

Wednesday, 21 July 2021

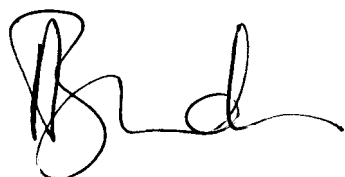
**Meeting of the Council**

Dear Member

I am pleased to invite you to attend a meeting of Torbay Council which will be held in **The Forum, Riviera Conference Centre, Chestnut Avenue, Torquay, TQ2 5LZ** on **Thursday, 29 July 2021** commencing at **5.30 pm**

The items to be discussed at this meeting are attached.

Yours sincerely,



Anne-Marie Bond  
Chief Executive

(All members are summoned to attend the meeting of the Council in accordance with the requirements of the Local Government Act 1972 and Standing Orders A5.)

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**Together Torbay will thrive**

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**June Gurry, Town Hall, Castle Circus, Torquay, TQ1 3DR**

Email: [governance.support@torbay.gov.uk](mailto:governance.support@torbay.gov.uk) - [www.torbay.gov.uk](http://www.torbay.gov.uk)

# Meeting of the Council Agenda

1. **Opening of meeting**
2. **Apologies for absence**
3. **Minutes** (Pages 4 - 8)  
To confirm as a correct record the minutes of the Annual Meeting of the Council held on 28 April 2021.
4. **Declarations of interests**
  - (a) To receive declarations of non pecuniary interests in respect of items on this agenda  
**For reference:** Having declared their non pecuniary interest members may remain in the meeting and speak and, vote on the matter in question. A completed disclosure of interests form should be returned to the Clerk before the conclusion of the meeting.
  - (b) To receive declarations of disclosable pecuniary interests in respect of items on this agenda  
**For reference:** Where a Member has a disclosable pecuniary interest he/she must leave the meeting during consideration of the item. However, the Member may remain in the meeting to make representations, answer questions or give evidence if the public have a right to do so, but having done so the Member must then immediately leave the meeting, may not vote and must not improperly seek to influence the outcome of the matter. A completed disclosure of interests form should be returned to the Clerk before the conclusion of the meeting.  
  
(**Please Note:** If Members and Officers wish to seek advice on any potential interests they may have, they should contact Governance Support or Legal Services prior to the meeting.)
5. **Communications**  
To receive any communications or announcements from the Civic Mayor, the Leader of the Council, the Overview and Scrutiny Co-ordinator, the Council's representative on the Heart of the South West Joint Committee or the Chief Executive.
6. **Members' questions** (To Follow)  
To respond to the submitted questions asked under Standing Order A12.
7. **Lease Arrangements for Medical Tuition Service** (Pages 9 - 18)  
To consider the recommendations of the Cabinet on the proposals to grant a 25 year peppercorn lease to the Medical Tuition Services (MTS) at MyPlace, Parkfield, Colin Road, Paignton.

8. **Customer Relationship Management System** (Pages 19 - 61)  
To consider the recommendations of the Cabinet on a proposal to appoint Civica as the preferred supplier for the new Customer Relationship Management (CRM) and allocate the budget accordingly to implement and maintain the new system.
9. **Torbay Growth Fund** (Pages 62 - 76)  
To consider the recommendations of the Cabinet on the removal of the Investment and Regeneration Fund Strategy from the Policy Framework.
10. **Treasury Management Outturn 2020/21** (Pages 77 - 91)  
To note the Treasury Management Outturn 2020/21 report.
11. **Budget Monitoring 2020/21 - Quarter Four - Outturn** (Pages 92 - 122)  
To consider the recommendations of the Cabinet in respect of the high-level budget summary of the Council's final revenue and capital position for the financial year 2020/21.
12. **Standing Order D11 (in relation to Overview and Scrutiny) - Call-in and Urgency** (Page 123)  
To note the schedule of Executive decisions to which the call-in procedure does not apply as set out in the submitted report.

#### **Meeting Attendance**

Whilst national Covid-19 restrictions were lifted on 19 July 2021, Torbay Council has taken the decision to continue operating in a Covid-19 secure manner in order to protect staff and visitors entering Council buildings and to help reduce the spread of Covid-19 in Torbay. This includes social distancing and other protective measures (e.g. wearing a face covering (unless exempt), signing in and using hand sanitiser). Our public meetings will continue to operate with social distancing measures in place and as such there are limited numbers that can access our meeting rooms. Also, to help prevent the spread of the virus, anyone attending meetings is asked to take Covid lateral flow test the evening before - if you have a positive test result please follow the Government's guidelines and do not attend the meeting.

If you wish to attend a public meeting please contact us to confirm arrangements for your attendance.

**Minutes of the Council**  
**(Council decisions shown in bold text)**

**28 April 2021**

**:- Present :-**

**The Worshipful The Mayor of Torbay (Councillor Douglas-Dunbar) (In the Chair)**  
**Deputy Civic Mayor of Torbay (Councillor Manning)**

Councillors Amil, Atiya-Alla, Barrand, Barnby, Brooks, Brown, Bye, Carter, Cowell, Mandy Darling, Steve Darling, Dart, Dudley, Ellery, Foster, Hill, Kavanagh, Kennedy, Law, Barbara Lewis, Chris Lewis, Long, Loxton, Mills, Morey, O'Dwyer, Stockman, Sykes, David Thomas, Jacqueline Thomas and John Thomas

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**201 Opening of meeting**

The Worshipful the Mayor of Torbay advised that, as the meeting was being held remotely via Zoom during the Corona Virus pandemic, the meeting would follow the Remote Meeting Standing Orders with all voting being taken by roll call throughout the meeting.

The meeting was then opened with a moment for personal reflection.

**202 Apologies for absence**

Apologies for absence were received from Councillors Howgate and Pentney.

**203 Minutes**

The Minutes of the meetings of the Council held on 27 February, 21 May, 16 July, 30 July, 24 September, 8 October, 3 December 2020, 4 February, 11 February, 25 February and 31 March 2021 were confirmed as a correct record and signed by the Worshipful the Mayor of Torbay subject to Minute 169 of the Council meeting on 3 December 2020 being amended to read 'The Council considered the submitted report which proposed disposing of the land to Torbay Economic Development Company Ltd **trading as the TDA...**'.

**204 Declarations of interests**

The following non-pecuniary interests were declared:

Councillor	Minute Number	Nature of interest
Councillor Douglas-Dunbar	214	Governor of Burton Academy
Councillor Steve Darling	214	Governor of Burton Academy

## 205 Communications

The Worshipful the Mayor of Torbay welcomed Soo Brizell from Shekinah to the meeting. Members then received a presentation on the work of Shekinah on restorative justice.

The Leader of the Council highlighted that the Local Enterprise Partnership had formed a Coastal Communities Group, which would help raise the profile of coastal communities, such as Torbay.

## 206 Election of The Worshipful the Mayor of Torbay

Councillor Amil proposed and Councillor Pentney seconded a motion, which was agreed (unanimously) by the Council as follows:

**That Councillor Terry Manning be elected The Worshipful the Mayor of Torbay for the Municipal Year 2021/2022.**

**(The Civic Mayor, Councillor Manning, in the Chair)**

The Civic Mayor took the Declaration of Acceptance of Office and Oath of Allegiance and thanked the Council for the honour bestowed upon him.

The Civic Mayor also announced that Ms Jan Moore would be his Consort during his term of office and that his charity would be the Disabled Sailing Association.

The Civic Mayor advised that he had appointed Martyn Hodge to be his Chaplain.

## 207 Election of Deputy Civic Mayor

Councillor Long proposed and Councillor Mills seconded a motion, which was agreed (unanimously) by the Council as follows:

**That Councillor Mandy Darling be elected The Deputy Civic Mayor of the Council of the Borough of Torbay for the Municipal Year 2021/2022.**

The Deputy Civic Mayor of the Council took the Declaration of Acceptance of Office and thanked the Council for the honour bestowed upon her.

The Deputy Civic Mayor also announced that Mr William Darling would be her Escort during her term of office.

**208 Members' questions**

Members received a paper detailing questions, notice of which had been given in accordance with Standing Order A13. The paper also contained the answers to the questions which had been prepared by Councillors Cowell, Long and Morey and was circulated prior to the meeting.

Supplementary questions were put and answered by Councillors Cowell, Long and Morey, arising from their responses to the questions in respect of questions 1, 2, 3, 4, 5, 6, 7, 8, 9. Councillors Long and Morey advised that written responses would be provided in respect of the supplementary questions asked in relation to questions 10 and 12.

**209 Appointment of Overview and Scrutiny Co-ordinator and Scrutiny Lead Members**

The Council was requested to consider the appointment of the Overview and Scrutiny Co-ordinator and the appointment of Scrutiny Lead Members for 2021/2022.

Councillor Loxton proposed and Councillor Long seconded a motion which was agreed (unanimously) as set out below:

- 1. that Councillor Douglas-Dunbar be appointed as the Overview and Scrutiny Co-ordinator for the 2021/2022 Municipal Year; and**
- 2. that the following Councillors be appointed as the Overview and Scrutiny Leads for the 2021/2022 Municipal Year:**
  - Councillor Bye – Scrutiny Lead for Children;**
  - Councillor Mandy Darling – Scrutiny Lead for Health and Adult Services;**
  - Councillor Foster – Scrutiny Lead for Community and Corporate Services; and**
  - Councillor Kennedy – Scrutiny Lead for Place.**

**210 Appointments to Council Committees, Working Parties and Appointment of Committee Chairmen/women and Vice-Chairmen/women for 2021/22**

The Council considered the submitted report on the appointment of committees and working parties and Chairman/women and Vice-Chairman/women in light of the political balance of the Council.

Councillor Steve Darling proposed and Councillor Cowell seconded a motion, which was agreed (unanimously), as set out below:

- 1. that the overall political balance of the committees as set out at Appendix 1 to the submitted report, be approved;**

2. that, in accordance with the Local Protocol for Working Parties, the overall political balance of working parties as set out in Appendix 2 to the submitted report, be approved;
3. that, subject to 1 and 2 above, the Terms of Reference and membership for the Council's Committee's and working parties be approved as set out in Appendix 3 to the submitted report;
- 4 that, subject to 3 above being approved, nominations from Group Leaders be received to fill the seats on the committees;
- 5 that, subject to 3 above, the Chairmen/women and Vice-Chairmen/women of those Committee's be approved as set out in Appendix 4 to the submitted report;
- 6 that, a sub-committee of the Licensing Sub-Committee be established to comprise three Members of the Licensing Committee;
- 7 that the terms of reference of the Licensing Sub-Committee be to consider and determine all matters in connection with licensing applications (including those set out in the Statement of Licensing Policy and Gambling Act Policy/Statement of Principles);
- 8 that the Licensing Sub-Committee be exempted from the rules of committee proportionality as defined in the Local Government and Housing Act 1989 and supporting regulations; and
- 9 that the Head of Governance Support be authorised to empanel Members from the Licensing Committee to serve on the Licensing Sub-Committee as and when required.

#### **211 Composition and Constitution of the Cabinet and Record of Delegations of Executive Functions**

Members noted the submitted report on the above, which provided details of the portfolios of the Cabinet Members.

#### **212 Scheme of Delegation for Council Functions**

Councillor Carter proposed and Councillor Morey seconded a motion, which was agreed by the Council (unanimously) as set out below:

**That the Scheme of Delegation for Council Functions and the Schedule of Responsibility for Local Choice Functions as set out in the web link contained on agenda be approved.**

**213 Overview and Scrutiny Annual Report 2020/2021**

The Council received and noted the Overview and Scrutiny Annual Report for 2020/2021.

**214 Proposal for a peppercorn rent lease for Burton Academy for land at South Parks**

The Council considered the recommendation of the Cabinet and submitted report on a proposal to lease land at South Parks Road, Torquay to the Burton Academy as part of the Catch 22 Multi-Academies Trust for 15 years at a peppercorn rent. This would provide much needed external space following the redevelopment of part of the current Burton Academy site.

Councillor Law proposed and Councillor Cowell seconded a motion, which was agreed (unanimously), as set out below:

**That the TDA Director of Asset Management, Investment & Housing, in consultation with the Chief Executive of Torbay Council, be authorised to:**

- a) Grant a 15 year lease at a peppercorn rent with an option to break in the 10th year.**

(Note 1: prior to consideration of this item Councillors Douglas-Dunbar and Steve Darling re-declared their non-pecuniary interest).

(Note 2: during consideration of this item, Councillor Brooks lost connection to the meeting and was unable to re-join prior to the conclusion of the debate and vote on this item.)

**215 Standing Order D11 (in relation to Overview and Scrutiny) - Call-in and Urgency**

Members noted the submitted report setting out the executive decisions taken (Easter Food Poverty and Holiday Activities and Food Programme and Possible Purchase of a Care Home in Paignton) to which the call-in procedure did not apply.

