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Dear Member

OVERVIEW AND SCRUTINY BOARD - WEDNESDAY, 11 DECEMBER 2019

I am now able to enclose, for consideration at the Wednesday, 11 December 2019 meeting of the Overview and Scrutiny Board, the following reports that were unavailable when the agenda was printed.

Agenda No	Item	Page
5.	Budget 2019/2020 - Quarter 2 Monitoring Report	(Pages 6 - 28)

Yours sincerely

Kate Spencer
Clerk



Meeting: Overview & Scrutiny Board

Date: 11th December 2019

Wards Affected: All Wards

Report Title: Budget Monitoring 2019/20 – Quarter Two

Is the decision a key decision? No

When does the decision need to be implemented? n/a

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1. Purpose and Introduction

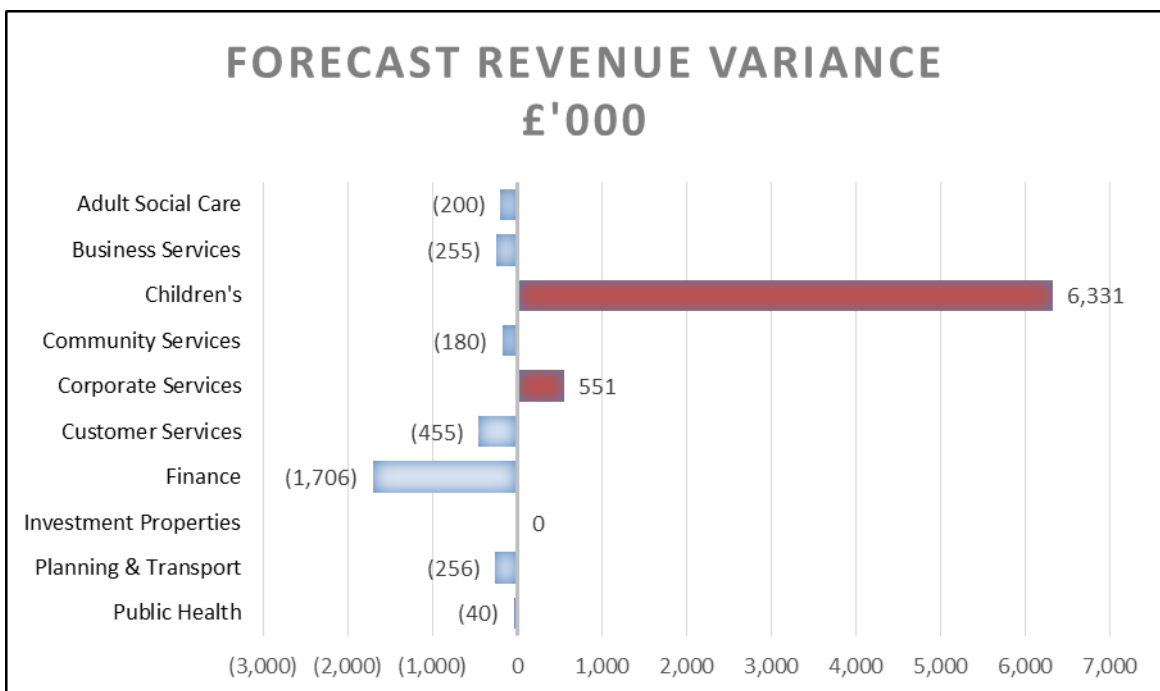
1. This report provides a high level budget summary of the Council's forecasted revenue and capital income and expenditure for the financial year 2019/20. This report is based on figures as at the end of Quarter 2, 30th September 2019.
2. The Council's **Revenue** budget remains under significant pressure. The Council is forecasting an overspend on its service expenditure at Quarter 2 of £3.8m. However this does represent a slight decrease compared with Quarter 1 report.
3. In order to deliver a balanced budget against the forecast overspend, additional one off funding and use of reserves has been identified.
4. Children's Social Care remains the main source of financial pressure, forecasting an overspend at Quarter 2 of £6.3m.
5. The Capital Plan budget totals £391m for the 4 year programme, with £127m currently scheduled to be spent in 2019/20, including £80m on Investment Fund acquisitions, £19m on a number of Regeneration projects, and £5m on major Transport schemes. At this point (30 Sept 2019) the Capital Plan now requires £6.3 from (new) capital receipts and capital contributions over the life of the Plan in order to be able to deliver all that is planned.

2. Recommendation (s) / Proposed Decision

1. That the Overview & Scrutiny Board notes the latest position for the Council's revenue outturn position and mitigating action identified and make any comments and/or recommendations to the Cabinet.
2. That the Overview & Scrutiny Board note the latest position for the Council's Capital expenditure and funding for 2019/20 and make any comments and/or recommendations to the Cabinet.

