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Dear Member

**OVERVIEW AND SCRUTINY BOARD - WEDNESDAY, 22 JANUARY 2020**

I am now able to enclose, for consideration at the Wednesday, 22 January 2020 meeting of the Overview and Scrutiny Board, the following reports that were unavailable when the agenda was printed.

<b>Agenda No</b>	<b>Item</b>	<b>Page</b>
7.	<b>Budget Monitoring Quarter 3 - 2019/2020</b>	(Pages 37 - 62)
8.	<b>Revenue Budget 2020/2021</b>	(Pages 63 - 69)

Yours sincerely

Kate Spencer  
Clerk



**Meeting:** Overview & Scrutiny Board

**Date:** 22<sup>nd</sup> January 2020

**Wards Affected:** All Wards

**Report Title:** Budget Monitoring 2019/20 – Quarter Three

**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

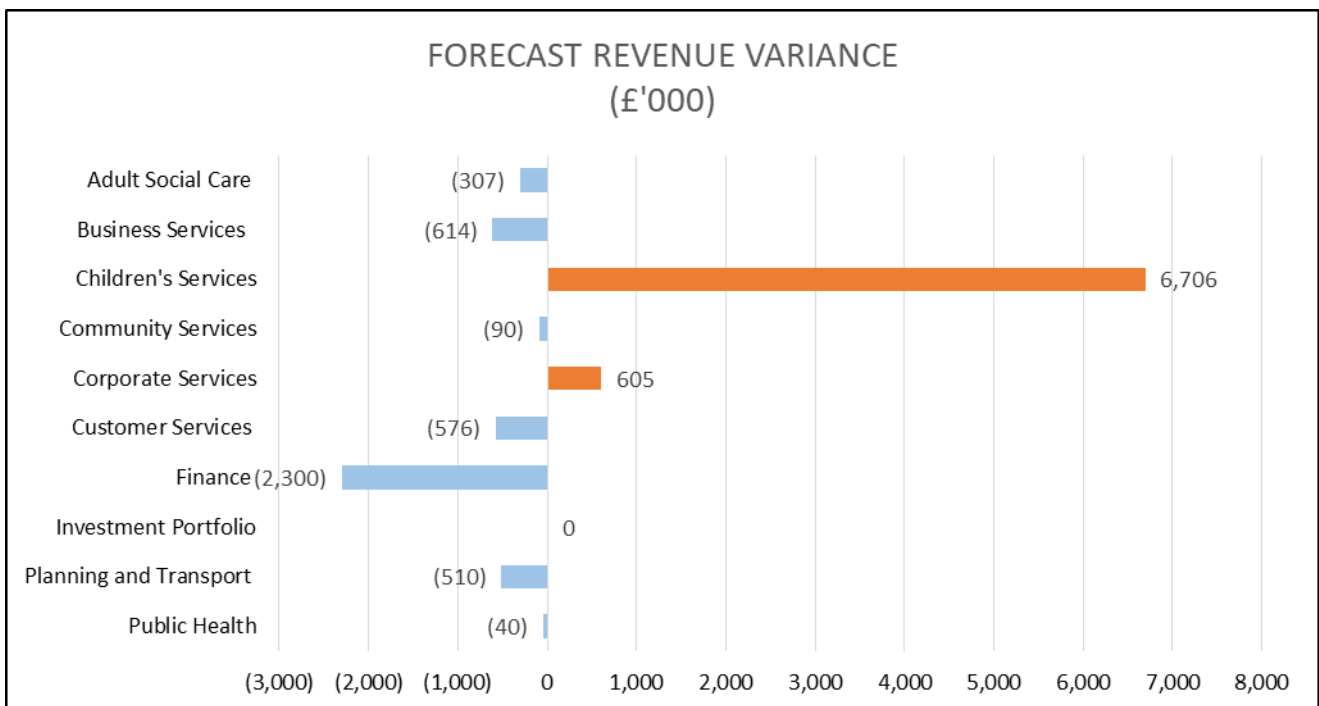
1. This report provides a high level budget summary of the Council's forecasted revenue and capital income and expenditure for the financial year 2019/20. This report is based on figures as at the end of Quarter 3, 31<sup>st</sup> December 2019.
2. The Council's **Revenue** budget remains under significant pressure. The Council is forecasting an overspend on its service expenditure at Quarter 3 of £2.87m. However this does represent an improvement of £0.91m compared with Quarter 2 report.
3. This improved position reflects the continued work of Council officers to identify in year savings to mitigate overspends within Children's Services and Corporate Services. As a result of the improved financial position the use of previously identified one off funding and use of reserves has been reduced.
4. Children's Social Care remains the main source of financial pressure, forecasting an overspend at Quarter 3 of £6.7m.
5. The Capital Plan Budget has been updated for any further revision to both projects and timing, resulting in the latest revision attached at Appendix 1. The Plan now totals £394m over the 4 year period of which £125.4m relates to 2019/20 and £143m relates to 2020/21.

## 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/ 2020 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 £6.7m overspend represents an increase of £0.4m since Quarter 2. Whilst there hasn't been an improved financial position, there are green shoots of change as the raft of work undertaken seems to have stabilised the financial position when compared with the historic trends.
- 2.3. The main pressure area is Looked After Children (LAC). The overall LAC numbers remain between 355 – 360. Compared with Quarter 2 there have been some improvements in the mix of placements. In house foster placements have increased by 8 (118 to 126) and there has been a reduction to Residential Placements of 5 (44 to 39).