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The Worshipful The Mayor of Torbay



## Record of Decisions

### Lease arrangements for Medical Tuition Service (MTS)

#### Decision Taker

Cabinet on 13 July 2021.

#### Decision

That Cabinet recommends to Council;

That the TDA Director of Asset Management, Investment and Housing, in consultation with the Chief Executive, be authorised to:

- a) Grant a 25 year, full repairing and insuring lease to the Medical Tuition Service at a peppercorn rent ensuring that the lease confirms the availability of the building for community use.

#### Reason for the Decision

The Medical Tuition Service works with some of the most vulnerable young people in the area providing them with the qualifications and life skills to thrive. Their work supports the Council in fulfilling its statutory responsibilities as corporate parent and tackles the inequalities arising from deprivation and vulnerability.

#### Implementation

The recommendations of the Cabinet will be considered at the Council meeting on 29 July 2021.

#### Information

The Council's approval was sought for a 25 year peppercorn lease to be granted to the Medical Tuition Service for a lease of MyPlace, Parkfield, Colin Road, Paignton (MyPlace). The Medical Tuition Service was commissioned by Children's Services to deliver services to some of the most vulnerable young people in the bay; in 2018 it was agreed by Council that the service would relocate to MyPlace.

This proposal had been implemented with the Medical Tuition Service established at MyPlace. It was now necessary to agree the details of the lease arrangements to safeguard the interests of the Council and the long term security of the service.

At the meeting, Councillor Law proposed and Councillor Cowell seconded a motion, that was agreed unanimously by the Cabinet, as set out above.

#### Alternative Options considered and rejected at the time of the decision

The Medical Tuition Service has relocated and established itself at MyPlace in line with Full Council's decision in 2018, there were no alternative sites for consideration. In implementing the proposal, the Council had spent £600,000 on capital works to ensure MyPlace was suitable for the Medical Tuition Service and the delivery of its services. This expenditure was allocated on the understanding that the lease would be granted and the service would remain in situ for

the long term. An alternative option would be a lease at a commercial rate which would be a financial burden to a service that is non-profit making and whose resources are completely focused on service delivery.

**Is this a Key Decision?**

Yes

**Does the call-in procedure apply?**

No

**Declarations of interest** (including details of any relevant dispensations issued by the Standards Committee)

None.

**Published**

16 July 2021

Signed: \_\_\_\_\_ Date: \_\_\_\_\_  
Leader of Torbay Council on behalf of the Cabinet

**Meeting: Cabinet  
Council**

**Date: 13 July 2021  
15 July 2021**

**Wards Affected: Preston**

**Report Title: Lease Arrangements for Medical Tuition Service**

**For implementation ASAP**

**Cabinet Member Contact Details:** Councillor Cordelia Law, Cabinet Member for Children's Services, [cordelia.law@torbay.gov.uk](mailto:cordelia.law@torbay.gov.uk)

**Director/Assistant Director Contact Details:** Rachael Williams, Assistant Director Children's Services, [rachael.williams@torbay.gov.uk](mailto:rachael.williams@torbay.gov.uk)

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## **1. Purpose of Report**

- 1.1 Children's Services seeks Council approval for a 25 year peppercorn lease to be granted to the Medical Tuition Services (MTS) for a lease of MyPlace, Parkfield Torbay, Colin Rd, Paignton TQ3 2NR (MyPlace)
- 1.2 MTS is commissioned by Children's Services to deliver services to some of the most vulnerable young people in the bay; in 2018 it was agreed by Council that the service would relocate to MyPlace.
- 1.3 This proposal has now been implemented with MTS established at MyPlace. It is now necessary to agree the details of the lease arrangements to safeguard the interests of the Council and the long term security of the service.
- 1.4 The proposal for consideration is a 25 year peppercorn lease agreement for MTS for MyPlace and the grounds identified in the plan attached as Appendix 1.

## **2. Reason for Proposal and its benefits**

*"We want Torbay and its residents to thrive."*

*"We want Torbay to be a place where we have turned the tide on poverty and tackled inequalities; where our children and older people will have high aspirations and where there are quality jobs, good pay and affordable housing for our residents."*

- 2.1 The proposed lease will give the service the security to continue to deliver its services which help the Council fulfil its ambitions by ensuring that young people have the opportunity to succeed.
- 2.2 MTS works with some of the most vulnerable young people in the area providing them with the qualifications and life skills to thrive. Their work supports the Council

in fulfilling its statutory responsibilities as corporate parent and tackles the inequalities arising from deprivation and vulnerability.

- 2.3 Without a peppercorn rent more funding would need to be spent on rental costs and less on service delivery; this would negatively impact on their offer and the future aspirations held by the service and Children's Services.
  - 2.4 The lease also provides the Council with the security of a long term tenant for MyPlace.
  - 2.5 The lease with MTS will confirm the availability of the building for community use. Community use will need to respect the school day, however the Sports Hall and the Hub can be booked during school hours and outside of school hours (i.e. evenings, weekends and school holidays) all communal spaces will be available for community use depending on availability.
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### **3. Recommendation(s) / Proposed Decision**

That Cabinet recommends to Council;

That TDA Director of Asset Management, Investment & Housing, in consultation with the Chief Executive, be authorised to:

- a) Grant a 25 year, full repairing and insuring lease to MTS at a peppercorn rent.

### **Appendices**

Appendix 1: Lease Plans

### **Background Documents**

- April 2018: Transformation project – Parkfield Future Options

# Supporting Information

## 1. Introduction

- 1.1 In 2018 it was acknowledged that MTS had to relocate as its existing accommodation, at Halswell, was no longer fit for purpose and was a barrier to OFSTED registration requirements. At the same time the Council was looking for opportunities to realise the potential of MyPlace which was underutilised and had a deficit in income.
- 1.2 In April 2018 a Transformation paper for Parkfield was submitted to Full Council and it was agreed that MTS would relocate to MyPlace. This ensured the service had the accommodation it needed both now and to grow, and it ensured the sustainability of MyPlace as a youth/community provision with a long term tenant in situ overseeing the running and maintenance of the building.
- 1.3 With the remit to proceed, Children's Services invested funding to making MyPlace and surrounding grounds suitable for MTS; this was followed by the successful relocation of MTS for the start of the 2020 Academic year.
- 1.4 With MTS in situ at MyPlace steps are underway to get the service formally registered with Ofsted in line with DfE recommendations and advice.
- 1.5 However, the service is not able to register as an independent school without a suitable lease in place. It would not be acceptable to the DfE for the service to remain unregistered. The loss of the service would leave a significant gap in provision for the local area and prevent the Council from fulfilling its statutory duty to provide education for children and young people who are unable to attend a mainstream school.
- 1.6 The original Transformation paper presented to Full Council in 2018 recognised the challenges of the Parkfield site. This lease will ensure the continued use by MTS whilst also ensuring of the site by the community. It will also ensure that the requirements of the National Trust covenant are upheld.

## 2. Options under consideration

- 2.1 MTS has relocated and established itself at MyPlace in line with Full Council's decision in 2018, there are no alternative sites for consideration.
- 2.1 In implementing the proposal, the Council has spent £600,000 on capital works to ensure MyPlace is suitable for MTS and the delivery of its services.
- 2.2 This expenditure was allocated on the understanding that the lease would be granted and the service would remain in situ for the long term.
- 2.3 A lease at a commercial rate would be a financial burden to a service which is non-profit making and whose resources are completely focused on service delivery.

## 3 Financial Opportunities and Implications

- 3.1 Although the lease to MTS is a long term commitment it ensures the sustainability of MyPlace as a youth/community provision with a long term tenant overseeing the running and maintenance of the building. MyPlace was funded by a DfE grant which limits how the building can be used. The DfE are in support of this co-location of services appreciating the benefits and savings it can provide to both.
- 3.2 The opportunities and benefits of MTS as a tenant were fully considered by Full Council in 2018 when the relocation was agreed.
- 3.3 As tenants MTS will oversee the running and maintenance of the asset whilst ensuring it remains as a youth and community facility. This arrangement will also meet the terms and conditions of the site's restrictive covenants and deeds.
- 3.4 The lease with MTS will confirm the availability of the building for community use. Community use will need to respect the school day, however the Sports Hall and the Hub can be booked during school hours and outside of school hours (i.e. evenings, weekends and school holidays) all communal spaces will be available for community use depending on availability. The costs of hiring the facilities will be fully funded by the person booking the venue and will be at no cost to the MTS.
- 3.5 There is a quantifiable benefit to the Council with savings in running costs, repairs and security.
- 3.6 Agreeing to a peppercorn rent ensures MTS can use their limited revenue to target and invest in services to meet the needs of the vulnerable pupils attending. Limiting the rent costs reduces the pressure on the Council's resources for children with additional educational needs.

#### **4. Legal Implications**

- 4.1 In granting the lease the Council would be committed to a long term arrangement. However, it is intended that unconditional break clauses will be incorporated into the lease in favour of the Council to provide flexibility to pursue alternative uses of the site in future years.
- 4.2 The lease will include the usual terms and conditions which protect the Council as the landowner with the liability, third party insurance and security of the site resting with the lessee.
- 4.3 The asset would remain a Torbay Council asset.

#### **5. Engagement and Consultation**

- 5.1 The proposal has been raised and discussed as an agenda item at various local forums, with all other interested parties and to those directly affected by the proposal.
- 5.2 Consultees include Children Services as the commissioner, Environmental Services, Parkfield User Group, the Council's Strategic land Task Group and the staff, young people, their families and other services users of MTS and Parkfield.
- 5.3 The feedback has been overwhelmingly supportive.

**6. Purchasing or Hiring of Goods and/or Services**

6.1 No works or services will be purchased or hired as a direct result of this proposal.

**7. Tackling Climate Change**

7.1 This proposal has no differential impact on climate change.

**8. Associated Risks**

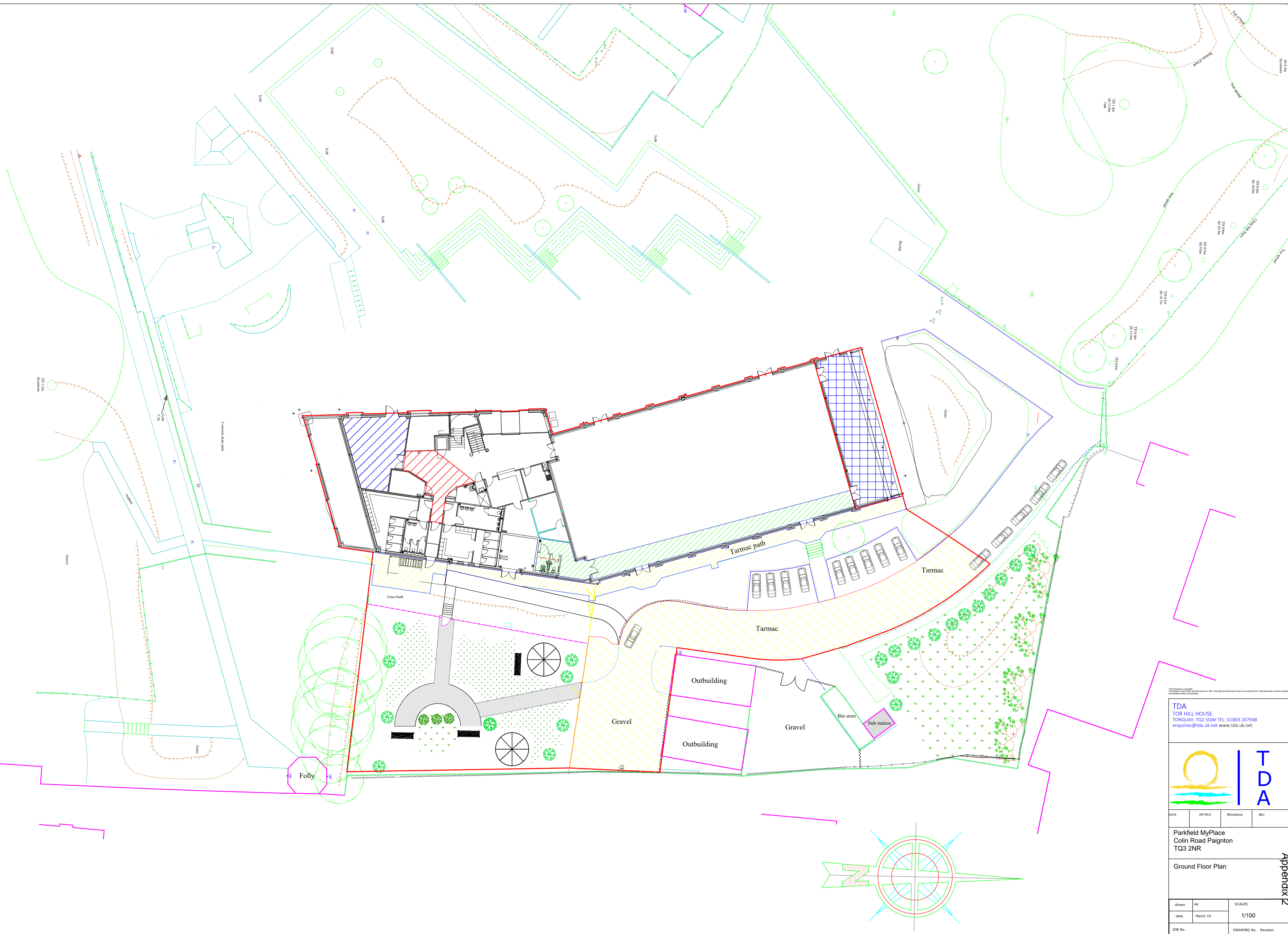
8.1 If a lease is not granted then there remains a risk to the service delivery of MTS and the service would not be able to register with Ofsted as required by the DfE. The Council commissions services from the MTS in order to fulfil its statutory role as corporate parent and to fulfil its duty to the most vulnerable young people in Torbay whose needs cannot be met by mainstream education. If the Council is not able to commission these services then it will be in breach of its statutory duty.