2. 2019/ 20 Revenue Budget Summary Position

- 2.1. The below graph shows a visual breakdown, highlighting budget variance for each service,



Children's Social Care

- 2.2. The current forecast of £6.3m overspend represents an increase of £2.1m since Quarter 1. This highlights the extent of the continued pressure faced within Children's Services.
- 2.3. The main pressure area is Looked After Children (LAC). The overall LAC numbers have decreased slightly since the start of the financial year, from 357 in April 2019 to 351 at the end of September 2019, which demonstrates that there has been effective oversight around children brought into care, ensuring that this is only done when alternative options have been exhausted. However, despite this headline reduction the mix of placements has seen both an increasing number of residential placements and increased complexity of need, which result in increased cost pressures.

- 2.4. At the end of September 2019 there were 44 children in residential placements, compared with 28 at the same point last year. Work continues within the service to ensure that each child has a clear plan ensuring their needs and outcomes are being met in the most appropriate setting and wherever possible, that these are met in a family based setting.
- 2.5. The number of residential placements remains a significant risk. These are the highest cost placement type, where typical costs per child are around £5,000 per week. The figures in this report factor in individual plans for the children who are currently looked after. Increases to placement numbers without a reduced demand elsewhere would further increase the service overspend as would any extensions of placements where there are planned end dates.
- 2.6. Additional corporate resources and support continues to be available to support the senior leadership team of Children's Social Care. This includes weekly meetings chaired by the Chief Financial Officer with the Chief Executive, Director for Children's Services and Director of Corporate Services and Deputy Head of Finance. These meetings are focused on the financial recovery plan of the service. This recovery will be underpinned by the implementation of best practice across all aspects of operational service delivery.

Higher Needs Block – Special Education Needs

- 2.7. The schools' higher needs block in the Dedicated Schools Grant (DSG) has been under financial pressure as a result of an increasing level of referrals from schools for higher needs support for children. For 2019/20 there is a forecast in-year overspend of £0.9m, after the one off £1.4m "disapplication" transfer of funds between the funding blocks in the DSG. The Council does not receive any funding for schools therefore the over spend will remain in the DSG to be funded in future years and is not a cost that the Council will fund. The cumulative deficit balance brought forward from 2018/19 was £2.7m. As a result the DSG reserve is forecast to be a £3.6m deficit by the end of 2019/20.
- 2.8. The Spending Round announced in September allocated £700m nationally to support Special Education needs., Torbay's allocation for 2020/21 is £1.5m which, although welcomed is not sufficient to meet the level of demand faced by the Higher Needs Block.
- 2.9. Representatives from the School Forum are arranging meetings with the Education & Skills Funding Agency (ESFA) to discuss the proposed financial recovery plan that was submitted to the ESFA earlier in the year.

£300m Investment fund

- 2.10. Investment Fund has spent £155m in previous years, and has £80m profiled for spend this year. Further detail is available in Appendix 2.
- 2.11. On behalf of the Council, Torbay Development Agency (TDA) are actively identifying investment opportunities. These opportunities will be presented to Cabinet for a decision as to whether or not to progress if and when they are identified as viable investments. The final purchases are subject to due diligence checks, including independent valuations. The Council continues to set the investment boundary to the Greater South West peninsula and the Functional Economic Market Area (FEMA).

Economic Growth Fund

- 2.12. At Cabinet on 1st October 2019 the criteria for use of the Economic Growth Fund was approved. Approval of projects brought forward has been delegated to Cabinet.
- 2.13. The Fund, combined with the previous Town Centre Regeneration approval of £25m, gives a total budget of £125m. The only project “on site” is the Harbour View hotel. Further detail is available in Appendix 2.

Service Budgets

2.14. The budget position for each service is shown in the table below:

Torbay Council Revenue	Budget	Forecast	Variance	Variance reported at Q1	Movement
Q2 2019/20	£000s	£000's	£000's	£000's	£000's
1. Adult Social Care	38,747	38,547	(200)	(200)	0
2. Business Services	15,140	14,884	(255)	483	(738)
3. Children's Services	40,697	47,028	6,331	4,205	2,126
4. Community Services	2,871	2,691	(180)	(62)	(118)
5. Corporate Services	2,766	3,317	551	275	276
6. Customer Services	1,176	722	(455)	(256)	(199)
7. Finance	(8,272)	(9,978)	(1,706)	(466)	(1,240)
8. Investment properties	(4,135)	(4,136)	(0)	0	(0)
9. Planning and Transport	12,557	12,301	(256)	0	(256)
10. Public Health	9,822	9,782	(40)	(40)	0
Revenue total	111,367	115,157	3,790	3,939	(149)

Mitigating Actions	£'000
11. Use of Reserves	(3,570)
12. 2020/ 21 savings brought forward	(220)
Net Overspend / (underspend)	0

2.15. A narrative of the position in each service area is as follows;

1. Adult Social Care - Underspend £200k

The majority of this budget is spent against a fixed contract with the ICO. Within the remaining discretionary budgets there are a number of identified savings which have been offered to mitigate the in-year financial position for the Council.