- 2.4. 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. Whilst there is an improvement to the number of residential placements these high cost placements remain a significant risk as any increase to the numbers of residential placements causes significant financial pressures. The current average placement cost per week is £4,700 which equates to an average annual cost of £245k per placement.
- 2.6. 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.
- 2.7. 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.
- 2.8. As set out in the Draft 2020/21 budget papers there is a recommendation for Children's Services to receive a "real terms increase in budget for that service of over £9.8m to a total of £46.5m". This increase reflects the current level of demand and cost pressures faced as well as providing a significant investment in service capacity.

#### Higher Needs Block – Special Education Needs

- 2.9. 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 £1.021m, 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 £3.7m deficit by the end of 2019/20.
- 2.10. 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.
- 2.11. Representatives from the School Forum are meeting in March 2020 with the Education & Skills Funding Agency (ESFA) to discuss the proposed financial recovery plan that was submitted to the ESFA earlier in the 2019/20 financial year.

### £300m Investment fund

- 2.12. Investment Fund has spent £155m in previous years, and has £80m profiled for spend this year. Further detail is available in Appendix 1.
- 2.13. The TDA are actively identifying investment opportunities on behalf of the council. 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 approved investment boundary is the Greater South West peninsula and the Functional Economic Market Area (FEMA).

### Economic Growth Fund

- 2.14. At Cabinet on 1<sup>st</sup> October 2019 the criteria for use of the Economic Growth Fund was approved. Approval of projects brought forward has been delegated to Cabinet.
- 2.15. The Fund, combined with the previous Town Centre Regeneration approval of £25m, gives a total budget of £125m. Further detail of current projects is available in Appendix 2.

### 3. Service Budgets

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

Torbay Council Revenue Q3 2019/20	Budget £000s	Forecast £000's	Variance £000's	Variance reported at Q2 £000's	Movement £000's
1. Adult Social Care	38,103	37,796	(307)	(200)	(107)
2. Business Services	13,523	12,909	(614)	(255)	(359)
3. Children's Services	36,159	42,865	6,706	6,331	375
4. Community Services	1,824	1,734	(90)	(180)	90
5. Corporate Services	5,227	5,832	605	551	54
6. Customer Services	2,830	2,254	(576)	(455)	(121)
7. Finance	866	(1,434)	(2,300)	(1,706)	(594)
8. Investment Portfolio	(4,135)	(4,135)	0	(0)	0
9. Planning and Transport	7,282	6,772	(510)	(256)	(254)
10. Public Health	9,689	9,649	(40)	(40)	0
<b>Revenue total</b>	<b>111,368</b>	<b>114,242</b>	<b>2,874</b>	<b>3,790</b>	<b>(916)</b>

Mitigating Actions	£'000
11. Use of Reserves	(2,874)
<b>Net Overspend / (underspend)</b>	<b>0</b>

Please note the table above shows figures rounded to the nearest £1,000 and now only shows the service budgets “above the line” expenditure which is a change from the previous reports brought to this committee. The impact of this is the Budget and Forecast figures are adjusted to remove internal recharges. The revenue total and variances are **unaffected** by this change in format.

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

1. Adult Social Care - Underspend £307k

The majority of this budget is spent against a fixed, £40m contract with the ICO. Within the remaining discretionary budgets there are a number of identified contractual savings which have been offered to mitigate the in-year financial position for the Council.

2. Business Services – Underspend £614k

The forecast for Business Services has continued to improve.

Overall car parking income is forecasting a surplus of £260k. This represents improved income related to on street parking and enforcement activities, offset in part by a shortfall of £50k associated with off street. This position is significantly improved since Quarter 1 and reflects the Summer income and full year effect of the new annual tariff.

There are also savings from Waste collection and disposal, amounting to £380k 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 £6.706m

There is a forecast overspend of £6.1m associated with placements. At the end of December, there were 42 vacant posts within the Children's Safeguarding service which resulted in use of agency staff. As a result the total spend on agency and temporary staff is forecast to be £4.0m. These figures include additional temporary staff used to provide additional senior capacity in order to support the service to address the outcome of Ofsted inspection in October 2019. This additional capacity to delivering 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.

4. Community Services – Underspend £90k

Housing services is forecast to be fully spent and any underspends on the Flexible Homeless Support grant will be carried forward in order to contribute to the costs of temporary accommodation and Housing Options. There are savings anticipated within Community protection due to vacancies across the service.

5. Corporate Services – Overspend £605k

Legal services are also making use of Agency staff, with a forecast spend of £247k. These staff required so that the service is able to meet the caseload requirements of the organisation, namely Children's and Adult Social work. As a result of the merging of Coroners districts Torbay's Coroner service is provided by Plymouth City Council. This service is more expensive and as a result there is an £83k overspend. In line with the corporate position, all non-essential spend has been ceased.

Within Corporate Services there are shortfalls of income in a number of areas. The Print & Post service has a shortfall of £250k. In order to address the future sustainability of this service there is a tender opportunity currently advertised seeking a delivery partner. There is also a shortfall of £80k on income targets associated with work of the transformation team and £30k on legal work.