## Equality Impacts

9.	Identify the potential positive and negative impacts on specific groups		
	Positive Impact	Negative Impact & Mitigating Actions	Neutral Impact
Older or younger people	Long term commitment to a service which directly and specifically benefits young people in the area with particular needs which can't be met in mainstream education		
People with caring Responsibilities	Long term commitment to a service which directly and specifically benefits young people in the area with particular needs which can't be met in mainstream education		
People with a disability			There is no differential impact
Women or men			There is no differential impact
People who are black or from a minority ethnic background (BME) <i>(Please note Gypsies / Roma are within this community)</i>			There is no differential impact
Religion or belief (including lack of belief)			There is no differential impact
People who are lesbian, gay or bisexual			There is no differential impact
People who are transgendered			There is no differential impact
People who are in a marriage or civil partnership			There is no differential impact
Women who are pregnant / on maternity leave			There is no differential impact
Socio-economic impacts (Including impact on child	Long term commitment to ensure young people from deprived		



	poverty issues and deprivation)	backgrounds are given the support they need & the opportunities to thrive Opportunity to break cycles of poverty & neglect		
	Public Health impacts (How will your proposal impact on the general health of the population of Torbay)	Long term commitment to ensure vulnerable groups of young people are given the support they need & the opportunities to thrive Both services equip vulnerable young people with the qualifications & life skills for the future; creating a healthy and prosperous community in the bay		
<b>10..</b>	<b>Cumulative Council Impact</b> (proposed changes elsewhere which might worsen the impacts identified above)	<p>MTS caters for young people with very specific needs which cannot always be met in mainstream education.</p> <p>By supporting these services the Council is fulfilling its statutory role as corporate parent and its commitment to helping and supporting the most vulnerable.</p>		
<b>11.</b>	<b>Cumulative Community Impacts</b> (proposed changes within the wider community (inc the public sector) which might worsen the impacts identified above)	Without the delivery of the services commissioned from this service, the Council would be failing in part of its responsibilities to young people in the area.		



The drawings to be used for construction shall be those of the latest revision. Only signed drawings are to be used for construction. Discrepancies shall be reported to the architect immediately.

**TDA**  
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 TORQUAY, TQ2 5QW TEL: 01803 207948  
 enquiries@tda.uk.net www.tda.uk.net



DATE	DETAILS	Revisions	REV

Parkfield MyPlace  
 Colin Road Paignton  
 TQ3 2NR

Ground Floor Plan

Drawn	PM	SCALES
date	March 19	1/100
JOB No.	338	DRAWING No. Revision
A1		WCLZ REV

## Record of Decisions

### Customer Relationship Management System (CRM)

#### Decision Taker

Cabinet on 15 June 2021

#### Decision

i) That Civica be approved as the preferred supplier; and

That Cabinet recommends to Council:

ii) that £400,000 from the 2020/21 council underspend is allocated to the project for implementation costs; and

iii) That Council notes that the profiling of spend over future years will be confirmed with the supplier once appointed and that the Council's future year budget proposals will need to reflect the additional costs of the new system. This depends on our ability to terminate other contracts and their ability to provide support, both of which require dovetailing. Current cost detail is contained within the relevant sections of business case at Appendix 1.

#### Reason for the Decision

To modernise, simplify and standardise how the Council works in order to support the communities of Torbay and build a resilient council fit for the future.

#### Implementation

Recommendation (i) will come into force and may be implemented on 28 June 2021 unless the call-in procedure is triggered (as set out in the Standing Orders in relation to Overview and Scrutiny).

Recommendation (ii) and (iii) of the Cabinet will be considered at the Council meeting on 15 July 2021.

#### Information

'Customer relationship management' involves dealing with queries, complaints and specific requests and demands, with accurate information. To support this a CRM system can be used as an effective and efficient interface with its customers across several delivery channels (face to face, telephone, internet websites, texting and emails).

The council has an existing partial CRM system although it has been identified that this is not fit for purpose. It was proposed that the Council procures a new CRM system so that we can build a better picture of why customers contact us and improve service delivery.

Councillor Carter proposed and Councillor Morey seconded a motion that was agreed unanimously by the Cabinet, as set out above.

**Alternative Options considered and rejected at the time of the decision**

Two options were considered within the business case and summarised as follows:

- Option one – do nothing
- Option two – procure and implement a new CRM system provided by Civica.

**Is this a Key Decision?**

No

**Does the call-in procedure apply?**

Yes

**Declarations of interest** (including details of any relevant dispensations issued by the Standards Committee)

None.

**Published**

18 June 2021

Signed: \_\_\_\_\_ Date: \_\_\_\_\_  
Leader of Torbay Council on behalf of the Cabinet

**Meeting: Cabinet**

**Date: 15 June 2021**

**Wards Affected: All**

**Report Title: Customer Relationship Management System**

**Cabinet Member Contact Details:** Councillor Carter, Cabinet Member for Corporate and Community Services, [christine.carter@torbay.gov.uk](mailto:christine.carter@torbay.gov.uk)

**Director/Assistant Director Contact Details:** Anne-Marie Bond, Chief Executive [anne-marie.bond@torbay.gov.uk](mailto:anne-marie.bond@torbay.gov.uk) & Matthew Fairclough-Kay, Interim Assistant Director of Corporate Services [matt.fairclough-kay@torbay.gov.uk](mailto:matt.fairclough-kay@torbay.gov.uk)

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## 1. Purpose of Report

- 1.1 This report is presented to consider a proposal to appoint Civica as the preferred supplier for the new Customer Relationship Management (CRM) and allocate the budget accordingly to implement and maintain the new system.
- 1.2 A detailed business case has been created setting out how this will be achieved and the options considered.

## 2. Reason for Proposal and its benefits

***We want Torbay and its residents to thrive by having a Council fit for the future***  
- The proposal set out within this report, and the associated business case help us to deliver this ambition.

- 2.1.1 Torbay Council, like other councils, continues to face the ongoing challenge of austerity and is rapidly realising that the opportunities for making savings are diminishing. In parallel to this, the Council is continuing its 'recovery programme' in response to the Covid-19 pandemic with the aim of ensuring our community, in its widest sense, is strengthened following this emergency.
- 2.1.2 Within this context, the Council needs to consider bigger and bolder transformation opportunities that build a sustainable operating model for the 21st century, post COVID-19 whilst also delivering a range of financial and non-financial benefits.
- 2.1.3 As such the Council's transformation plan (approved at Cabinet in September 2020) sets out how we will bring a coherent, joined-up approach to change, that meets the council's priorities as set out in our Community and Corporate Plan, and will support the delivery of financial targets in the Medium Term Resource Plan – this programme is called the 'Council Redesign Programme'. The main objective of the Council Redesign Programme is as follows:

To modernise, simplify and standardise how we work so we can support the communities of Torbay and build a resilient council fit for the future.

2.1.4 The focus of the 'Our Organisation Project', which is part of the Council Redesign Programme, is to "put our customers at the centre of our organisation." It aims to:

- Provide an effective, efficient and responsive gateway to Council services and external services;
- Streamline and standardise the processes by which the Council delivers cost effective services, becoming digital by default;
- Define the services that the Council provides, and those which it does not; empowering and enabling residents, businesses and communities to act;
- Ensure an appropriate focus on performance and risk management across the organisation.

2.2.1 A CRM system is an effective and efficient tool that provides an interface with its customers across several delivery channels (face to face, telephone, internet websites, texting and emails).

2.2.2 The Council has an existing partial CRM system although it has been identified that this is not fit for purpose.

2.2.3 To enable us to achieve the aims listed above, it has been identified the Council needs a new CRM system. Post approval to proceed to the preferred supplier stage of procurement, we are now at a point where a decision is required to move beyond this stage and start detailed discussions with Civica to start implementation.

2.2.4 As such it is recommended that the Council appoints Civica as the preferred supplier for the new Customer Relationship Management (CRM) and allocates the budget accordingly to implement and maintain the new system.

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### **3. Recommendation(s) / Proposed Decision**

1. That Cabinet approves Civica as the preferred supplier;

That Cabinet recommends to Council:

2 that £400,000 from the 2020/21 council underspend is allocated to the project for implementation costs; and

3 That Council notes that the profiling of spend over future years will be confirmed with the supplier once appointed and that the Council's future year budget proposals will need to reflect the additional costs of the new system. This depends on our ability to terminate other contracts and their ability to provide support, both of which require dovetailing. Current cost detail is contained within the relevant sections of business case at Appendix 1.

### **Appendices**

Appendix 1: Customer Relationship Management Business Case.

## **Background Documents**

N/A

## **Supporting Information**

### **1. Introduction**

- 1.1 'Customer relationship management' involves dealing with queries, complaints and specific requests and demands, with accurate information. To support this a CRM system can be used as an effective and efficient interface with its customers across several delivery channels (face to face, telephone, internet websites, texting and emails).
- 1.2 The council has an existing partial CRM system although it has been identified that this is not fit for purpose
- 1.3 It is proposed that the Council procures a new CRM system so that we can build a better picture of why customers contact us and improve service delivery.
- 1.4 As such a detailed business case has been attached at appendix one setting out what is currently provided, the strategic case for change, and the options considered.

### **2. Options under consideration**

- 2.1 Two options have been considered within the business case summarised as follows;
  - 1. Option One – Do Nothing
  - 2. Option Two – Procure and Implement a new CRM system provided by Civica.

Please see appendix one for the details of each option.

### **3. Financial Opportunities and Implications**

- 3.1 Please see the business case at appendix one for further details.

### **4. Legal Implications**

- 4.1 N/A

### **5. Engagement and Consultation**

- 5.1 Consultation with service users has been undertaken as part of the procurement process preparation.

### **6. Purchasing or Hiring of Goods and/or Services**

- 6.1 If the proposal is approved then the Council will continue with the procurement following the appropriate procedure as outlined within the Directive (2014/24/EU) and implemented in the United Kingdom by The Public Contracts Regulations 2015 (SI

2015/102) for a long-term agreement to supply, implement and maintain a CRM system.

## **7. Tackling Climate Change**

- 7.1 If the proposal to procure a new CRM system is approved it is expected that there will be less reliance on paper and printing following the system implementation. There is also likely to be a potential reduction in travel requirements for our customers resulting in an anticipated positive impact on climate change

## **8. Associated Risks**

- 8.1 Please see Section 3.1 in the business case for the risks and mitigations.



## Equality Impacts

9.	Identify the potential positive and negative impacts on specific groups			
		Positive Impact	Negative Impact & Mitigating Actions	Neutral Impact
	Older or younger people			No differential impact
	People with caring Responsibilities			No differential impact
	People with a disability			No differential impact
	Women or men			No differential impact
	People who are black or from a minority ethnic background (BME) <i>(Please note Gypsies / Roma are within this community)</i>			No differential impact
	Religion or belief (including lack of belief)			No differential impact
	People who are lesbian, gay or bisexual			No differential impact
	People who are transgendered			No differential impact
	People who are in a marriage or civil partnership			No differential impact
	Women who are pregnant / on maternity leave			No differential impact

	Socio-economic impacts (Including impact on child poverty issues and deprivation)	Less reliance on paper and printing, and also a potential reduction in travel requirements for our customers resulting in an anticipated positive impact on climate change.	
	Public Health impacts (How will your proposal impact on the general health of the population of Torbay)		No differential impact
10..	<b>Cumulative Council Impact</b> (proposed changes elsewhere which might worsen the impacts identified above)	If the proposal to procure a new CRM system is approved then the cumulative impact to the council will be positive – the critical success factors will be as follows;  <ul style="list-style-type: none"> <li>• Improved customer service and quality</li> <li>• Service efficiencies and productivity improvements</li> <li>• Cost reductions and savings</li> </ul>	
11.	<b>Cumulative Community Impacts</b> (proposed changes within the wider community (inc the public sector) which might worsen the impacts identified above)	No differential impact.	