2. Business Services – Underspend £255k

There has been a significant improvement to the financial position of Business Services compared with Quarter 1. Within Car Parking the shortfall on income following the summer months is now £57k, which represents an improvement of £180k compared with the figures at Quarter 1. There are also savings from Waste disposal, amounting to £200k as a result of reduced household waste being sent to the Energy from Waste plant. There are a range of other savings and efficiencies identified across Business Services including the cessation of non-essential spend.

3. Children's Services – Overspend £6.331m

There is a forecast overspend of £5.6m associated with placements. The total spend on Agency and temporary staff is forecast to be £3.7m. At the end of September there were 44 vacant posts which resulted in use of agency staff. There has also been additional temporary staff used to provide additional senior capacity in order to support the service to address the outcome of most recent Ofsted inspection. This improvement work will also contribute to the service's financial recovery, however there are no "quick wins" anticipated, savings are expected over the medium term. The overall financial position has been partially offset by the application of the Troubled Families grant.

4. Community Services – Underspend £180k

Housing services is forecasting an underspend of £100k due to use of the Flexible Homeless Support grant which contributes to the costs of temporary accommodation and Housing Options. Within Community protection there are a number of vacancies across this service area which contribute to the overall underspend.

5. Corporate Services – Overspend £551k

Legal services are also making use of Agency staff, with a forecast spend of £240k. These staff required so that the service is able to meet the caseload requirements of the organisation, namely Children's and Adult Social work. Currently there is a forecast overspend of £83k associated with the Coroners service which is provided by Plymouth City Council. There is also a £240k shortfall of income, which is caused by £160k from the Print & Post service and a further £80k shortfall on income targets associated with work of the transformation team. In line with the corporate position, all non-essential spend has been ceased.

6. Customer Services – Underspend £455k

Revenues and Benefits have a number of staff vacancies and have received one-off funding resulting in an underspend of £239k. Within IT there is a forecast underspend of £183k brought about by revised recruitment timescales and reduction in planned spend.

7. Finance – Underspend £1.706m

A number of “corporate” budget changes are being reported under the Finance service, these include;

- £550k was transferred to the Comprehensive Spending Review Reserve in order to be released in 2019/20 for issues in Children’s Social care
- £415k of a saving associated with Treasury Management activities
- £300k of additional monies from the Devon wide business rates retention pool
- £300k set aside during the 2019/20 budget process has been released to be used to fund known pressures

8. Investment Properties – Breakeven £0k

Overall Investment properties is forecast to meet its income target.

9. Planning & Transport – Underspend £256k

A reduced contribution for concessionary fares of £100k has been achieved. There are also revenue savings within Highways of £150k which is associated with additional work being recharged to capital.

10. Public Health – Underspend £40k

No material variances

4 Mitigating actions

1. The projected overspend within revenue **before** the application of all mitigating actions is £3.8m. As a result of the increased cost pressures from Children’s Service all the previously identified mitigating actions have been required in order to stabilise the financial position. As a result the Council’s S151 officer has identified further mitigating actions in order to deliver a balanced budget, however these options predominantly rely upon use of reserves, namely.

(i) Use of reserves – £3.570m

The net in year projected overspend has to be funded. In order to achieve this, requires the utilisation of a number of reserves that have been built up in previous financial years to be applied or drawn down in year. It is important to note that this also includes reducing the CSR reserve to below the target level of £2m to achieve a balanced budget position. Should the financial position improve during the year, these one off funding items will be returned to reserves.

(ii) 2020/21 Savings brought forward – £220k

A number of savings previously identified for delivery in 2020/21 are being brought forward. The achievement of these savings does not require cessation of services and are not matters which require a Council decision. A total of £0.96m was identified to be achieved through reviews of recharges to capital, maximisation of grant funding, and the application of the revised and approved MRP calculation. Work continues to deliver the final £220k.

2. In respect of the moratorium on non-essential spend, in keeping with last financial year the Chief Finance Officer has arranged additional scrutiny in order to monitor and challenge all orders and contracts placed by officers across the Council.
3. There remains the risk that further mitigation will be required should demand for Children's Social Care increase in the second half of the financial year.

5. Medium Term Resource Plan

- 5.1. As detailed in section 3 & 4, the revenue position is currently being contained through increased use of reserves. The total identified use of reserves in year is over £4m.
- 5.2. Whilst this is possible within this financial year it leaves the Council below the target minimum level on its CSR Reserve, and therefore leaves limited options to address any unexpected cost pressures in future years.
- 5.3. As part of the budget process a Review of Reserves document will provide Members with the S151 Officer's proposed strategy regarding reserves. This document will provide details of how any remaining reserves will be allocated next year, and also outline the medium term plans which will be needed in order to rebuild the reserves that will have been depleted this financial year.
- 5.4. A robust medium term resource plan is crucial to ensuring the future funding gaps for 2021/ 22 and 2022/ 23 are addressed. The critical need for this plan is compounded by the risks associated with the Fair Funding Formula which is not anticipated to provide any respite in addressing Torbay's financial pressure. In September 2019 MHCLG announced the deferral to 2021/22 of the proposed changes to the NNDR retention system and funding formula.
- 5.5. Central Government are scheduled to finalise the 2020/21 Local Government Funding Settlement in late December 2019 after the General Election.

