposal as set out at Appendix 3 (of the submitted report), namely:**
 - a) **That the Council appoints an Investment Committee, comprising of 6 members (politically balanced and to receive mandatory training, including any substitutes) and with terms of reference as follows:**
 - 1. **To review the Strategy and make recommendations to the Council for revision of the same.**
 - 2. **To determine any investment or purchase using the Investment Fund up to the value of £5 million, in accordance with the Investment Strategy. All investments or purchases to be subject to a (documented) review by the s151 Officer, Monitoring Officer, Fund Manager and Executive Head of Business Services.**
 - 3. **To receive performance reports on the Investment Fund on a quarterly basis.**
 - b) **Where two or more members of the Committee vote against decisions of the Committee the matter shall stand referred to the Council for decision. The quorum of the Committee will also be a minimum of four members in attendance (rather than three) to ensure the voting procedures meet the intended requirements. The Monitoring Officer be requested to update the Standing Orders within the Constitution to**

reflect the voting provision and a quorum of four for this Committee. This approach will provide the Council with confidence in respect of the Committee's decision-making on major financial issues.

- c) Any investment decisions in excess of £5 million to be approved by the Council.**
- (iv) That the Chief Executive be delegated authority to set up a delivery team including sourcing external support if required, to be funded from the investment returns.

Proposer Councillor Lewis
Secunder Councillor Tyerman

**Conservative Group Objection to Policy Framework
Document**

(Constitution Reference: Budget and Policy Framework Standing Order F4.8)

Council Meeting

22 September 2016

Proposal:

That the Council formally objects to the Parking Strategy 2016-2021 on the basis that:

i) the Council is concerned that public safety, in particular road safety risks to children outside school entrances, has not been given sufficient priority. Therefore, the Mayor reconsiders the Officer recommendation as set out below:

(i) That the Torbay Council Parking Strategy 2016-2021, as set out in Appendix 2 to this report, be adopted, except that the phrase "However, this Strategy does not support the use of mobile enforcement cameras" should be deleted on page 15, under the section marked 'Fair Enforcement', and replaced with the following statement :-

"In particular the use of mobile enforcement cameras can improve road safety for children outside school entrances and reduce the road safety risks presented to public transport users. Strict operating procedures should be applied to the use of any mobile technology to ensure that fair enforcement is undertaken and the law abiding motorist is not penalised."

(ii) That the Parking Operations Panel and Members involvement in the decision making process be reviewed after one year.

In accordance with the Constitution at F4.9, the Council therefore requires the Mayor to consider this objection by 14 October 2016 either:

- a) submit a revision of the Parking Strategy 2016-2021 with the reasons for any amendments to the Council for its consideration; or
- b) inform the Council of any disagreement that the Executive has with any of the Council's objections and the Executive's reasons for any such disagreement.

Proposed by Councillor Thomas (D)
Seconded by Councillor Lewis

Agenda Item 21, Capital Investment Plan Update 2016/2017 Quarter 1

Officer Revised Recommendation

Council Meeting

22 September 2016

(Revisions shown in bold text)

Revised Recommendation:

- 3.1 That the latest position for the Council's Capital expenditure and funding for 2016/17 be noted.
- 3.2 **That it be noted that the following grants are funded through grant applications and, whilst not legally ring fenced, the grants must be use for the purposes for which they were granted in order not to jeopardise future government grants.**
- 3.3 That the allocation of the following grants to services be approved:
- (a) Department for Education: 2016/17 Condition Funding £0.448m to Children's Services;
 - (b) Department for Transport: 2016/17 Highways Maintenance Incentive Fund £0.082m to Highways Services; and
 - (c) Department for Transport 2016/17 Pothole Action Fund £0.071m to Highways Services.
- 3.4 **That the draft Capital Plan Prioritisation Matrix includes reference to:**
- a) **where capital grants in the future are linked to specific outcomes, such expenditure will not be required to be prioritised through the Matrix; and**
 - b) **the Matrix being applied prior to all grant applications if match funding from the Council's Capital Plan is required.**

Proposer Mayor Oliver
Secunder Councillor Manning