#### 6. Customer Services – Underspend £576k

Revenues and Benefits have a number of staff vacancies and have received one-off funding resulting in an underspend of £268k. Within IT there is a forecast underspend of £276k brought about by revised recruitment and spending plans this year and further savings identified with software licenses.

#### 7. Finance – Underspend £2.3m

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
- £900k of a saving associated with Treasury Management activities and effective capital management resulting in savings on interest.
- £350k 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 £510k

A reduced contribution for concessionary fares of £330k has been achieved. Due to the increased level of capital work delivered and therefore increased recharges to capital there is a saving of £140k within Highways.

#### 10. Public Health – Underspend £40k

No material variances

### **4 Mitigating actions**

- 4.1. The projected overspend within revenue **before** the application of all mitigating actions is £2.87m. 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.
- 4.2. Item 11 Use of reserves – £2.874m  
In order to fund the net in year projected overspend a number of service reserves will be applied or drawn down in year.
- 4.3. This does not require use of the General Fund reserve which stands at £4.6m. As a result of the improved financial position there is reduced use of CSR Reserve anticipated. The CSR Reserve is forecast to be £1.7m at the end of the year. This is below the target level of £2m. Should the financial position continue to improve in the final quarter of the year, these one off funding items will be returned to reserves.



- 4.4. 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.

## **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 to support the overspend is £2.9m.
- 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 reduces 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 2023/ 24 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 February 2020.

## 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 2021/22 to 2023/24 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	Low	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" for the quarter were;

Service	Number of records written off	Value of write offs £000's	Number over £5,000
Council Tax	1019	129,606.25	0
NNDR	37	232,902.12	5
Housing Benefit	44	20,800.88	0

- 8.2. EXEMPT Appendix 3 contains details of write offs over £5,000
- 8.3. As at 31<sup>st</sup> December 2019, the total percentage of the current year liability collected was:

Collection Fund	2019/ 20	For the same period in 2018/ 19
Council Tax	78.65	79.48
NNDR	77.33	79.22

## 9. Capital Plan Update

- 9.1. The Capital Plan Budget has been updated for any further revision to both projects and timing, resulting in the latest revision attached at Appendix 1. The Plan now totals £394m over the 4 year period of which £125.4m relates to 2019/20 and £143m relates to 2020/21.
- 9.2. The movements in the estimate of expenditure in 2019/20 on the Capital Plan between the last monitoring report at September 2019 of £127.1m and the current approved budget for 2019/20 of £125.4m are shown below. Please note the format of this table shows schemes ordered by Council's previous Targeted Actions, as is Appendix 1.

## 10. Updates to Capital Plan

Scheme	Variation in 2019/20	Change £m	Reason
<b>Estimate as at Q2 2019/20</b>		<b>127.1</b>	Capital Plan Update – 2019/20 Quarter 2 (Cabinet Report 17 <sup>th</sup> Dec 2019)
<b>Budget changes since last report (Q2 2019/20)</b>			
<b>Protecting Children</b>			
PCSA Expansion	Re phased budget	0.4	Part budget transferred from 20/21
IT - Children's Case Management system	Re phased budget	(0.5)	Part budget moved to 20/21
		<b>(0.1)</b>	
<b>More Prosperous Torbay</b>			
Better Bus Area	Re phased budget	(0.1)	Majority of expenditure now expected next year
Claylands Redevelopment	Re phased budget	0.1	Budget transferred from 20/21 to reflect current estimated spend.
Torbay Innovation Centre Ph3 EPIC	Re phased budget	(0.2)	Budget transferred from 20/21 to reflect current estimated spend
Land acquisition adj. Beechwood, Collaton St Mary	New budget	0.3	Acquire site for ecology mitigation to Land Release Fund development at Collaton St Mary
Old Toll House (Economic Growth Fund)	Revised budget	0.5	Scheme now funded from Economic Growth Fund

Town Centre Regeneration – Harbour View Hotel	Re phased budget	(0.4)	Budget moved as a result of delays on site.
Transport – Highways Maintenance	Budget transfer	(0.2)	Budget moved to support Babbacombe Beach Road works
Transport – Torquay Gateway	Budget to 2020/21	(0.1)	Rephased to reflect latest estimates of expenditure
		<b>(0.1)</b>	
<b>Attractive and Safe place</b>			
Babbacombe Beach Road	Increased budget	0.2	Budget transfer from Highways Structural Maintenance
	Re phased budget	(0.3)	Likely timescale for majority of work
Brixham Harbour – CCTV upgrade & Fork Lift replacement	New budget	0.1	Harbour Cttee 16/12/19 approved scheme
Brixham Harbour – Infrastructure repairs	New budget	0.1	Harbour Cttee 16/12/19 approved scheme
Flood Alleviation - Cockington	Re phased budget	(0.1)	Part of Budget moved to 20/21
Flood Alleviation - Monksbridge	Re phased budget	(0.1)	Part of Budget moved to 20/21
Paignton Coastal Defence Scheme	New scheme budget	0.1	Estimated part of budget for current year.
Princess Pier Structural Repairs	Re phased budget	(0.8)	Unused budget moved to next year 20/21
Torquay Harbour South Pier Pontoon Runner guides	New scheme	0.1	H&S Provide safer access
		<b>(0.7)</b>	
<b>Protect and Support Vulnerable Adults</b>			
Disabled Facilities Grants	Re phased budget	(0.1)	Budget moved to reflect likely 2019/20 expenditure level
		<b>(0.1)</b>	