Document is Restricted

## Record of Decisions

### Torbay Growth Fund

#### Decision Taker

Cabinet on 15 June 2021.

#### Decision

That:

- (i) the Torbay Growth Fund criteria as set out at Appendix 1 to the submitted report be approved;

That Cabinet recommend the Council:

- (ii) to approve the removal of the Investment and Regeneration Fund Strategy from the Policy Framework; and
- (iii) to approve moving the outstanding balance from the £25m allocated to town centre regeneration to the newly re-named 'Torbay Growth Fund' (former Torbay Economic Growth Fund).

#### Reason for the Decision

The reasons for the decision are summarised below:

- To enable the Council to remove the existing Investment and Regeneration Fund Strategy from the Council's Policy Framework;
- To widen the criteria for the Torbay Growth Fund; and
- To enable a fit and proper revised set of criteria to be used for the assessment of suitable investments.

#### Implementation

Recommendation (i) will come into force and may be implemented on 28 June 2021 unless the call-in procedure is triggered (as set out in the Standing Orders in relation to Overview and Scrutiny).

Recommendation (ii) and (iii) of the Cabinet will be considered at the Council meeting on 15 July 2021.

#### Information

At the Council meeting on 18 July 2019, the Council agreed to establish a Torbay Economic Growth Fund of up to £100 million of prudential borrowing for the progress of a range of capital projects for economic growth and regeneration within Torbay and, to be funded from the future income from those projects.

The introduction of the Torbay Economic Growth Fund had enabled the Council to propose that the Investment and Regeneration Fund Strategy be removed from the Policy Framework as this document was no longer relevant or required due to the changes to the Public Works Loans

Board no longer allowing borrowing purely for investment yield. Also, the Torbay Economic Growth Fund criteria had been reviewed and it was proposed that it be renamed the 'Torbay Growth Fund'. The criteria had been widened to cover the relevant areas from the Investment and Regeneration Fund Strategy (e.g. town centre regeneration) as well as other areas covered by the Community and Corporate Plan and/or the Council's Economic and Tourism Strategies.

At the meeting Councillor Long proposed and Councillor Cowell seconded a motion that was agreed unanimously by the Cabinet, as set out above.

**Alternative Options considered and rejected at the time of the decision**

None.

**Is this a Key Decision?**

No

**Does the call-in procedure apply?**

Yes

**Declarations of interest** (including details of any relevant dispensations issued by the Standards Committee)

None.

**Published**

18 June 2021

Signed: \_\_\_\_\_ Date: \_\_\_\_\_  
Leader of Torbay Council on behalf of the Cabinet

**Meeting: Cabinet**

**Date: 15<sup>th</sup> June 2021**

**Meeting: Council**

**Date: 15<sup>th</sup> July 2021**

**Wards Affected: All Wards**

**Report Title: Torbay Growth Fund**

**Cabinet Member Contact Details:** Councillor Long, Cabinet Member for Economic Regeneration, Tourism and Housing, 07419 111618 [swithin.long@torbay.gov.uk](mailto:swithin.long@torbay.gov.uk)

**Director/Assistant Director Contact Details:** Kevin Mowat, Director of Place, [Kevin.Mowat@torbay.gov.uk](mailto:Kevin.Mowat@torbay.gov.uk) /

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## **1. Purpose of Report**

- 1.1 To recommend to Council the removal of the Investment and Regeneration Fund Strategy from the Policy Framework as this document is no longer relevant or required due to the changes to the Public Works Loans Board no longer allowing borrowing purely for investment yield. Also, the Torbay Economic Growth Fund criteria has been reviewed and it is proposed that it be renamed the 'Torbay Growth Fund'. The criteria has been widened to cover the relevant areas from the Investment and Regeneration Fund Strategy (e.g. town centre regeneration) as well as other areas covered by the Community and Corporate Plan and/or the Council's Economic and Tourism Strategies.
- 1.2 It is proposed that the outstanding allocated funding from the original £25m, previously agreed for town centre regeneration, would then be added to the balance from the £100m renamed 'Torbay Growth Fund', to be allocated by the Cabinet in accordance with the new 'Torbay Growth Fund' criteria.

## **2. Reason for Proposal and its benefits**

We want Torbay and its residents to thrive.

We want Torbay to be a place where we have turned the tide on poverty and tackled inequalities; where our children and older people will have high aspirations and where there are quality jobs, good pay and affordable housing for our residents.

We want Torbay to be the premier resort in the UK, with a vibrant arts and cultural offer for our residents and visitors to enjoy; where our built and natural environment is celebrated and where we play our part in addressing the climate change emergency.

- 2.1 The proposals in this report help us to deliver this ambition by supporting the delivery of the Council's Community and Corporate Plan, Housing Strategy and

Economic and Tourism Strategies through investing in projects in Torbay which otherwise would not be fully funded. In particular, this will support the delivery of the 'Thriving Economy' element of the Community and Corporate Plan through improved investment in economic growth, jobs and infrastructure within Torbay with a clearer and broader criteria to enable the Cabinet to invest the remaining funds within Torbay as soon as appropriate opportunities arise.

## 2.2 The reasons for the decision are to:

- enable the Council to remove the existing Investment and Regeneration Fund Strategy from the Council's Policy Framework as the Council is no longer able make investments out of area for the purpose of generating income;
- widen the criteria for the Torbay Growth Fund for the benefit of our residents and visitors to secure future investment in Torbay, to increase the funding available by adding the unallocated £11m from the £25m previously allocated to town centre regeneration to the renamed 'Torbay Growth Fund';
- enable a fit and proper revised set of criteria to be used for the assessment of suitable investments which would be considered first by officers at the Capital and Growth Board and then determination by the Cabinet, without the need for this to form part of the Council's Policy Framework, enabling the Cabinet to make any further changes to the criteria;

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## 3. Recommendation(s) / Proposed Decision

That Cabinet be recommended:

- (i) to approve the Torbay Growth Fund criteria as set out at Appendix 1 to the submitted report.

That Cabinet recommend the Council:

- (i) to approve the removal of the Investment and Regeneration Fund Strategy from the Policy Framework; and
- (ii) to approve moving the outstanding balance from the £25m allocated to town centre regeneration to the newly re-named 'Torbay Growth Fund' (former Torbay Economic Growth Fund).

## Appendices

Appendix 1: Torbay Growth Fund Criteria

## Background Documents

Council 18 July 2019 - [Agenda for Council on Thursday, 18 July 2019, 5.30 pm \(torbay.gov.uk\)](#) – Torbay Economic Growth Fund

Cabinet 1 October 2019 - [Agenda for Cabinet on Tuesday, 1 October 2019, 4.30 pm \(torbay.gov.uk\)](#) – Torbay Economic Growth Fund Criteria

# Supporting Information

## 1. Introduction

- 1.1 At the Council meeting on 18 July 2019, the Council agreed to establish a Torbay Economic Growth Fund of up to £100 million of prudential funding for the progress of a range of capital projects for economic growth and regeneration within Torbay and, to be funded from the future income from those projects. Approval of the criteria and for each project was delegated to the Cabinet, which was subsequently approved at the Cabinet meeting on 1 October 2019.

## 2. Options under consideration

- 2.1 None

## 3. Financial Opportunities and Implications

- 3.1 The proposed transfer of the remaining balance from the £25m allocated to town centre regeneration allows for a larger pot to be allocated through the Torbay Growth Fund.
- 3.2 Projects funded from the Torbay Growth Fund are expected to meet the costs of borrowing and any other relevant costs.

## 4. Legal Implications

- 4.1 The proposed removal of the Investment and Regeneration Fund Strategy meets the requirements of the Public Works Loans Board as the Council is no longer able to make investments for profit under this strategy. The proposed revised Torbay Growth Fund Criteria is in accordance with current legislative and financial requirements.

## 5. Engagement and Consultation

- 5.1 The Director of Place set up a task and finish group comprising relevant officers from Finance, TDA and Governance to develop the proposals and then consulted with the Senior Leadership Team and members of the Cabinet. This is an internal process so no formal external consultation is required.
- 5.2 No external consultation was carried out. Once the revised Torbay Growth Fund Criteria is approved we will need to raise awareness of the new Torbay Growth Fund, both internally and externally, with support from the TDA to bring forward proposals.

## 6. Purchasing or Hiring of Goods and/or Services

- 6.1 Not applicable.



## **7. Tackling Climate Change**

- 7.1 When considering projects as part of the Torbay Growth Fund the Council will take into account all relevant opportunities to make a positive impact on the climate and to reduce carbon wherever possible.

## **8. Associated Risks**

- 8.1 The financial implications of this recommendation could be significant and when making any funding decision the Cabinet will need to consider the total borrowing commitments of the Council, along with the ongoing repayment obligations.
- 8.2 The risks and rewards of a significant level of borrowing are outlined in the Capital Strategy that was approved by Council in February 2019. All decisions to allocate from the Torbay Growth Fund will need to be taken in the context of the Council's total borrowing position, whilst determining whether the level of borrowing is proportionate and is affordable and with a clear understanding of the potential risks and rewards of the proposals.
- 8.3 All investments and regeneration schemes will be dealt with on a full repayment basis (on an annuity basis over the asset life).
- 8.4 The borrowing associated with these assets will comply with the Prudential Code of Practice 2017.
- 8.5 Risks will be set out for each project as they come forward.

## Equality Impacts

9.	Identify the potential positive and negative impacts on specific groups		
	Positive Impact	Negative Impact & Mitigating Actions	Neutral Impact
Older or younger people			There is no differential impact
People with caring Responsibilities			There is no differential impact
People with a disability			There is no differential impact
Women or men			There is no differential impact
People who are black or from a minority ethnic background (BME) <i>(Please note Gypsies / Roma are within this community)</i>			There is no differential impact
Religion or belief (including lack of belief)			There is no differential impact
People who are lesbian, gay or bisexual			There is no differential impact
People who are transgendered			There is no differential impact
People who are in a marriage or civil partnership			There is no differential impact
Women who are pregnant / on maternity leave			There is no differential impact

	Socio-economic impacts (Including impact on child poverty issues and deprivation)			There is no differential impact
	Public Health impacts (How will your proposal impact on the general health of the population of Torbay)			There is no differential impact
10..	<b>Cumulative Council Impact</b> (proposed changes elsewhere which might worsen the impacts identified above)	None		
11.	<b>Cumulative Community Impacts</b> (proposed changes within the wider community (inc the public sector) which might worsen the impacts identified above)	None		

## **Torbay Growth Fund Criteria**

This document sets out an outline for the management of the Torbay Growth Fund including direct development, acquisitions and loans subject to appropriate security.

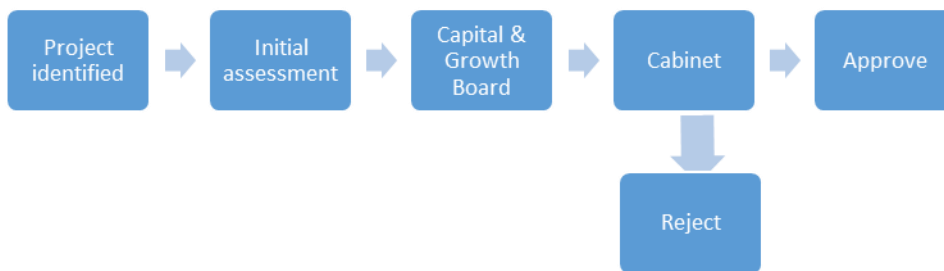
It is intended that project proposals made under the Torbay Growth Fund are robust, therefore proposals will be considered initially by the Council's Capital & Growth Board who will ensure that there is a robust justification for the proposal in line with the assessment criteria set out in this document.

The ambition of the Fund is to have a direct impact on the economic performance of Torbay and to aid the delivery of the 'One Torbay: Working for all Torbay' Community and Corporate Plan and the Housing, Economic and Tourism Strategies. The assessment criteria for the Torbay Growth Fund are intended to;

- ensure deliverability against the Council's Community and Corporate Plan and/or Housing, Economic and Tourism Strategies;
- reflect a suitable balance between the risks inherent in the types of projects supported and the financial/economic rewards obtainable; and
- ensure effective governance and due diligence on any proposal.