6. Risks & Sensitivity

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

Risk	Impact	Mitigation
Fair Funding Formula	High	Development of a robust MTRP to address the expected impact on Torbay's funding.
Identification, and achievement, of £18m of savings for 2020/21 to 2022/23 per Medium Term Resource Plan March 2019	High	Finance colleagues are working with the transformation team coordinate the implementation of potential transformation savings. Senior Leadership Team and Cabinet will need to consider options for future years.
Delivery of Children's Services cost reduction plan	High	Weekly meetings have been convened to monitor the current rate of delivery against the identified actions from the recovery plan.
Unable to recruit staff and need to use agency staff.	High	Recruitment & retention of Social Work staff, particularly in safeguarding is one of the core priorities for the Senior management team within Children's Services.
Additional demand and cost pressures for services particularly in children's social care	High	2019/20 Budget monitoring, use of service performance data and recovery plan.
Delivery of approved savings for 2019/20	Medium	Further to regular budget monitoring for all budget holders, the Council's Senior Leadership Team receive monthly updates on the 2019/20 position including a savings tracker for each of the approved savings.
Pressure achieving income targets in some services	Low	A small number of services are not meeting their income targets (which increase by 3% each year).
Investment Property Income changes	Low	Regular review of income and tenant negotiation

7. Balance Sheet

Council Subsidiary Companies

- 7.1. The Council has interests in a number of companies. The financial performance for 2018/19 of these companies is included in the Council's statement of accounts (link below). <http://www.torbay.gov.uk/council/finance/statement-of-accounts/>
- 7.2. All of these companies form part of the Council's group boundary, therefore Members should be aware of the assets and liabilities of these companies.

8. Debtor – Write offs

- 8.1. The total value of debtor "write offs" in quarter 2 of 2019/20 were

Service	Number of records written off	Value of write offs £000's
Council Tax	812	247
NNDR	21	36
Housing Benefit	79	29

- 8.2. EXEMPT Appendix 1 contains details of write offs over £5,000

- 8.3. As at 30th Sep 2019, the total percentage of the current year liability collected was:

Collection Fund	2019/ 20	For the same period in 2018/19
Council Tax	54.31	54.72
NNDR	53.71	56.25

9. Capital Plan Update

- 9.1. The overall funding position of the 4-year Capital Plan Budget of £391 million, covering the period 2019/20 – 2022/23, is primarily fully funded, but includes a requirement to generate £6.7m of Capital income from capital receipts and capital contributions over the life of the Capital Plan. The required income has increased since last reported as a result of the proposals for Crossways which require funds from capital receipts.
- 9.2. The Government has allowed flexible use of capital receipts to fund revenue expenditure on projects which will generate ongoing revenue savings. In 2017/18 the Council used £0.3m capital receipts and £0.357m in 2018/19 in this way with another £0.057m budgeted in 2019/20. There are no further plans to use this permitted flexibility.
- 9.3. A recent decision at Council on 26th Sept 2019 approved a £23m scheme to deliver a mixed use development with Extra Care Housing units and retail options at Crossways site in Paignton. This scheme will utilise existing Adult Social Care and Affordable Housing funding resources as well as new borrowing and some assumed future grant allocations and capital receipts. The scheme budget is shown over future years in the Capital Plan.
- 9.4. The movements in the estimate of expenditure in 2019/20 on the Capital Plan between the last monitoring report at June 2019 of £78.6m and the current approved budget for 2019/20 of £127.1m are shown below.

10 Updates to Capital Plan

Scheme	Variation in 2019/20	Change £m	Reason
Estimate as at Q1 2019/20		78.6	Capital Plan Update – 2019/20 Quarter 1 (Report Cabinet 1 Oct 2019)
Budget changes since last report (Q1 2019/20)			
Working towards a more Prosperous Torbay			
Investment Fund	Re profile budget	50.0	Budget brought forward from future years to match expected cash flow.
Oxen Cove Jetty	Revised budget	0.5	Increased resources required
Town Centre Regen – Retail opportunity.	Reduced budget	(0.4)	Reduction in likely total cost of purchase including acquisition costs.
South Devon Highway	Part of budget moved to next year	(1.3)	Latest DCC estimates of cash flow
		48.8	
Attractive and Safe place			
Flood Alleviation schemes	Re profile budgets	(0.3)	Reviewed likely expenditure pattern
Libraries Unlimited	Budget removed	(0.1)	Work now being charged through revenue account.
		(0.4)	
Protecting children and giving them the best start in life			
IT replacement - Childrens Case Management System	Re profile budget	(0.3)	Part of budget to 2020/21
		(0.3)	

Corporate Support			
Corporate IT Developments	Increased budget	0.2	Additional funding from Reserves
IT Equipment-TOR2	New budget	0.2	Agreed as part of Transformation project
		0.4	
Revised forecast capital spend for 2019/20		127.1	