<b>Corporate Support</b>			
Corporate IT Development	Re phased budget	(0.6)	Part budget to 20/21
IT Equipment – TOR2	Re phased budget	(0.1)	Part budget to 20/21
		<b>(0.7)</b>	
<b>Estimate – Quarter Three 2019/20</b>		<b>125.4</b>	

### **Protecting Children**

- 10.1. Paignton Community and Sports Academy expansion – Work is progressing well and Phase 2 commenced in December 2019. £0.35m budget has been moved from 2020/21 to the current year to match the likely expenditure pattern.
- 10.2. Secondary School Expansion – A small amount (£7k) of additional resources have been required to fund outstanding payments. The additional resources will be taken from the Education Review Projects budget.
- 10.3. IT Childrens Case Management system – the system to replace the existing Childrens social care case management system will in part be spent in next financial year and consequently £0.525m budget has been moved to 2020/21.

### **More Prosperous Torbay**

- 10.4. Better Bus Area – Plans are in place to utilise the remainder of this budget however following discussions with partners it is now likely that the majority of expenditure will fall in next financial year. £0.073m of the budget has been moved accordingly.
- 10.5. Claylands Redevelopment – The necessary pre-let agreement has been signed and work on Phase 1 has commenced. There is an adjustment of £0.1m in budget phasing to reflect the latest estimated expenditure profile.
- 10.6. Torbay Innovation Centre Ph 3 - EPIC – All construction work is now complete and the Centre is fully operational and 40% occupied. However some costs will fall for payment in next year so appropriate budget of £0.175m has been transferred.
- 10.7. Investment Fund – Work to the Old Toll House on Torquay Seafront is now being funded from the Economic Growth Fund rather than from the Investment Fund, as agreed by Cabinet on 26 November 2019, and is now shown under the Regeneration heading.
- 10.8. Land acquisition adjoining Beechwood, Collaton St Mary – As part of the proposals for the development of land at Collaton St Mary as part of the Land Release Fund initiative, a Record of Decision (Chief Exec, 1 Nov 2019) has been made to enable acquisition of nearby land to provide ecology mitigation, particularly for Gull Bunting.
- 10.9. Town Centre Regeneration (including Economic Growth Fund) – As noted in paragraph 8.9 above, this budget will now be used to fund the Old Toll House development at a cost of £1.2m. The budget has been adjusted to reflect this change.

- 10.10. Town Centre Regen – Harbour View Hotel – further site surveys are required to be undertaken by SW Water which will delay the works on site. Consequently £0.4m budget has been transferred to next financial year.
- 10.11. Transport – Highways Structural Maintenance – £0.19m of the structural maintenance budget has been moved to provide additional resources for work at Babbacombe Beach Road.
- 10.12. Transport Integrated Transport Schemes – A small element (£0.05m) of the current year budget is transferred to next year in line with work plans.
- 10.13. Transport –Torquay Gateway – This project has largely been ‘on hold’ during the Western Corridor works but as that scheme nears completion, work is likely to divert to the Gateway scheme in the next financial year. Further budget of £0.05m has been moved to 2020/21 accordingly.

### **Attractive and Safe Place**

- 10.14. Babbacombe Beach Road – Some preliminary works have been started and a budget transfer from Highways Structural Maintenance has been made to fund expected work.
- 10.15. Brixham Harbour – reports were presented and approved by Harbour Committee on 16 Dec 2019 for various capital schemes: CCTV upgrade (£0.086m); various Infrastructure improvements (£0.165m), and a replacement forklift truck (£0.021m), all to be funded from the Harbour Reserve. These schemes are now added to the Capital Plan.
- 10.16. Council Fleet Vehicles – mainly covers the purchase 22 no. replacement kerbside recycling vehicles and 6 no. refuse collection vehicles at a total cost of £4.308m spread over two years. The first batch of vehicles were delivered in December 2019.
- 10.17. Cockington Flood alleviation – following discussions with residents the scheme will now be delivered in two phases and consequently the expenditure profile has changed with £0.05m budget moved to 2020/21. The first phase is planned for January to March 2020, and phase two between January and March 2021.
- 10.18. Monksbridge Flood alleviation - some further modelling is required by South West Water on drainage capacity which will delay the scheme. It is hoped to start work in March 2020 with completion by March 2021 however £0.195m of the budget will now be transferred to next financial year as a result of the delay.
- 10.19. Paignton Coastal Defence Scheme – the Environment Agency have now provided confirmation of funding towards this scheme to provide improved flood protection to the Paignton Sea Front area. The total scheme cost is nearly £3.1m with £3m grant funding from the Environment Agency. The balance of funding is anticipated from S106 contributions.

- 10.20. Princess Pier Structural repairs – The scheduled works have been completed and the remaining budget of £0.75m has been moved to next financial year pending further decisions.
- 10.21. Torbay Community Partnership – work on refurbishment of public shelters on Preston and Paignton seafronts is on hold during the winter months. It is expected the remaining work will be carried out in time for summer 2020 so the remaining budget of £0.03m has been moved accordingly.
- 10.22. Torquay Harbour South Pier Pontoon Runner Guides – Work required for Health and Safety reasons to provide safer access to the fuelling station pontoons. The work is estimated to cost £0.04m and will be funded from Harbours' Reserves.