The assessment process will require all Torbay Growth Fund requests to meet the initial 'gateway criteria' set out below. Furthermore, all proposals will be expected to set out a strategic business case which will need to demonstrate that the proposal meets the additional assessment criteria set out in (a) to (i) below. Proposals will also need to demonstrate the value for money that they offer for the outcomes being delivered, that they are commercially viable and are affordable. The ability of proposals to be successfully delivered will also be tested through this process. A strong proposal will also include a clear explanation, based on appropriate evidence, of: why the proposal will work (for instance including need and market demand) and will show clearly how the planned outcomes will be realised.

If approved by the Capital & Growth Board then the proposal will be brought to Cabinet for a decision in line with the process set out below.



The Torbay Growth Fund is intended to create outcomes that will have a direct and positive impact within the Torbay economy. That is, there is a direct relationship between the project and the outcomes that the Council has determined it wants to achieve and the benefit that is intended to be created for the community of Torbay including for instance :-

- An increase in local employment by at least:
  - Jobs safeguarded;
  - Additional investment in Torbay whether from public or private sources;
  - Additional employment space; and
  - Improved public realm.

For clarity though, the Fund is not a “cash fund” but based on future Council borrowing to fund the proposals with the borrowing repaid from future income streams generated by the project. As the Council will be undertaking borrowing, the Prudential Code will need to be complied with and Section 151 Officer approval will be required.

For property based projects the Fund will typically seek pre-lets or good unexpired lease terms with tenants of strong financial standing. A proposal could include the provision of a loan to ensure the sustainability of an existing business within the Bay, which might involve support around refinancing, to ensure that they improve their financial position, allowing them to remain and grow their business within Torbay. Where a loan is requested by a third party, an appropriate level of security against the loan will be required, which might include parent company or director guarantees, asset mortgages or other security which the Council’s Section 151 Officer is prepared to accept. Where proposals require the Council to appoint external accountancy or legal support these costs will typically be met by the proposer and added to the proposal costs.

Other costs relating to aborted projects and scheme administration will be charged to a Revenue Fund, where appropriate, which will be created to cover such aborted costs for projects which do not proceed and will be repaid from any surplus made from future successful projects to ensure a continued funding stream for these costs.

In considering value for money there will be an assessment of the cost per job created. Government guidance suggests that lower gross cost per job can be achieved where projects have a key focus on job creation such as in the development of employment space, where there is high private sector investment, low remediation costs or where the project is focused on a small local area.

Conversely projects which have wider objectives such as regeneration (town centre or more disadvantaged communities) or where there is a specialist purpose then higher costs per job would apply. Where project proposals are submitted which have a short term carry cost they will only be considered if the Torbay Growth Fund as a whole is able to meet this cost i.e. it is expected that the cost of one project's deficit is at least being met by surplus from other projects keeping the overall Fund costs covered.

The assessment criteria for the Torbay Growth Fund does not prescribe a specific cost per job benchmark as a range of figures can be expected depending on the type of proposal under consideration.

The Council will not support proposals which would result in funds being used for activities which could bring the authority into disrepute and the issue of 'state aid' rules will be considered and applied where appropriate.

Cabinet will also take into consideration the Council's overall ability to service increased levels of debt. As such, while individual projects, proposals or requests may not meet their full borrowing costs in the very short term (allowable under the initial gateway criteria) the Torbay Growth Fund as a whole must always be in a position whereby it is able to meet its overall costs.

### **Initial Gateway Criteria (projects must meet each)**

<b>No.</b>	<b>Criterion</b>	<b>Pass</b>	<b>Fail</b>
1	The proposed Torbay Growth Fund commitment is for a sum equal to or greater than £50,000		

2	There are measurable benefits to deliver the Community and Corporate Plan and/or Housing, Economic or Tourism Strategies that will be achieved within a maximum period of 3 years from the delivery of the project.		
3	Projects will achieve a 0% minimum return over forecast borrowing costs and any other relevant operating costs (including operational costs through any construction and operational phases) taking into account the expected average return over a 5 year period from the expected date of completion of the loan.		

### **Additional Assessment Criteria**

Assuming that Torbay Growth Fund proposals meet the initial Gateway Criteria then all proposals will also be assessed against the following;

- a) Ability of the Proposal to provide financial benefits to the authority i.e. where future income or sales can be used to;
  - provide short term support for Torbay Growth Fund projects that cannot fully meet borrowing repayments in short term, a period of no longer than three years;
  - accelerate delivery of the Council's Community and Corporate Plan and/or Housing, Economic or Tourism Strategies;
  - support of the Council's wider service delivery; and/or
  - reduce borrowing.
- b) Proposing acquisitions will normally only be considered if they are good quality commercial property in traditional sectors, i.e. office and industrial, unless they are to be acquired for land assembly purposes. There would be an expectation of new or existing tenants to be on full repairing and insuring leases with a lease of at least 5 years.
- c) The financial business case will be considered taking into account the rate of return and income growth potential.
- d) Projects will be expected to achieve a positive net return after borrowing costs (assuming the forecast Public Works and Loans Board (PWLB) interest rate at time of expenditure). Projects not meeting this position in the short term, by

year three of the project, will be considered exceptionally and projects which cannot meet this threshold in the medium term, by year 5 of the project, will not be considered.

- e) Proposing property acquisitions where the property may have a strategic value to the Council would allow Cabinet to relax some of the above criteria where acquisition has potential for redevelopment or to enable development.
- f) Loans will require applicants to offer appropriate security to the Council and the term of the loan would typically be expected to be 5 to 10 years. The rate of interest on the loan would need to both comply with any state aid considerations and be consistent with the Council's former Investment & Regeneration Fund i.e. typically 2% minimum return over borrowing costs and other relevant operating costs in respect of borrowing for third parties. Loans which do not offer full security will have a higher rate applied commensurate to the risk involved.
- g) Loans made to third party entities, outside of the Council and its owned companies, will be subject to a maximum loan to value rate (LTV) of 75% but the Council will typically expect the LTV to be no greater than 50%.
- h) Location of the project, the Council expects that the majority of commitments made through the Torbay Growth Fund will be in Torbay but by exception may choose to support schemes in the immediate travel to work area where the objectives of the Torbay Growth Fund can be met. Within Torbay project proposals located within the town centres and within, or principally for the benefit of, Torbay's more disadvantaged communities will be able to offer higher costs per job.
- i) Project proposals are expected to demonstrate how they will generate additional benefits for Torbay by adopting social value principles for instance indicating how employment opportunities will be recruited to from disadvantaged wards, how training and/or apprenticeship opportunities will be created or how the project will develop and use a locally based supply chain.



## Torbay Growth Fund – Application Checklist

Project proposals submitted to the Torbay Growth Fund will each be subject to an assessment against the criteria of the Fund approved by Torbay Council’s Cabinet on 15 June 2021.

To allow for proposals to be assessed consistently and ensure that there is a robust process in place the Council will require applicants to demonstrate that there is a business case which justifies why the Torbay Growth Fund will commit to the project.

Proposals should provide:

- Strategic justification – what is the rationale for the project and the outcome that will be delivered, how does this meet the Council’s corporate policies particularly the Community and Corporate Plan and/or Housing, Economic or Tourism Strategies?
- Economic justification – what is the value to Torbay from the project, what risks has the proposer considered and how will they be managed?
- Commercial/Financial justification – does the proposal clearly demonstrate that the criteria of the Torbay Growth Fund in terms of return, security and risk are being met?
- Management justification – is there a robust and realistic delivery plan for the project, does the proposer have track record and/or appropriate skills to demonstrate that the project can be delivered?

Does the strategic case cover the rationale, background and strategic fit?	
Are there clear objectives for the proposal?	
Are there clear outcomes?	
Are all the costs & benefits quantified?	
Is there a sensitivity analysis?	
Is there an options appraisal? (may not be required in all cases)	
Is there a clear plan for securing the outcomes?	
Does the project have potential to offer more social value to Torbay?	
Is the project commercially feasible and deliverable?	
Is there a clear programme with milestones and delivery dates identified?	

Have risks been identified and managed?	
Is there match funding?	
Is it secured?	
What security is being offered by the proposer?	
Has the proposer indicated how the project will be managed?	

**Meeting:** Audit Committee

**Date:** 26<sup>th</sup> May 2021

**Wards affected:** All Wards in Torbay

**Report Title:** Treasury Management Outturn 2020/21 Report

**Cabinet Member Contact Details:** Councillor Darren Cowell, [Darren.Cowell@torbay.gov.uk](mailto:Darren.Cowell@torbay.gov.uk)

**Director/Assistant Director Contact Details:** Pete Truman, Principal Accountant, [pete.truman@torbay.gov.uk](mailto:pete.truman@torbay.gov.uk)

## 1. Purpose of Report

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- 1.1 This report is to provide members with an annual report on the treasury management activities undertaken during the year 2020/21, which is compared to the 2020/21 Treasury Management Strategy.

## 2. Reason for Proposal and its benefits

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- 2.1 Treasury risk management at the Authority is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2017 Edition (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial year and, as a minimum, a semi-annual and annual treasury outturn report. This report fulfils the Authority's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.

## 3. Recommendation(s) / Proposed Decision

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- i) **That the Treasury Management decisions made during 2020/21, as detailed in the submitted report be noted.**

### Appendices

Appendix 1: Economic Commentary

Appendix 2: Non-Treasury Investments (Exempt)

### Background Documents

Treasury Management Strategy 2020/21

## Supporting Information

### 1. Introduction

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- 1.1 In February 2019 the Authority adopted the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice (the CIPFA Code) which requires the Authority to approve treasury management semi-annual and annual reports.
- 1.2 The Authority's treasury management strategy for 2020/21 was approved at a meeting on 6<sup>th</sup> February 2020. The Authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk remains central to the Authority's treasury management strategy.

### 2. External Context

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- 2.1 An economic commentary for the year provided by the Council's treasury management advisors, Arlingclose, is provided at Appendix 1 to this report. The Bank of England lowered its base rate to 0.1% as one of the economic responses to COVID.
- 2.2 The Council's cash flow was significantly impacted by Central Government's response to COVID. As examples: Central Government passed to the Council over £75m of funding for distribution to businesses as grants in their area and provided over £24m of additional grant as compensation for the COVID NNDR reliefs in 2021/22.

### 3. Local Context

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- 3.1 On 31<sup>st</sup> March 2021, the Authority had net borrowing of £314.6m arising from its revenue and capital income and expenditure. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. These factors are summarised in Table 1 below.

Table 1: Balance Sheet Summary

	<b>31.3.21 Actual £m</b>
<b>Total CFR (estimated)</b>	<b>419.8</b>
Less: *Other debt liabilities	(16.8)
<b>Borrowing CFR</b>	<b>403.0</b>
External borrowing	391.5
<b>Internal borrowing</b>	<b>11.5</b>
Less: Usable reserves	(49.1)
Less: Working capital and other cash backed balance sheet items	(20.2)
Less: Timing of Covid grants to be applied or repayable to central government	(19.1)
<b>Net treasury position</b>	<b>314.6</b>

\* PFI liabilities that form part of the Authority's total debt

- 3.2 Lower official interest rates have lowered the cost of short-term, temporary loans and investment returns from cash assets that can be used in lieu of borrowing. The Authority pursued its strategy of keeping borrowing and investments below their underlying levels, sometimes known as internal borrowing, to reduce risk and keep interest costs low.
- 3.3 The treasury management position on 31<sup>st</sup> March 2021 and the change during the year is shown in Table 2 below.

Table 2: Treasury Management Summary

	<b>31.3.20 Balance £m</b>	<b>Movement £m</b>	<b>31.3.21 Balance £m</b>	<b>31.3.21 Rate %</b>
Long-term borrowing*	395.2	(3.7)	391.5	2.99
Short-term borrowing	0.0	0.0	0.0	0.0
<b>Total borrowing</b>	<b>395.2</b>	<b>(3.7)</b>	<b>391.5</b>	<b>2.99</b>
Long-term investments*	(9.7)	5.0	(4.7)	2.97
Short-term investments	(48.5)	(22.6)	(71.4)	0.26
Cash and cash equivalents	(7.7)	6.6	(0.8)	0.13
<b>Total investments</b>	<b>(65.9)</b>	<b>(11.0)</b>	<b>(76.9)</b>	<b>0.36</b>
<b>Net position</b>	<b>329.3</b>	<b>(14.7)</b>	<b>314.6</b>	<b>2.56</b>

\*Long term investments include the CCLA Property Fund at market valuation.