Working towards a more Prosperous Torbay

- 9.5. Investment Fund – Based on the current activity and additional acquisitions now expected to take place this financial year, part of the budget held in 2020/21 has been transferred to the current year.
- 9.6. South Devon Highway – Devon CC have provided details of their latest estimates of remaining payments which indicate £1.3m of budget should be transferred to next year. The estimates also indicate that Torbay's total contribution to the scheme could now be £1.3m over the current budget, which is £0.3m higher than potential overspend reported last quarter. If this is accurate, additional funding, possibly Prudential Borrowing, will be required. No changes have yet been made to the budget or funding resources in the Capital Plan until the situation is clearer.
- 9.7. Town Centre Regeneration – Retail opportunity – following negotiations and revised arrangements for this proposed acquisition and capital works, it is expected that the budget will be reduced by £0.4m.
- 9.8. Oxen Cove Jetty – Work has been completed on this additional landing facility at Brixham Harbour. Final accounts are being agreed with the main contractor and the budget has been increased by £0.534m to a total of £2.5m. This increase primarily reflects the increased grant resources obtained for the scheme.

Attractive and Safe Place

- 9.9. Flood Defence schemes – Projects at Cockington and Monksbridge have been delayed by various objections. Consequently expenditure plans now indicate that £0.3m of their budgets are transferred to next financial year.
- 9.10. Libraries Unlimited – the work to upgrade IT for Libraries Unlimited is now being funded from revenue using S106 resources so the budget and funding have been removed from the Capital Plan.
- 9.11. RICC Improvements – Council 18 July 2019 approved prudential borrowing funding of £2.149m for improvements at the Riviera International Conference Centre to facilitate a new proposed management agreement with effect from 31 March 2020. The works will likely occur in the next financial year so the budget is now shown in 2020/21.

Supporting Vulnerable Adults

- 9.12. Adult Social Care – funding identified under this heading will be transferred out and used to facilitate the proposed mixed use redevelopment at Crossways, Paignton and Torre Marine, Torquay.
- 9.13. Affordable Housing - £1.7m resources have been transferred to support the mixed use scheme at Crossways which will include affordable housing units.

Protecting children and giving them the best start in life

- 9.14. IT Replacement (Children's Case Management) - £0.3m of the budget for the replacement case management system is likely to be spent in the next financial year so the budget has been adjusted accordingly.

Corporate Support

- 9.15. Corporate IT Developments – increased budget of £0.3m to enable upgrade work, funded from available Reserves.
- 9.16. IT Equipment –TOR2 - As part of the Transition project for conclusion of the TOR2 contract, Council agreed to provide £0.6m funds from Reserves to facilitate operational changes. Currently £0.15m has been identified for potential capital items including upgrades of IT equipment to support new working arrangements.

10. Receipts & Funding

- 10.1. The funding identified for the latest Capital Plan budget is shown in Appendix 1. This is based on the latest prediction of capital resources available to fund the budgeted expenditure over the next 4 years. A summary of the funding of the Capital Plan is shown in the Table below:

Funding	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	Total @ Q2 19/20 £m
Unsupported Borrowing	107	127	64	50	348
Grants	15	10	5	0	30
Contributions	1	1	0	0	2
Revenue	1	0	0	0	1
Reserves	2	0	0	0	2
Capital Receipts	1	2	5	0	8
Total	127	140	74	50	391

12. Grants

- 12.1. Since the last Capital Plan update (Quarter 1 2019/20) reported to Cabinet in October 2019, the Council has not been notified of any additional capital grant allocations.

13. Capital Receipts

- 13.1. The approved Plan relies on the use of £6.7m capital receipts. The Council has received £0.4m from asset disposals as at the end of September 2019.
- 13.2. Consequently the remaining Capital Receipts target to fund the Capital Plan stands at £6.3m still to be achieved. This target is expected to be achieved provided that:
- expected disposals of land and/or assets are completed
 - the Council continues with its disposal policy for surplus and underused assets and,
 - no more new (or amended) schemes are brought forward that rely on the use of capital receipts for funding.

- 13.3. The Capital Receipt requirement has increased since the last report arising from the funding package for proposals at Crossways, Paignton which assumes £4.4m from future capital receipts (sales of accommodation units).
- 13.4. The Government has allowed more flexible use of capital receipts to fund revenue expenditure on projects which will generate ongoing revenue savings. In 2017/18 the Council used £0.3m and £0.357m in 2018/19 in this way, with a further £0.057k budgeted in 2019/20. There are currently no further plans to utilise this permitted flexibility.

14. Capital Contributions – S106 & Community Infrastructure Levy

- 14.1. The Council's Capital Strategy states that capital contributions are applied to support schemes already approved as part of Capital Plan and are not allocated to new schemes unless the agreement with the developer is specific to a particular scheme outside the Capital plan.
- 14.2. Income from Section 106 capital contributions so far in 2019/20 amount to £0.8m, but these are largely already earmarked for use on existing schemes
- 14.3. Council has approved a Community Infrastructure Levy (CIL) scheme which will provide funds for infrastructure improvements linked to the proposed developments and for the "neighbourhood proportion". The main capital project identified for CIL receipts is the South Devon Highway. Some CIL payments are beginning to be received.