### Protect and Support Vulnerable Adults

- 10.23. Disabled Facilities Grants – Demand remains high for this financial support however there is often a time lag between the grant applications and actual work being carried out. £0.150m of the budget has been transferred to next year to match the expected level of expenditure in 2019/20.

### Corporate Support

- 10.24. Corporate IT Developments – Not all costs will fall in this year so budget of £0.6m has been transferred to next financial year.
- 10.25. Similarly for IT Equipment - TOR2, budget of £0.05m is not expected to be spent until 2020/21 and budget has been rephased accordingly.

## 11. Receipts & Funding

- 11.1. 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:

<b>Funding</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Totals @ Q3 19/20</b>
	£m	£m	£m	£m	£m
Unsupported Borrowing	106	127	63	50	346
Grants	14	12	7	1	34
Contributions	2	1	0	0	3
Revenue	1	0	0	0	1
Reserves	1	2	0	0	3
Capital Receipts	1	2	4	0	7
<b>Total</b>	<b>125</b>	<b>144</b>	<b>74</b>	<b>51</b>	<b>394</b>



## **12. Grants**

- 12.1. The Council has received confirmation of the following capital grant allocations:
- 12.2. Environment Agency – Grant of £3.1 million to enable works to provide additional flood protection to Paignton sea front and town
- 12.3. Dept. for Education – Notification of a grant allocation of £0.527m for the provision of a nursery facility at Barton Academy. The grant is due in next year 2020/21. 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 funding of the Capital Plan relies on the generation of £7.7m capital receipts. The Council had a balance of £0.782m at 1 April and in this year to date we have received a further £0.5m. This leaves an outstanding capital receipts requirement of £6.4 m. This requirement has increased in recent months as a result of new schemes which also anticipate resources from future capital receipts.

## **14. Capital Contributions – S106 & Community Infrastructure Levy**

- 14.1. So far this year approx. £0.8m capital Section106 contributions have been raised. These resources will be used to support projects in accordance with the terms of the relative agreements.
- 14.2. 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. CIL funds of nearly £0.5m have been received in 2019/20.

## **15. Borrowing and Prudential Indicators**

- 15.1. The Council has taken borrowing of £6m during the quarter, this has primarily been to finance Investment Fund property acquisitions and Regeneration projects. As at 31 December 2019 the Council’s total borrowing was £375m. 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 is it possible that PWLB will remain the prime option for council borrowing.

**16. Appendices:**

16.1. Appendix 1 - Capital Plan summary – Quarter 3 2019/20

16.2. Appendix 2 – Capital Plan 2019/20 Project Status

16.3. Appendix 3 – EXEMPT debtor “write offs” over £5,000 in Quarter 3 of 2019/20

CAPITAL PLAN - QUARTER 3 2019/20 - EXPENDITURE

Appendix 1

	Latest Est Scheme Cost	Expend in Prev Years (active schemes only)	Revised 4-year Plan Jan 2020				Total for Plan Period
			Total 2019/20 Revised	2020/21	2021/22	2022/23	
<b>PB</b> = Approved Prudential Borrowing schemes	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Protecting children and giving them the best start in life</b>							
Barton Academy - Nursery provision	527			527			527
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			82				82
<b>PB</b> Medical Tuition Service - relocation	601	43	558				558
New Paignton Primary school	609	7	602				602
Pgn CS Academy Expansion	879	5	500	374			874
Roselands Primary - additional classroom	599	97	502				502
Secondary School places	2,194	2,139	55				55
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		175	825			1,000
	<b>17,663</b>	<b>5,181</b>	<b>4,694</b>	<b>2,993</b>	<b>0</b>	<b>0</b>	<b>7,687</b>
<b>Working towards a more prosperous Torbay</b>							
<b>PB</b> Claylands Redevelopment	10,400	723	1,967	6,748	962		9,677
DfT Better Bus Areas	1,183	1,095	15	73			88
<b>PB</b> Edginswell Business Park	6,620	2,937	183	3,500			3,683
<b>PB</b> Employment Space, Torbay Business Park	6,645	6,645	0				0
<b>PB</b> Innovation Centre Ph 3 (EPIC)	7,749	6,420	1,154	175			1,329
Land acq adj Beechwood Collaton St Mary	241		241				241
<b>PB</b> Oxen Cove Landing Jetty	2,500	738	1,762				1,762
<b>PB</b> South Devon Highway - Council contribution	20,224	18,294	600	1,330			1,930
<b>PB</b> TEDC Capital Loans/Grant	4,040	1,965	1,500	575			2,075
Transport Highways Structural Maintenance			1,948	1,424			3,372
Transport Integrated Transport Schemes			403	612			1,015
Transport - Torquay Gateway Road Improvements	2,927	1,106	121	1,550	150		1,821
Transport - Tweenaway Junction	4,903	4,903	0				0
Transport - Western Corridor	12,271	9,759	2,312	200			2,512
	<b>79,703</b>	<b>54,585</b>	<b>12,206</b>	<b>16,187</b>	<b>1,112</b>	<b>0</b>	<b>29,505</b>