## 4. Borrowing Update

- 4.1 In November 2020 the PWLB published its response to the consultation on 'Future Lending Terms'. From 26<sup>th</sup> November the margin on PWLB loans above gilt yields was reduced from 1.8% to 0.8% providing that the borrowing authority can confirm that it is not planning to purchase 'investment assets primarily for yield' in the current or next two financial years. Authorities that are purchasing or intending to purchase investment assets primarily for yield will not be able to access the PWLB for any borrowing except to refinance existing loans or externalise internal borrowing. As part of the borrowing process authorities will now be required to submit more detailed capital expenditure plans with confirmation of the purpose of capital expenditure from the Section 151 Officer. The PWLB can now also restrict local authorities from borrowing in unusual or large amounts.
- 4.2 Acceptable use of PWLB borrowing includes service delivery, housing, regeneration, preventative action, refinancing and treasury management. Misuse of PWLB borrowing could result in the PWLB requesting that Authority unwinds problematic transactions, suspending access to the PWLB and repayment of loans with penalties.
- 4.3 The Authority is not planning to purchase any investment assets primarily for yield within the next three years and so is able to access the PWLB and take advantage of the reduction in the PWLB borrowing rate.

### 4.4 Borrowing strategy

At 31<sup>st</sup> March 2021 the Authority held £391.5m of loans, (a decrease of £3.7m 31<sup>st</sup> March 2020, as part of its strategy for funding previous [and current] years' capital programmes. Outstanding loans on 31<sup>st</sup> March are summarised in Table 3 below.

Table 3: Borrowing Position

	<b>31.3.20 Balance £m</b>	<b>Net Movement £m</b>	<b>31.3.21 Balance £m</b>	<b>31.3.21 Weighted Average Rate %</b>	<b>31.3.21 Weighted Average Maturity (years)</b>
Public Works Loan Board	385.2	(3.7)	381.5	2.949	28.0
Banks (LOBO)	5.0	-	5.0	4.700	57.6
Banks (fixed-term)	5.0	-	5.0	4.395	53.5
<b>Total borrowing</b>	<b>395.2</b>	<b>(3.7)</b>	<b>391.5</b>	<b>2.989</b>	<b>28.7</b>

- 4.5 The Authority's chief objective when borrowing has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for

which funds are required, with flexibility to renegotiate loans should the Authority's long-term plans change being a secondary objective.

- 4.6 In keeping with these objectives, no new borrowing was undertaken, while £3.7m of existing loans could mature without replacement. This strategy enabled the Authority to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk.
- 4.7 LOBO loans: The Authority continues to hold a £5m LOBO (Lender's Option Borrower's Option) loan where the lender has the option to propose an increase in the interest rate as set dates, following which the Authority has the option to either accept the new rate or to repay the loan at no additional cost. The lenders option does not become due until 2028.

## 5. Other Debt Activity

- 5.1 After £0.8m repayment of prior years' Private Finance Initiative liabilities, total debt other than borrowing stood at £16.8m on 31<sup>st</sup> March 2021, taking total debt to £408.3m

## 6. Treasury Investment Activity

- 6.1 During the year the Council received significant central government funding to support small and medium businesses during the coronavirus pandemic through grant schemes. Over £75m was received, temporarily invested in short-dated, liquid instruments such as call accounts and Money Market Funds. £56m was disbursed by the end of March with £8.7m of the balance being repaid to Central Government in May 2021.
- 6.2 The Authority holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. During the year, the Authority's investment balances ranged between £77 million and £122 million due to timing differences between income and expenditure. The investment position is shown in table 4 below.

Table 4: Treasury Investment Position

	<b>31.3.20 Balance £m</b>	<b>Net Movement £m</b>	<b>31.3.21 Balance £m</b>	<b>2020/21 Income Return %</b>	<b>2020/21 Weighted Average Maturity days</b>
Banks & building societies (unsecured)	30.7	(7.9)	22.8	0.16	56
Government (incl. local authorities)	8.0	23.0	31.0	0.17	22
Money Market Funds	18.5	(4.1)	14.4	0.14	1

Other Pooled Funds:					
- <i>Cash plus fund</i>	4.0	-	4.0	1.13	
- <i>Property fund</i>	4.7	-	4.7	4.35	
<b>Total investments</b>	<b>65.9</b>	<b>11.0</b>	<b>76.9</b>	<b>0.50</b>	

- 6.3 Both the CIPFA Code and government guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.
- 6.4 Continued downward pressure on short-dated cash rate brought net returns on sterling low volatility net asset value money market funds (LVNAV MMFs) close to zero even after some managers have temporarily lowered their fees. At this stage net negative returns are not the central case of most MMF managers over the short-term, and fee waivers should maintain positive net yields, but the possibility cannot be ruled out.
- 6.5 Deposit rates with the Debt Management Account Deposit Facility (DMADF) have continued to fall and are now largely around zero.
- 6.6 The net return on Money Market Funds net of fees, which had fallen after Bank Rate was cut to 0.1% in March, are now at or very close to zero; fund management companies have temporarily lowered or waived fees to avoid negative net returns.
- 6.7 The progression of risk and return metrics are shown in the extracts from Arlingclose's quarterly investment benchmarking in Table 5 below.

Table 5: Investment Benchmarking – Treasury investments managed in-house

	<b>Credit Score</b>	<b>Credit Rating</b>	<b>Bail-in Exposure</b>	<b>Weighted Average Maturity (days)</b>	<b>Rate of Return %</b>
31.09.2020	4.21	AA-	71%	41	0.15
31.03.2021	4.46	AA-	55%	32	0.11
<b>Similar LAs</b>	<b>4.66</b>	<b>A+</b>	<b>68%</b>	<b>32</b>	<b>0.12</b>
<b>All LAs</b>	<b>4.63</b>	<b>A+</b>	<b>63%</b>	<b>14</b>	<b>0.15</b>

- 6.8 The benchmarking results reflect the Council's risk averse attitude in both counterparties and the maximum sum invested in any one counterparty. Priority has been to keep funds as secure as possible during pandemic and while this is reflected in the relatively low return, the additional margins potentially available are insufficient reward for the increased risk.
- 6.9 Funds were substantially kept liquid to achieve the Council's policy of internal borrowing and to reflect the short-term holding of Central Government funding. At outturn the capital spend was £27m against the last revised plan of £43m resulting in a higher-than-expected



cash balance at year end. No investment properties were purchased which resulted in the lowest level of capital expenditure for several years.

- 6.10 **Externally Managed Pooled Funds:** £5m of the Authority’s investments are invested in an externally managed strategic pooled property fund where short-term security and liquidity are lesser considerations, and the objectives instead are regular revenue income and long-term price stability. These funds generated an income return of £0.23m (4.35%) and an unrealised capital loss of £-0.03m (-0.71%).
- 6.11 Similar to many other property funds, dealing (i.e., buying or selling units) in the CCLA Local Authorities’ Property Fund was suspended by the fund in March 2020 and lifted in September. There was also a change to redemption terms for the CCLA Local Authorities Property Fund; from September 2020 investors are required to give at least 90 calendar days’ notice for redemptions. The capital value of the property fund(s) is shown in Table 4, above.

## 7. Non-Treasury Investments

- 7.1 The definition of investments in CIPFA’s revised Treasury Management Code now covers all the financial assets of the Authority as well as other non-financial assets which the Authority holds primarily for financial return. This is replicated in the Investment Guidance issued by Ministry of Housing, Communities and Local Government’s (MHCLG) and Welsh Government, in which the definition of investments is further broadened to also include all such assets held partially for financial return.
- 7.2 A full list of the Authority’s non-treasury investments is presented at Appendix 2 (exempt)

## 8. Treasury Performance

- 8.1 The Authority measures the financial performance of its treasury management activities both in terms of its impact on the revenue budget and its relationship to benchmark interest rates, as shown in table 6 below.

Table 6: Performance

<b>As at 31<sup>st</sup> March 2021</b>	<b>Revised Budget 2020/21</b>	<b>Projected Outturn 2020/21</b>	<b>Variation</b>
	<b>£M</b>	<b>£M</b>	<b>£M</b>
Investment Income	(0.4)	(0.5)	(0.1)
Interest Paid on Borrowing	12.5	11.8	(0.7)
<b>Net Position (Interest)</b>	<b>12.1</b>	<b>11.3</b>	<b>(0.8)</b>
Minimum Revenue Provision	6.4	6.4	0.0
<b>Net Position (Other)</b>	<b>6.4</b>	<b>6.4</b>	<b>0.0</b>
<b>Net Position Overall</b>	<b>18.5</b>	<b>17.7</b>	<b>(0.8)</b>

## 9. Compliance

- 9.1 The Chief Finance Officer reports that all treasury management activities undertaken during the year complied fully with the CIPFA Code of Practice and the Authority's approved Treasury Management. Compliance with specific limits is demonstrated in table 7 below.

Table 7: Debt Limits

	2020/21 Maximum	31.3.21 Actual	2020/21 Operational Boundary	2020/21 Authorised Limit	Complied? Yes/No
Borrowing	£395.2M	£391.5	£570m	£690m	Yes
PFI & Finance Leases	£17.8m	£16.8m	£20m	£20m	Yes
<b>Total Debt</b>	<b>£413.0m</b>	<b>£408.3</b>	<b>£590m</b>	<b>£710m</b>	Yes

- 9.2 **Treasury Management Indicators:** The Authority measures and manages its exposures to treasury management risks using the following indicators.

**Maturity Structure of Borrowing:** This indicator is set to control the Authority's exposure to refinancing risk. The upper and lower limits on the maturity structure of all borrowing were:

	31.3.21 Actual	Upper Limit	Lower Limit	Complied?
Under 12 months	1%	40%	0%	Yes
12 months and within 24 months	1%	40%	0%	Yes
24 months and within 5 years	4%	30%	0%	Yes
5 years and within 10 years	9%	40%	0%	Yes
10 years and within 20 years	16%	50%	0%	Yes
20 years and within 30 years	8%	60%	0%	Yes
30years and within 40 years	33%	50%	0%	Yes
40 years and	27%	50%	0%	Yes

**Principal Sums Invested for Periods Longer than a year:** The purpose of this indicator is to control the Authority’s exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end were:

	2020/21	2021/22	2022/23
Actual principal invested beyond year end	£10m	£5m	£5m
Limit on principal invested beyond year end	£20m	£20m	£20m
Complied?	Yes	Yes	Yes

## 10. Other

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- 10.1 **CIPFA consultations:** In February 2021 CIPFA launched two consultations on changes to its Prudential Code and Treasury Management Code of Practice. These follow the Public Accounts Committee’s recommendation that the prudential framework should be further tightened following continued borrowing by some authorities for investment purposes. These are principles-based consultations and will be followed by more specific proposals later in the year.
- 10.2 In the Prudential Code the key area being addressed is the statement that “local authorities must not borrow more than or in advance of their needs purely in order to profit from the investment of the extra sums borrowed”. Other proposed changes include the sustainability of capital expenditure in accordance with an authority’s corporate objectives, i.e., recognising climate, diversity and innovation, commercial investment being proportionate to budgets, expanding the capital strategy section on commercial activities, replacing the “gross debt and the CFR” with the liability benchmark as a graphical prudential indicator.
- 10.3 Proposed changes to the Treasury Management Code include requiring job specifications and “knowledge and skills” schedules for treasury management roles to be included in the Treasury Management Practices (TMP) document and formally reviewed, a specific treasury management committee for MiFID II professional clients and a new TMP 13 on Environmental, Social and Governance Risk Management.
- 10.4 **IFRS 16:** The implementation of the new IFRS 16 Leases accounting standard has been delayed for a further year until 2022/23.

### Appendix 1

#### **Economic Commentary** (provided by Arlingclose, April 2021)

**Economic background:** The coronavirus pandemic dominated 2020/21, leading to almost the entire planet being in some form of lockdown during the year. The start of the financial year saw many central banks cutting interest rates as lockdowns caused economic activity to grind to a halt. The Bank of England cut Bank Rate to 0.1% and the UK government provided a range of fiscal stimulus measures, the size of which has not been seen in peacetime.

Some good news came in December 2020 as two COVID-19 vaccines were given approval by the UK Medicines and Healthcare products Regulatory Agency (MHRA). The UK vaccine rollout started in earnest; over 31 million people had received their first dose by 31<sup>st</sup> March.

A Brexit trade deal was agreed with only days to spare before the 11pm 31<sup>st</sup> December 2020 deadline having been agreed with the European Union on Christmas Eve.

The Bank of England (BoE) held Bank Rate at 0.1% throughout the year but extended its Quantitative Easing programme by £150 billion to £895 billion at its November 2020 meeting. In its March 2021 interest rate announcement, the BoE noted that while GDP would remain low in the near-term due to COVID-19 lockdown restrictions, the easing of these measures means growth is expected to recover strongly later in the year. Inflation is forecast to increase in the near-term and while the economic outlook has improved there are downside risks to the forecast, including from unemployment which is still predicted to rise when the furlough scheme is eventually withdrawn.