15. Borrowing and Prudential Indicators

- 15.1. The Council has taken borrowing of £55m during the quarter, this has primarily been to finance Investment Fund property acquisitions and Regeneration projects. As at 30 September 2019 the Council's total borrowing was £370m. The Operational limit is set at £470m in the approved Treasury Management Strategy. This limit is set based on the expected maximum borrowing the Council would undertake in order to meet its Capital Financing Requirement.
- 15.2. The Treasury Management mid-year review was presented to Council on the 24th October 2019 and contains more information on the Council's current and future borrowing requirements.
- 15.3. In November HM Treasury, without consultation, increased the margin on PWLB rates over gilt yields by 1%. This will increase the costs of any future borrowing to support the Council's capital plan. Alternative sources of borrowing are being investigated however it is possible that PWLB will remain the prime option for council borrowing.

16. Appendices:

- 16.1. Appendix 1 – EXEMPT debtor "write offs" over £5,000 in quarter 2 of 2019/20
- 16.2. Appendix 2 - Capital Plan summary – Quarter 2 2019/20
- 16.3. Appendix 3 – Capital Plan 2019/20 Project Status

Document is Restricted

CAPITAL PLAN - QUARTER 2 2019/20 - EXPENDITURE

Appendix 2

	Latest Est Scheme Cost	Expend in Prev Years (active schemes only)	Revised 4-year Plan Oct 2019				Total for Plan Period
			Total 2019/20 Revised	2020/21	2021/22	2022/23	
PB = Approved Prudential Borrowing schemes	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Protecting children and giving them the best start in life							
Brookfield Site / Brunel Academy Phase 1	1,050	995	55				55
Brunel Academy Ph 2 Vocation Classrooms	1,000	22	578	400			978
Capital Repairs & Maintenance 2018/19	378	224	154				154
Capital Repairs & Maintenance 2019/20	269	0	269				269
Devolved Formula Capital			304				304
Early Years - Ellacombe Academy Nursery	907	891	16				16
Early Years - White Rock Primary Nursery	420	409	11				11
Education Review Projects			89				89
PB Medical Tuition Service - relocation	601	43	558				558
New Paignton Primary school	609	7	602				602
PCSA Expension	879	5	150	724			874
Roselands Primary - additional classroom	599	97	502				502
Secondary School places	2,187	2,139	48				48
Special Provision Fund (SEND)	849	165	517	167			684
Torbay School Relocation	1,200	184	316	700			1,016
IT replacement - Childrens Case Management System	1,000		700	300			1,000
	17,129	5,181	4,869	2,291	0	0	7,160
Working towards a more prosperous Torbay							
PB Claylands Redevelopment	10,400	723	1,860	6,970	847		9,677
DfT Better Bus Areas	1,183	1,095	88				88
PB Edginswell Business Park	6,620	2,937	183	3,500			3,683
PB Employment Space, Torbay Business Park	6,645	6,645	0				0
PB Innovation Centre Ph 3 (EPIC)	7,749	6,420	1,329				1,329
PB Oxen Cove Landing Jetty	2,500	738	1,762				1,762
PB South Devon Highway - Council contribution	20,224	18,294	600	1,330			1,930
PB TEDC Capital Loans/Grant	4,040	1,965	1,500	575			2,075
Transport Highways Structural Maintenance			2,138	1,424			3,562
Transport Integrated Transport Schemes			450	562			1,012
Transport - Torquay Gateway Road Improvements	2,927	1,106	171	1,500	150		1,821
Transport - Tweenaway Junction	4,903	4,903	0				0
Transport - Western Corridor	12,271	9,759	2,312	200			2,512
	79,462	54,585	12,393	16,061	997	0	29,451
Ensuring Torbay remains an attractive and safe place to live and visit							
Babbacombe Beach Road	70	0	70				70
PB Brixham Harbour - Breakwater	3,892	2,535	1,357				1,357
Brixham Harbour - Fendering	300	0	300				300
Brixham Harbour - Water Meters	110		110				110
PB CCTV equipment	521	226	295				295
Clennon Valley Sport Improvements	70	32	0	38			38
Flood Alleviation - Cockington	328	43	185	100			285
Flood Alleviation - Monksbridge	412	49	125	238			363
Hollicombe Cliffs Rock Armour	1,351	1,351	0				0
Libraries Unlimited ICT Upgrades	0	0	0				0
PB Paignton Harbour Light Redevelopment	800	78	722				722
Princess Pier - Structural repair (with Env Agency)	1,665	806	859				859
PB Public Toilets Modernisation Programme	1,179	558	621				621
PB RICC Improvements (re Parkwood)			0	2,149			2,149