CAPITAL PLAN - QUARTER 3 2019/20 - EXPENDITURE

Appendix 1

		Revised 4-year Plan Jan 2020						
		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
<b>PB</b>	<b>= Approved Prudential Borrowing schemes</b>							
<b>Ensuring Torbay remains an attractive and safe place to live and visit</b>								
	Babbacombe Beach Road	260	0	10	250			260
<b>PB</b>	Brixham Harbour - Breakwater	3,892	2,535	1,357				1,357
	Brixham Harbour - CCTV upgrade			86				86
	Brixham Harbour - Fendering	300	0	300				300
	Brixham Harbour - Fork Lift truck replacement	21		21				21
	Brixham Harbour - Infrastructure Repairs	165		165				165
	Brixham Harbour - Water Meters	110		110				110
<b>PB</b>	CCTV equipment	521	226	295				295
	Clennon Valley Sport Improvements	70	32	0	38			38
	Flood Alleviation - Cockington	328	43	135	150			285
	Flood Alleviation - Monksbridge	412	49	30	333			363
	Hollicombe Cliffs Rock Armour	1,351	1,351	0				0
	Paignton Coastal Defence Scheme	3,142	0	75	280	1,485	1,302	3,142
<b>PB</b>	Paignton Harbour Light Redevelopment	800	78	722				722
	Princess Gardens Fountain	186	182	4				4
	Princess Pier - Structural repair (with Env Agency)	1,665	806	109	750			859
<b>PB</b>	Public Toilets Modernisation Programme	1,179	558	621				621
<b>PB</b>	RICC Improvements (re Parkwood)	2,149		0	2,149			2,149
	Torbay Community Partnership	50	20	0	30			30
	Torre Abbey Renovation - Phase 2	5,000	4,992	8				8
	Torre Valley North Enhancements	40	40	0	0			0
	Torquay Harbour - South Pier Pontoon Runner Guides	40		40				40
	Torquay Harbour - Town Dock Pontoons Replacement	276	276	0				0
		<b>21,957</b>	<b>11,188</b>	<b>4,088</b>	<b>3,980</b>	<b>1,485</b>	<b>1,302</b>	<b>10,855</b>
<b>Protecting and supporting vulnerable adults</b>								
	Adult Social Care			500	0			500
<b>PB</b>	Crossways, Paignton - Regen and Extra Care Hsg	22,359			13,637	8,722		22,359
	Extra Care Housing	2,250	1,302	98	850			948
	Disabled Facilities Grants			851	750			1,601
		<b>24,609</b>	<b>1,302</b>	<b>1,449</b>	<b>15,237</b>	<b>8,722</b>	<b>0</b>	<b>25,408</b>
<b>Corporate Support</b>								
<b>PB</b>	Corporate IT Developments	1,801	659	500	642			1,142
	IT Equipment - TOR2	150		100	50			150
<b>PB</b>	Council Fleet Vehicles	4,771	333	2,824	1,614			4,438
<b>PB</b>	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	718	0	0	718			718
		<b>10,040</b>	<b>2,401</b>	<b>3,804</b>	<b>3,835</b>	<b>0</b>	<b>0</b>	<b>7,639</b>

CAPITAL PLAN - QUARTER 3 2019/20 - EXPENDITURE

Appendix 1

		Revised 4-year Plan Jan 2020						
		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
<b>PB</b>	<b>= Approved Prudential Borrowing schemes</b>							
<b>Investment Fund</b>								
<b>PB</b>	Investment Fund	300,200	154,907	80,293	65,000			145,293
		<b>300,200</b>	<b>154,907</b>	<b>80,293</b>	<b>65,000</b>	<b>0</b>	<b>0</b>	<b>145,293</b>
<b>Regeneration Projects</b>								
<b>PB</b>	Regeneration Programme (inc Econ Gwth Fd)	112,500		0	0	62,500	50,000	112,500
<b>PB</b>	Regeneration Programme-Retail Opportunity	16,700		16,700				16,700
<b>PB</b>	Regeneration Programme-Harbour View Hotel Developmt	11,316	311	1,600	9,405			11,005
<b>PB</b>	Old Toll House (Econ Growth Fund)	1,200		500	700			1,200
		<b>141,716</b>	<b>311</b>	<b>18,800</b>	<b>10,105</b>	<b>62,500</b>	<b>50,000</b>	<b>141,405</b>
<b>Affordable Housing</b>								
	Affordable Housing	1,164	1	0	1,163			1,163
<b>PB</b>	Housing Rental Company - Loan	25,000		0	25,000			25,000
	Housing Rental Company - Aff Hsg Developments	100		100				100
		<b>26,264</b>	<b>1</b>	<b>100</b>	<b>26,163</b>	<b>0</b>	<b>0</b>	<b>26,263</b>
<b>TOTALS</b>			<b>229,876</b>	<b>125,434</b>	<b>143,500</b>	<b>73,819</b>	<b>51,302</b>	<b>394,055</b>
<b>CAPITAL PLAN - QUARTER 3 2019/20 - FUNDING</b>								
	Unsupported Borrowing			106,375	127,104	63,011	50,000	346,490
	Grants			14,449	11,314	6,291	1,302	33,356
	Contributions			1,913	726	95		2,734
	Revenue			440	43			483
	Reserves			1,472	1,844			3,316
	Capital Receipts			785	2,469	4,422		7,676
	<b>Total</b>			<b>125,434</b>	<b>143,500</b>	<b>73,819</b>	<b>51,302</b>	<b>394,055</b>