Government initiatives supported the economy and the Chancellor announced in the 2021 Budget a further extension to the furlough (Coronavirus Job Retention) scheme until September 2021. Access to support grants was also widened, enabling more self-employed people to be eligible for government help. Since March 2020, the government schemes have help protect more than 11 million jobs.

Despite the furlough scheme, unemployment still rose. Labour market data showed that in the three months to January 2021 the unemployment rate was 5.0%, in contrast to 3.9% recorded for the same period 12 months ago. Wages rose 4.8% for total pay in nominal terms (4.2% for regular pay) and was up 3.9% in real terms (3.4% for regular pay).

Unemployment is still expected to increase once the various government job support schemes come to an end.

Inflation has remained low over the 12-month period. Latest figures showed the annual headline rate of UK Consumer Price Inflation (CPI) fell to 0.4% year/year in February, below

expectations (0.8%) and still well below the Bank of England's 2% target. The ONS' preferred measure of CPIH which includes owner-occupied housing was 0.7% year/year (1.0% expected).

After contracting sharply in Q2 (Apr-Jun) 2020 by 19.8% q/q, growth in Q3 and Q4 bounced back by 15.5% and 1.3% respectively. The easing of some lockdown measures in the last quarter of the calendar year enabled construction output to continue, albeit at a much slower pace than the 41.7% rise in the prior quarter. When released, figures for Q1 (Jan-Mar) 2021 are expected to show a decline given the national lockdown.

After collapsing at an annualised rate of 31.4% in Q2, the US economy rebounded by 33.4% in Q3 and then a further 4.1% in Q4. The US recovery has been fuelled by three major pandemic relief stimulus packages totalling over \$5 trillion. The Federal Reserve cut its main interest rate to between 0% and 0.25% in March 2020 in response to the pandemic and it has remained at the same level since. Joe Biden became the 46<sup>th</sup> US president after defeating Donald Trump.

The European Central Bank maintained its base rate at 0% and deposit rate at -0.5% but in December 2020 increased the size of its asset purchase scheme to €1.85 trillion and extended it until March 2022.

**Financial markets:** Monetary and fiscal stimulus helped provide support for equity markets which rose over the period, with the Dow Jones beating its pre-crisis peak on the back of outperformance by a small number of technology stocks. The FTSE indices performed reasonably well during the period April to November, before being buoyed in December by both the vaccine approval and Brexit deal, which helped give a boost to both the more internationally focused FTSE 100 and the more UK-focused FTSE 250, however they remain lower than their pre-pandemic levels.

Ultra-low interest rates prevailed throughout most of the period, with yields generally falling between April and December 2020. From early in 2021 the improved economic outlook due to the new various stimulus packages (particularly in the US), together with the approval and successful rollout of vaccines, caused government bonds to sell off sharply on the back of expected higher inflation and increased uncertainty, pushing yields higher more quickly than had been anticipated.

The 5-year UK benchmark gilt yield began the financial year at 0.18% before declining to -0.03% at the end of 2020 and then rising strongly to 0.39% by the end of the financial year. Over the same period the 10-year gilt yield fell from 0.31% to 0.19% before rising to 0.84%. The 20-year declined slightly from 0.70% to 0.68% before increasing to 1.36%.

1-month, 3-month and 12-month SONIA bid rates averaged 0.01%, 0.10% and 0.23% respectively over the financial year.

The yield on 2-year US treasuries was 0.16% at the end of the period, up from 0.12% at the beginning of January but down from 0.21% at the start of the financial year. For 10-year treasuries the end of period yield was 1.75%, up from both the beginning of 2021 (0.91%) and the start of the financial year (0.58%).

German bund yields continue to remain negative across most maturities.

**Credit review:** After spiking in March 2020, credit default swap spreads declined over the remaining period of the year to broadly pre-pandemic levels. The gap in spreads between UK ringfenced and non-ringfenced entities remained, albeit Santander UK is still an outlier compared to the other ringfenced/retail banks. At the end of the period Santander UK was trading the highest at 57bps and Standard Chartered the lowest at 32bps. The other ringfenced banks were trading around 33 and 34bps while Nationwide Building Society was 43bps.

Credit rating actions to the period ending September 2020 have been covered in previous outturn reports. Subsequent credit developments include Moody's downgrading the UK sovereign rating to Aa3 with a stable outlook which then impacted a few other UK institutions, banks and local government. In the last quarter of the financial year S&P upgraded Clydesdale Bank to A- and revised Barclay's outlook to stable (from negative) while Moody's downgraded HSBC's Baseline Credit Assessment to baa3 whilst affirming the long-term rating at A1.

The vaccine approval and subsequent rollout programme are both credit positive for the financial services sector in general, but there remains much uncertainty around the extent of the losses banks and building societies will suffer due to the economic slowdown which has resulted due to pandemic-related lockdowns and restrictions. The institutions and durations on the Authority's counterparty list recommended by treasury management advisors Arlingclose remain under constant review, but at the end of the period no changes had been made to the names on the list or the recommended maximum duration of 35 days.

Document is Restricted

## Record of Decisions

### Budget Monitoring 2020/21 - Quarter Four - Outturn

#### Decision Taker

Cabinet on 13 July 2021.

#### Decision

That Cabinet notes the report and recommends to the Overview and Scrutiny Board and Council:

- i) the Overview and Scrutiny Board notes the final revenue outturn position makes any comments and/or recommendations to Council;
- ii) the Overview and Scrutiny Board notes the final position for the Council's Capital outturn position and makes any comments and/or recommendations to Council;
- iii) Council notes that the following revenue outturn actions were agreed as a part of the February 2021 budget decisions:
  - a) Establishing a £1.6m Covid-19 Reserve to deal with the continuing impacts of the Covid-19 pandemic;
  - b) Allocating £3.5m to fund the Collection Fund Deficit;
  - c) Increasing the General Fund Reserve by £0.5m which moves the Council closer to having a General Fund of 5% of its net revenue budget;
  - d) Additional £0.5m funding to support SWISCo;
  - e) An allocation of £1.0m toward Community and Corporate plan priorities;
- iv) That the Council approves the additional carry forward of £2.8m being used as follows:
  - a) A further £1.0m towards Community and Corporate plan priorities as set out in Appendix 2 to the submitted report;
  - b) £1.7m towards earmarked service specific reserves to support transformation and improvement work for digital improvements for the Council's services including the contact centre and further support for SWISCo;
  - c) £0.1m towards the General Fund Reserve;
  - d) Allocate an underspend of £0.960m on Concessionary Fares on travel/road related matters as set out in Appendix 3 to the submitted report.
- v) That the Council approves the use of £0.9m of the profiled capital receipt for the disposal of land at Collaton St Mary as set out in Appendix 4 to the submitted report.



## **Reason for the Decision**

To ensure the Council operates in a prudent manner and works to maintain a balanced budget.

## **Implementation**

The recommendations of the Cabinet will be considered at the Overview and Scrutiny Board and Council meeting on 14 July and 29 July 2021 respectively.

## **Information**

The Budget Monitoring 2020/21 Quarter Four – Outturn report provided a high-level budget summary of the Council's final revenue and capital position for the financial year 2020/21.

At the meeting Councillor Cowell proposed and Councillor Steve Darling seconded a motion that was agreed unanimously by the Cabinet, as set out above.

## **Alternative Options considered and rejected at the time of the decision**

There were no alternative options considered.

## **Is this a Key Decision?**

No

## **Does the call-in procedure apply?**

No

**Declarations of interest** (including details of any relevant dispensations issued by the Standards Committee)

None.

## **Published**

16 July 2021

Signed: \_\_\_\_\_  
Leader of Torbay Council on behalf of the Cabinet

Date: \_\_\_\_\_

**Meeting:** Cabinet

**Date:** 13 July 2021

Overview & Scrutiny Board

14 July 2021

Council

22 July 2021

**Wards Affected:** All Wards

**Report Title:** Budget Monitoring 2020/21 – Quarter Four - Outturn (subject to audit)

**Is the decision a key decision?** Yes

**When does the decision need to be implemented?** Immediately

**Cabinet Lead Contact Details:** Darren Cowell, Cabinet Member for Finance  
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**Supporting Officer Contact Details:** Sean Cremer, Deputy Head of Finance  
[Sean.Cremer@Torbay.gov.uk](mailto:Sean.Cremer@Torbay.gov.uk), 01803 20 7553

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## 1. Purpose and Introduction

- 1.1. This report provides a high-level budget summary of the Council's final revenue and capital position for the financial year 2020/21. This report is based on figures as at 31<sup>st</sup> March 2021.
- 1.2. Due to the Covid-19 health pandemic 2020/21 has been a year where change was the only constant. This made financial forecasting extremely challenging due to the changes in local and national restrictions and several finance reports were written whilst experiencing a lockdown, and presented once it had been relaxed, or vice versa.
- 1.3. For 2020/21 the main pressure areas remained relatively unchanged throughout the year as they were in service areas most heavily influenced by changes in behaviour of the general public and resultant financial impact, namely Car Parking income, support for temporary accommodation and the collection of Council Tax and Business Rates.
- 1.4. These areas are expected to remain a feature of 2021/22 due to the long-lasting effects of Covid-19 on individuals, households and businesses.
- 1.5. Overall 2020/21 was managed within budget. However, this is only because of significant hard work from within services to address and mitigate demand for spend where possible.

- 1.6. There remains significant ongoing uncertainty as to the financial impact on the Council in the coming year and future years. This is heightened because of the extended restrictions and no revisions, to date, to financial support from Central Government as a result. There is also no indication of how future funding for 2022/23 and beyond will change.
- 1.7. With uncertainty ahead, it is critical that the one-off funding carried forwards is used sustainably and deliberately and consciously targets resources where they will make the biggest impact for Torbay's recovery and lays foundations for sustainable service delivery over the medium term.
- 1.8. At Quarter 4 2020/21 the Capital Plan Budget totalled £301m over the 4-year period. Capital expenditure of £27m was incurred in 2020/21 of which £12m related to various regeneration projects. Of the total £27m spend £12m of this was grant funded.

## **2. Recommendation (s) / Proposed Decision**

- 2.1. That Cabinet notes the report & recommendations.
- 2.2. That the Overview & Scrutiny Board notes the final revenue outturn position makes any comments and/or recommendations to Council.
- 2.3. That the Overview & Scrutiny Board notes the final position for the Council's Capital outturn position and make any comments and/or recommendations to Council.
- 2.4. That Council notes that the following revenue outturn actions were agreed as a part of the February 2021 budget decisions:
  - 2.4.1. Establishing a £1.6m Covid-19 Reserve to deal with the continuing impacts of the Covid-19 pandemic
  - 2.4.2. Allocating £3.5m to fund the Collection Fund Deficit
  - 2.4.3. Increasing the General Fund Reserve by £0.5m which moves the Council closer to having a General Fund of 5% of its net revenue budget.
  - 2.4.4. Additional £0.5m funding to support SWISCo
  - 2.4.5. An allocation of £1.0m toward Community and Corporate plan priorities.
- 2.5. That the Council also approves the additional carry forward of £2.8m being used as follows;
  - 2.5.1. A further £1.0m towards Community and Corporate plan priorities as per Appendix 2
  - 2.5.2. £1.7m towards earmarked service specific reserves to support transformation and improvement work for digital improvements for the Council's services including the contact centre and further support for SWISCo
  - 2.5.3. £0.1m towards the General Fund Reserve

- 2.5.4. Allocate an underspend of £0.960m on Concessionary Fares on travel/road related matters as per Appendix 3.
- 2.6. That the Council approves the use of £0.9m of the profiled capital receipt for the disposal of land at Collaton St Mary as per Appendix 4.

### **3. 2020/21 Budget Summary Position**

- 3.1. Covid-19 has had a significant impact on the Council's income and expenditure in the year. The headlines from this are:
- 3.1.1. There was a significant financial impact from Covid-19 impact due to increased expenditure pressures including adult social care, support for voluntary sector and temporary mortuary and income losses including car parking and collection fund.
- 3.1.2. As recognition of the cost pressures and income losses the Council is expected to receive a total of £14.4m funding from MHCLG in 2019/20 and 2020/21.
- 3.1.3. The Council in July 2020 made a significant revision to its budget during 2020/21 to reflect these financial pressures and additional funding.
- 3.1.4. As part of the 2021/22 budget a Covid-19 reserve for the ongoing financial impact was established with an allocation of £1.6m
- 3.1.5. In addition to the above there are £0.5m of Covid-19 pressures in the higher needs block within the dedicated schools grant.
- 3.2. Despite the significant Covid-19 pressures, the Council has achieved an underspend on its revenue budget, which provides the opportunity to establish several specific reserves which will be deployed to mitigate 2021/22 Covid-19 pressures.
- 3.3. A narrative of the service variances is contained in section 6.