CAPITAL PLAN - QUARTER 2 2019/20 - EXPENDITURE

Appendix 2

		Revised 4-year Plan Oct 2019						
		Latest Est Scheme Cost	Expend in Prev Years (active schemes only)	Total 2019/20 Revised	2020/21	2021/22	2022/23	Total for Plan Period
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
PB = Approved Prudential Borrowing schemes								
	Torbay Community Partnership	50	20	30				30
	Torre Abbey Renovation - Phase 2	5,000	4,992	8				8
	Torre Valley North Enhancements	127	40	0	87			87
	Torquay Harbour - Town Dock Pontoons Replacement	276	276	0				0
		16,151	11,006	4,682	2,612	0	0	7,294
Protecting and supporting vulnerable adults								
	Adult Social Care			500	0			500
PB	Crossways, Paignton - Regen and Extra Care Hsg	23,442			14,720	8,722		23,442
	Extra Care Housing	2,249	1,301	98	850			948
	Disabled Facilities Grants			1,001	600			1,601
		25,691	1,301	1,599	16,170	8,722	0	26,491
Corporate Support								
PB	Corporate IT Developments	1,801	659	1,142				1,142
	IT Equipment - TOR2	150		150				150
PB	Council Fleet Vehicles	4,771	333	2,824	1,614			4,438
PB	Essential Capital repair works	876	65	0	811			811
	Enhancement of Development sites	310	107	203				203
	Flexible Use of Capital Receipts (NB. Not Capital expenditure)	714	657	57				57
	Office Rationalisation Project - Electric House refurbishment	700	580	120				120
	General Capital Contingency	631	0	0	631			631
		9,953	2,401	4,496	3,056	0	0	7,552
Investment Fund								
PB	Investment Fund	300,200	154,907	80,293	65,000			145,293
		300,200	154,907	80,293	65,000	0	0	145,293
Regeneration Projects								
PB	Regeneration Programme	113,700		0	0	63,700	50,000	113,700
PB	Regeneration Programme-Retail Opportunity	16,700		16,700				16,700
PB	Regeneration Programme-Harbour View Hotel Developmt	11,316	311	2,000	9,005			11,005
		141,716	311	18,700	9,005	63,700	50,000	141,405
Affordable Housing								
	Affordable Housing	1,164	1	0	1,163			1,163
PB	Housing Rental Company - Loan	25,000		0	25,000			25,000
	Housing Rental Company - Aff Hsg Developments	100		100				100
		26,264	1	100	26,163	0	0	26,263
TOTALS			229,693	127,132	140,358	73,419	50,000	390,909
CAPITAL PLAN - QUARTER 2 2019/20 - FUNDING								

CAPITAL PLAN - QUARTER 2 2019/20 - EXPENDITURE

Appendix 2

		Revised 4-year Plan Oct 2019					
	Latest Est Scheme Cost	Expend in Prev Years (active schemes only)	Total 2019/20 Revised	2020/21	2021/22	2022/23	Total for Plan Period
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
PB = <i>Approved Prudential Borrowing schemes</i>							
Unsupported Borrowing			106,844	126,933	64,096	50,000	347,873
Grants			15,181	9,710	4,901		29,792
Contributions			1,508	726			2,234
Revenue			440	43			483
Reserves			2,108	893			3,001
Capital Receipts			1,051	2,053	4,422		7,526
Total			127,132	140,358	73,419	50,000	390,909

CAPITAL PLAN - QUARTER 2 2019/20 - PROJECT UPDATE

Capital Plan Projects		Project status report
PB	= Approved Prudential Borrowing schemes	
Protecting children and giving them the best start in life		
	Brookfield /Brunel Academy Phase 1	Project complete. Small retention and fees outstanding.
	Brunel Academy Phase 2 Vocational Classrooms	Planning approved and contract awarded to Mercury Construction. Start on site Oct 2019.
	Capital Repairs & Maintenance 2018/19	Commitment for R&M works carried over to 2019.
	Capital Repairs & Maintenance 2019/20	New programme of works identified for 2019/20. Works to start Summer 2019.
	Devolved Formula Capital	Devolved funding for LA schools held by the LA.
	Early Years - Ellacombe Academy Nursery	Project complete. Small retention and fees outstanding.
	Early Years - White Rock Primary Nursery	Project complete. Small retention for building regs sign-off and fees outstanding.
	Education Review Projects	Small contingency held for any unforeseens/ delays to major schemes above and unallocated resources.
PB	Medical Tuition Service relocation	Project completed on time and within budget.
	New Paignton Primary school	Still awaiting an invoice from the ESFA for the Council's contribution to the new free school in Paignton. Work due to start on site Feb 2020 with completion for Autumn Term 2020.
	PCSA Expension	Phase 1 complete. Phase 2 to start early 2020.
	Roselands Primary additional classroom	Project completed on time and within budget.
	Secondary School places	Project complete. Small retention commitment outstanding.
	Special Provision Fund	Three year funding programme. Year 2 bids approved and awarded. Various works completed Summer 2019. New round of bids expected March 2020.
	Torbay School Relocation	Feasibility, consultation and design complete for Burton Academy extension. Planning to be submitted early Oct 2019. Update to Members sent end of Sept 2019. Expected start on site late 2019/ early 2020.
	IT Childrens Case Management System replacem	Work is ongoing with the new supplier & is expected to be completed in Spring 2021.