## CAPITAL PLAN - QUARTER 3 2019/20 - PROJECT UPDATE

Capital Plan Projects		Project status report
<b>PB</b>	= Approved Prudential Borrowing schemes	
<b>Protecting children and giving them the best start in life</b>		
	Brookfield /Brunel Academy Phase 1	Project complete. Small retention and fees outstanding.
	Brunel Academy Phase 2 Vocational Classrooms	Mercury Construction now on site. Expected completion Autumn 2020.
	Capital Repairs & Maintenance 2018/19	Commitment for R&M works carried over to 2019.
	Capital Repairs & Maintenance 2019/20	Majority of R&M works finished Summer 2019. Two larger projects carried over to Easter 2020 due to size and impact during term time.
	Devolved Formula Capital	Devolved funding for LA schools held by the LA.
	Early Years - Ellacombe Academy Nursery	Project complete. Small retention to be paid December 2019.
	Early Years - White Rock Primary Nursery	Project complete. Small retention to be paid December 2019.
	Education Review Projects	Small contingency held for any unforeseens/ delays to major schemes above and unallocated resources.
<b>PB</b>	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 Expansion	Phase 1 complete. Phase 2 started 9th December 2019.
	Roselands Primary additional classroom	Project completed on time and within budget.
	Secondary School places	Project complete. Small retention to be paid December 2019. Final expenditure expectd to be £7k over budget.
	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 decision expected late Dec/early Jan. Expected start date February 2020.
	IT Childrens Case Management System replacement	Latest budget forecast comes from the provider's payment schedule and does not include project management costs which are being paid by Plymouth City Council.

## CAPITAL PLAN - QUARTER 3 2019/20 - PROJECT UPDATE

Capital Plan Projects		Project status report
<b>PB</b>	= Approved Prudential Borrowing schemes	
<b>Working towards a more prosperous Torbay</b>		
<b>PB</b>	Claylands Redevelopment	Claylands Cross Phase 1 development has been an extremely complicated project to progress. A pre-let agreement has been signed and Claylands Cross Phase 1 development has now commenced.
	DfT Better Bus Areas	Discussions on options and proposals are continuing
<b>PB</b>	Edginswell Business Park	Site now purchased.
<b>PB</b>	Employment Space	Scheme completed and tenant in occupation
<b>PB</b>	Innovation Centre Ph 3 (EPIC)	Construction of EPIC is complete. The Centre went operational in July 2019 and is currently around 40% let. The remaining £50K anticipated spend for FY 19/ 20 is towards specialist hi-tech equipment. The remaining anticipated spend for FY 20/ 21 is towards the final retention payment for the main contractor and further equipment spend for the Centre.
<b>PB</b>	Investment Fund	Several sites under consideration for purchase and subject to due diligence
	Land acquisition adj Collaton St Mary	
<b>PB</b>	Oxen Cove Landing Jetty	Complete
<b>PB</b>	South Devon Highway - Council contribution	DCC expected to provide update in mid January 2020, these figures may be subject to revision.
<b>PB</b>	TEDC Capital Loans/Grant	Funds available to draw on as required by TEDC to finance their capital schemes.
<b>PB</b>	Town Centre Regeneration Programme	
<b>PB</b>	Town Centre Regeneration Programme-Harbour View Hotel Development	Harbour View hotel development now part of Town Centre regeneration and incurring expenditure
<b>PB</b>	Old Toll House (Econ Growth Fund)	
	Transport Highways Structural Maintenance	Resurfacing programme continuing, currently on target.
	Transport Integrated Transport Schemes	Further business plans approved, actual expenditure this year subject to resources, £50k moved into 20/21
	Transport - Torquay Gateway Road Improvements	Preliminary works under way, main scheme to commence in 2020/21
	Transport - Tweenaway Junction	Scheme considered complete

## CAPITAL PLAN - QUARTER 3 2019/20 - PROJECT UPDATE

Capital Plan Projects		Project status report
<b>PB</b>	= Approved Prudential Borrowing schemes	
	Transport - Western Corridor	Brixham Road and Windy Corner Accounts yet to be finalised so some uncertainty on final spend works completed in 19/20.
<b>Ensuring Torbay remains an attractive and safe place to live and visit</b>		
	Babbacombe Beach Road	£190k moved from Highways Structural Maintenance into this code, majority moved into 20/21 due to likely timescales
<b>PB</b>	Brixham Harbour - Breakwater structural repairs	Complete
	Brixham Harbour - CCTV upgrade	
	Brixham Harbour - Fendering	Complete
	Brixham Harbour - Infrastructure Repairs	
	Brixham Harbour - Water Meters	Approx 50% complete
<b>PB</b>	CCTV equipment	Project completed
	Clennon Valley Sport Improvements	Awaiting contractor appointment to start works and outcome of planning application
	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 commencing on site in January 2020.
	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.
	Paignton Coastal Defence Scheme	Scheme has now been approved by the EA and grant in aid funding secured. Detailed design works have commenced and a planning application will be prepared for the new secondary defence walls at Paignton and Preston.
<b>PB</b>	Paignton Harbour Light Redevelopment	Approx 80% complete
	Princess Gardens Fountain	£172k completed Sept 18
	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.



## CAPITAL PLAN - QUARTER 3 2019/20 - PROJECT UPDATE

Capital Plan Projects		Project status report
<b>PB</b>	= <i>Approved Prudential Borrowing schemes</i>	
<b>PB</b>	Public Toilets Modernisation Programme	Orders raised for development phase winter 2019/20 Brixham Harbour, Preston Green, Victoria Square (Parkside)
<b>PB</b>	RICC Improvements (re Parkwood)	Pending condition report
	Torbay Community Partnership (Paignton Seafront Shelters)	Project is on hold for the moment and the money will likely be fully spent in 2020/21 financial year
	Torre Abbey Renovation - Phase 2	Project complete.
	Torre Valley North Enhancements	Awaiting outcome of consultation over future developments
	Torquay Harbour - Town Dock Pontoons Replacement	Project complete
	Tqy Harbour - South Pier Pontoon Runner guides	Contract awarded, awaiting commencement
<b>Protecting and supporting vulnerable adults</b>		
	Adult Social Care	Funding to support Torre Marine and proposed Crossways redevelopment
	Affordable Housing	Part of this funding is to be used to support Crossways proposals
	Crossways Redevelopment (incl. Extra Care Hsg)	Council agreed plans. Legal services and TDA in negotiation with owner
	Extra Care Housing	Pending housing co set up and planning permission
<b>PB</b>	Housing Rental Company - Loan	Finance approved to help establish and resource Housing Company
	Housing Rental Company - Affordable Housing development	Funds for necessary works to obtain planning permission on Council sites.
	Disabled Facilities Grants	Statutory provision of financial assistance for adaptations to private residences enabling independence for recipients
<b>Corporate Support</b>		
<b>PB</b>	Corporate IT Developments	This budget was to cover a two year programme. All monies are still forecast to be required.

**CAPITAL PLAN - QUARTER 3 2019/20 - PROJECT UPDATE**

Capital Plan Projects		Project status report
<b>PB</b>	= <i>Approved Prudential Borrowing schemes</i>	
	Corporate IT Developments - TOR2	Orders placed for some IT enhancements
<b>PB</b>	Council Fleet Vehicles	Includes requisition of new waste collection vehicles.
<b>PB</b>	Essential Capital repair works	Consideration will need to be given to replenishing this fund in future years.
	Enhancement of Development sites	Budget to enable moderate expenditure to enhance value of potential sites.
	Office Rationalisation Project - Electric House refurbishment	Works to update office accommodation are largely complete. Some residual costs to pay.
	General Capital Contingency	Contingency for unforeseen emergencies or funding shortfalls

Document is Restricted

## Revenue Budget 2020/2021

### Report to the Cabinet

January 2020



## 1. Background

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

## 2. Thriving People

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

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

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

### **3 Council Fit for the Future**

3.1 This theme covered the following services:

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

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

#### **4. Thriving Economy**

4.1 This theme covered the following services:

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

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

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

- 4.3 **Use of Capital Funding and funds from Section 106 Agreements to support essential highways repairs** – Members noted that there were certain constraints in connection with the use of money received through Section 106 Agreements and were not satisfied that the suggested proposals were achievable in light of such constraints.
- 4.4 **Increase income from Parking Services** – It was noted that the proposed increase in charges mainly related to the annual parking permit which was proposed to increase from £365 to £430. The Panel felt that this significant increase could have a detrimental impact on the parking income, especially as the previous £1 per day had been very successful and therefore could not understand the rationale for such an increase. Additional parking promotions should also be considered to help increase footfall in our town centres (such as those used to encourage Christmas shopping).
- 4.5 **Improve the provision of public toilets through the Healthmatic contract** – Concern was raised in connection with the proposed closure of Goodrington South Sands toilets and whether the remaining facilities at Goodrington Central and North would have sufficient capacity to meet demand, and the equalities impact on older people or people with a disability who would need to walk much further to use the facilities once the South Sands toilets have been closed. In respect of the potential closure of the toilets at Corbyn Head if a third party does not come forward to take them over, the Panel felt that this will have a detrimental impact on the café and beach hut users at that end of Torre Abbey Sands and negative impact on our tourist economy.
- 4.6 **Reduction in the core fee payable to TDA and increase the rental income from the Council's corporate estate, over and above the 3% target already included within the budget** – The Cabinet Member for Economic Regeneration, Tourism and Housing, Councillor Long confirmed that the proposed cuts to the TDA in respect of asset management aimed to ensure that their work in connection with economic regeneration was protected as this was one of the key priorities of the Partnership. This would mean prioritisation of the work around asset management and leases, with priority given to larger leases which generate more income for the Council as opposed to smaller sports leases which take a disproportionate amount of officer time to complete. The introduction of new software would also help to streamline the management of assets. The Panel felt that these two targets contradicted each other and a reduction in resources in asset management would impact on the ability to invest officer time in generating additional income from certain assets where this could potentially be achieved.

## 5. Tackling Climate Change

5.1 This theme covered the following service:

a) Waste, Cleansing and Natural Environment.

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

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

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

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

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



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

## **6. Adult Services**

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

## **7. Children's Services**

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

clear 'vision' and direction of travel with the child being at the centre of the service and supported the proposals put forward in respect of the investment in the service for 2020/2021.

## **8. Recommendations**

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