CAPITAL PLAN - QUARTER 2 2019/20 - PROJECT UPDATE

Capital Plan Projects		Project status report
PB	= Approved Prudential Borrowing schemes	
Working towards a more prosperous Torbay		
PB	Claylands Redevelopment	Claylands Cross Phase 1 development has been an extremely complicated project to progress. The project team have worked hard to be in position of delivery and are very pleased to present Claylands Cross Phase 1 development in a strong position to proceed.
	DfT Better Bus Areas	Discussions on options and proposals are continuing
PB	Edginswell Business Park	Site now purchased.
PB	Employment Space	Scheme completed and tenant in occupation
PB	Innovation Centre Ph 3 (EPIC)	The construction of the Centre is nearing practical completion and due to be handed over at the end of July. A further two weeks of commissioning and testing is due to take place. Three tenants have signed leases and will be occupying the building imminently.
PB	Investment Fund	Several sites under consideration for purchase and subject to due diligence
PB	Oxen Cove Landing Jetty	Project complete, awaiting final costs
PB	South Devon Highway - Council contribution	Part 1 compensation claims still to be resolved - may exceed remaining budget
PB	TEDC Capital Loans/Grant	Funds available to draw on as required by TEDC to finance their capital schemes.
PB	Town Centre Regeneration Programme	
PB	Town Centre Regeneration Programme-Harbour View	Harbour View hotel development now part of Town Centre regeneration and incurring expenditure
	Transport Highways Structural Maintenance	Resurfacing programme is under way. The backlog of Street lighting replacements are being attended to. Some funding allocated to Babbacombe Beach Road , the programme is subject to Ground investigation works.
	Transport Integrated Transport Schemes	Expenditure subject to agreement on Business cases, actual expenditure for this year will be subject to review at Q3
	Transport - Torquay Gateway Road Improvements	Ground investigation works commencing in 2020, land being negotiated with Network Rail. Newton Road widening expected to commence in 2020/21.
	Transport - Tweenaway Junction	Scheme considered complete
	Transport - Western Corridor	Final Accounts for Brixham Road and Windy Corner being agreed by TDA.

CAPITAL PLAN - QUARTER 2 2019/20 - PROJECT UPDATE

Capital Plan Projects		Project status report
PB	= Approved Prudential Borrowing schemes	
Ensuring Torbay remains an attractive and safe place to live and visit		
	Babbacombe Beach Road	Scheme hoped to be agreed following Ground investigation works
PB	Brixham Harbour - Breakwater structural repairs	Project complete
	Brixham Harbour - Fendering	Project complete.
	Brixham Harbour - Water Meters	Project commenced
PB	CCTV equipment	Torquay and Paignton are completed, with 6 cameras in Brixham to do. The capital programme should be completed by the end of October, mid November by the latest.
	Clennon Valley Sport Improvements	Project under design, awaiting start date for works
	Flood Alleviation - Cockington	Due to discussions with local residents who have objected to the original proposals we have amended the design of the scheme. Further discussions with the residents at a public meeting in September 2019 have resulted in an agreement that the works will be undertaken in two phases. Phase 1 will be carried out between January 2020 and March 2020 with Phase 2 being undertaken between January 2021 and March 2021. All works being completed by end of March 2021. The 1st Phase of the scheme will be tendered shortly. JBA have been appointed to undertake the survey works for the property level protection phase of the scheme.
	Flood Alleviation - Monksbridge	Due to SWW objections at present to the new overflow connection to the Sharkham Outfall Tunnel additional hydraulic modelling works will be required to confirm capacity within the tunnel. This modelling works will have to be undertaken by SWW and hence there will be a delay to the scheme being tendered and starting on site. Hopefully this will not be a long delay and works can commence on site by March 2020. Completion of the scheme is now likely to be by the end on March 2021 as we will not be undertaking works during the main summer tourist season.
	Libraries Unlimited ICT upgrades	Work on Libraries IT replacement kit is progressing and should complete this year but now shown in revenue account
PB	Paignton Harbour Light Redevelopment	Project only recently commenced; expenditure being monitored to ensure it does not overspend
	Princess Pier - Structural repair (with Env Agency)	Works to superstructure of Princess Pier have come in under budget and discussions are being held with Council officers as to whether further repair works to the substructure should be carried out using this funding.
PB	Public Toilets Modernisation Programme	Orders raised for development phase winter 2019/20 Brixham Harbour, Preston Green, Victoria Square (Parkside)
	Torbay Community Partnership (Paignton Seafront)	Work on shelters is going well; Remaining four shelters scheduled
	Torre Abbey Renovation - Phase 2	Project complete. Final invoice now agreed and paid
	Torre Valley North Enhancements	Project on Hold pending review of lease options
	Torquay Harbour - Town Dock Pontoons Replacement	Project complete