#### **Collection Fund**

- 3.4. Due to the local economic impact of Covid-19 the collection fund faced a shortfall of in 2020/21. This pressure is due to the reduced in-year collection of Business Rates & Council Tax income and increased demand for the Council Tax Support Scheme (CTSS).
- 3.5. Total Council Tax arrears increased during the year by £3.1m, whilst total Business rates arrears increased by £0.9m. In addition, the Council had £1.2m of irrecoverable losses on the Collection fund from both changes to the taxbase and from increased numbers of CTSS claims. The Council expects to receive grant as compensation for some of these irrecoverable losses from MHCLG. The final grant figure will be confirmed this autumn.
- 3.6. Under the collection fund accounting rules any shortfall on the collection fund is carried forward to the following financial year to be funded. However, because of the scale of deficits, the Government has announced that Council's will be able to fund "exceptional" Council tax and business rates tax deficits over three years instead of one.

3.7. The Collection Fund reserve which formed part of the Budget 2021/22 recommendations is to meet the future impact of carrying forward the shortfall.

3.8. This mitigates the future year pressures which would otherwise need to be identified through additional savings in 2022/23 and 2023/24.

#### 4. Grant Support

4.1. During 2020/21 there were two key schemes which provided direct funding to offset increased expenditure and income losses. This support was received through un-ring-fenced grants as well as the income reimbursement scheme.

4.2. The Council has received four tranches of un-ring-fenced funding to use to offset increased expenditure and income losses. Torbay Council has received a total of £12.07m so far. This has been allocated in 4 tranches of funding.

Date	Total Funding £'m	Torbay Share	
		£'m	%
19-Mar 20	1,600	5.372	0.34%
18-Apr 20	1,594	3.765	0.24%
02-Jul 20	494	1.310	0.27%
22-Oct 20	919	1.623	0.18%
<b>Total</b>	<b>4,607</b>	<b>12.07</b>	<b>0.26%</b>

4.3. The income reimbursement scheme for Sales, Fees & Charges has provided £2.3m towards total income losses of £3.7m

4.4. The Government has confirmed that there will be a 5<sup>th</sup> Tranche of funding in the financial year 2021/22 of £4.1m which was included in the approved 2021/22 budget and the Sales Fees & Charges reimbursement scheme will be extended until the end of June 2021.

4.5. In addition to the un-ring fenced grants and the Income reimbursement Grant, Central Government have issued a number of other grants related to Covid-19.

4.6. Under Financial Regulations (5.5) “The Chief Finance Officer, in consultation with the Leader of the Council, to determine the allocation and expenditure of any new revenue grant monies that are received during the year”. Therefore, these grants will be applied to the purpose specified. These are listed below:

Grant	£000	Purpose	Use
Infection Control	5,014	To support ASC providers with infection control measures. Funding will be passported to suppliers (via ICO)	This fund was distributed to a wide spectrum of social care providers delivering registered care, supported living, day opportunities and outreach support across Torbay and has been used by those providers in a myriad of ways to help prevent the spread of COVID-19. It helped to fund capital works to allow safe socially-distant visiting, changing facilities for staff, upgrading of furniture and fittings for infection control suitable ones where necessary. It also paid the wages of staff who were isolating, paid for a range of safe travel options to reduce use of public transport by staff, paid for the recruitment of additional staff and training in infection control measures for staff.
Re-opening High Streets (RHSF)	115	To support opening of high streets. Spend managed by TDA.	<p>From June 2020 – March 2021, the RHSF funded:</p> <ul style="list-style-type: none"> <li>- Three phases of social distancing signage around town centres, including floor stickers, bus shelter posters, bollard sleeves and banners</li> <li>- Ten custom built, sensor operated hand sanitiser stations for use in public realm, to increase hygiene and public confidence on the high street</li> <li>- Ongoing maintenance and replenishment of public realm hand sanitiser stations and anti-covid gel.</li> <li>- High Street marketing and communication campaigns including press advertising, radio advertising and social media adverts</li> <li>- A public facing, reopening high streets safely video</li> <li>- A full time, dedicated project / comms officer and fixed term information officer role, supporting businesses in reopening safely</li> <li>- Support for a winter parking promotion in December 2020</li> </ul>

Grant	£000	Purpose	Use
			<ul style="list-style-type: none"> <li>- Periodic Footfall counts to assist with project monitoring and evaluation.</li> <li>- Access to a digital platform for high street businesses for one year, to assist the businesses in communicating with customers whilst in lockdown and to reopen safely.</li> </ul>
Emergency Assistance	185	To help local authorities to continue to support those struggling to afford food and other essentials over the coming months due to COVID-19.	Support issued via food parcels and/or financial hardship payments
Winter Spend Grant	500	Similar to above now includes schools	Support issued via food vouchers which were distributed by Schools to families
Test, Track & Trace	886	To support the mitigation and management of local outbreaks of COVID.	Funding for additional Public Health staffing and/or commissioned resources to support the purpose of this grant
Hardship Fund	1,611	To support Council Tax Support scheme claimants.	All working age claimants council tax bills have been reduced by £150 and the balance is to be used for the discretionary hardship fund.
Business Grants Lockdown#1	47,490	Funding to support the Business Grant and Discretionary Business Grant scheme under guidance by BEIS. Note: Torbay is acting as "agent" here so this funding will not form part of budget.	Direct grants to businesses
Business Grants Lockdown#2&3	40,353	Funding to support the Business Grant and Discretionary Business Grant scheme under guidance by BEIS. Note: Torbay is acting as "agent" here so this funding will not form part of budget.	Direct grants to businesses

<b>Grant</b>	<b>£000</b>	<b>Purpose</b>	<b>Use</b>
Transport Access	55	Grant to support development of alternative travel to public transport	
Business Improvement District (BID) support	25	Support to BID companies to cover the equivalent of core operational costs for three months.	
Coronavirus Rough Sleeping Contingency Fund	12	Support for Covid19 impact on homelessness	Offset increased temporary accommodation costs
School Transport	200	Funding for additional, dedicated public transport provision for school pupils.	As per purpose
Social Isolation	237	Payment of £500 to those self-isolating under track and trace	As per purpose
Surge Enforcement	81	To fund costs of enforcement of lockdown	Additional staff to support local compliance with Covid-19 restrictions such as town centre wardens
Clinically Extremely Vulnerable	176	To fund costs of support and shielding of vulnerable residents	The provision of a shielding hub co-ordinating and distributing support such as food parcels for those affected
Contain Outbreak Management Fund	3,143	Public Health funding to strengthen the local public health response to Covid-19 in order to; work to break the chain of transmission and protecting the most vulnerable.	Detailed allocations were contained in the Cabinet report on 15 <sup>th</sup> June 2021 (Item 10)
ASC Rapid Testing	467	Funding was passported via the ICO.	The Rapid Testing Fund was introduced in January 2021 to support additional COVID-19 lateral flow testing (LFT) of staff in care homes and to enable indoor close-contact visiting where possible. The money was distributed across our registered care homes and domiciliary care providers to facilitate this.



Grant	£000	Purpose	Use
ASC Workforce	414	Funding was passported via the ICO.	In Torbay the workforce capacity grant was used to allow providers to purchase excess annual leave accrued by care home staff working huge numbers of additional hours during the COVID-19 pandemic. This was done in order to prevent staffing shortages and financial pressure during 2021/22 caused by staff carrying over and taking this additional leave, thereby reducing the need to use scarce bank staff resources and high-cost agency staff.
Community Testing Grant	252	To establish a Community based testing facility for “rapid lateral flow devices” (LFD’s) in order to help identify those people who are infectious but asymptomatic.	Establishing a testing site at Quay West Car Park to provide asymptomatic LFD assisted testing as well as collection of free LFD tests for individuals and businesses.
Practical support grant	34	To help people overcome the practical challenges of being asked to self-isolate, government has today	Grant announced 26 <sup>th</sup> March 2021 and was received in 2021/22

## 5. Strategic Updates

### Wholly owned companies

5.1. Covid-19 also presents challenges to the Council’s wholly owned companies.

5.2. SWISCo started trading in July 2020 and although the cost of the services provided are lower than with TOR2 not all the expected savings have yet been realised. In addition, COVID-19 has impact on external income such as trade waste and recycling rates. As a result, the Council made an additional £0.5m contribution to SWISCo. This has resulted in a deficit in SWISCo’s income and expenditure of £0.3m. The carry forward requests include an allocation of £1.2m to support SWISCo over the next two years with the aim of achieving financial balance by 2022/23.

5.3. In 2020/21 the Council provided £200k of support for economic recovery and an element of COVID-19 related deficit funding to TDA to ensure a break-even position for the TDA. The TDA outturn was better than forecast earlier in the year at £0.6m, however after the deficit on Torvista the position of the TDA Group was a £0.5m surplus.

5.4. During 2020/21 Tor Vista Homes (TVH) achieved Registered Provider status. This enabled TVH to partner with Torbay Council to purchase and manage the ongoing

tenancy's resulting from the successful Next Steps Accommodation Programme. The first homes were bought in 2020/21. In addition, the Council provided £280k of funding to Torvista however the company at a year-end had a net deficit of £0.1m.

#### Higher Needs Block – Special Education Needs

- 5.5. The schools' higher needs block in the Dedicated Schools Grant (DSG) has been under financial pressure because of an increasing level of referrals from schools for higher needs support for children. The pace of demand is far outstripping increases in dedicated funding and has been for several years.
- 5.6. The DSG reserve was in a £3.7m deficit at the end of 2019/20. Due to continued pressures within 2020/21 the deficit at the end of the year was £5.8m.
- 5.7. Despite £1.9m of additional central government funding for 2021/22 a deficit budget of £2.6m has been set for 2021/22. As a result, the deficit at the end of the financial year 2021/22 is expected to be in the region of £8.4m.
- 5.8. The Council does not receive any funding for schools therefore the overspend will remain in the DSG to be funded from DSG in future years. The School and Early Year Finance (England) Regulations 2020 confirm that this is not a cost that the Council must fund.
- 5.9. For 2020/21 and the following two financial years additional legislation has been passed that, for accounting purposes, reclassifies the deficit on the Council's balance sheet.
- 5.10. Representatives from the Council and the School Forum continue to work with the Education & Skills Funding Agency (ESFA) to discuss the proposed financial recovery plan that was submitted to the ESFA in the 2019/20 financial year. So far, the external scrutiny and review carried out has not identified any new initiatives that are over and above the work already progressed by Torbay Council and the Schools Forum to address this position.

## 6. Service Budgets

6.1. The budget position below reflects the final budget position and **includes the application of Covid-19 Funding** to offset the Covid related pressures described.

<b>Torbay Council Revenue Q4 2020/21</b>	<b>Budget £000s</b>	<b>Outturn £000's</b>	<b>Variance £000's</b>
1. Adult Social Care	38,907	38,575	(332)
2. Public Health	10,392	10,227	(165)
3. Children's Services	47,321	41,620	(5,701)

4. <i>Community Services</i>	2,748	2,327	(421)
5. <i>Corporate Services</i>	4,369	5,627	1,258
6. <i>Customer Services</i>	2,880	3,044	164
7. <i>Investment Portfolio</i>	(4,641)	(4,204)	437
<b>Sub Total – Corporate Services</b>	<b>5,356</b>	<b>6,794</b>	<b>1,438</b>

8. <i>Finance</i>	(4,032)	(6,173)	(2,141)
9. <i>Central COVID costs &amp; grants</i>	(6,223)	(3,623)	2,600
<b>Sub Total - Finance</b>	<b>(10,255)</b>	<b>(9,796)</b>	<b>459</b>

10. <i>Business Services</i>	16,816	17,373	557
11. <i>Planning and Transport</i>	7,331	7,005	(326)
<b>Sub Total - Place</b>	<b>24,147</b>	<b>24,378</b>	<b>231</b>

<b>Revenue sub total</b>	<b>115,868</b>	<b>111,798</b>	<b>(4,070)</b>
<b>Sources of Funding</b>	<b>(115,868)</b>	<b>(121,720)</b>	<b>(5,852)</b>
<b>Revenue total</b>	<b>0</b>	<b>(9,922)</b>	<b>(9,922)</b>

<b>Additional Items</b>	<b>£'000</b>
12. Transfers as per Budget 2021/22	7,100
13. Transfers to earmarked reserves	2,700
14. Balance to General Fund	122
<b>Net Overspend / (underspend)</b>	<b>0</b>

6.2. A narrative of the position and material variances in each service area is as follows.

### 1. Adult Social Care – Underspend of £332k

- 6.3. Whilst most of this budget is spent against a fixed contract with the ICO the council is expecting to provide additional support to Adult Social Care providers to ensure the provision of care is maintained throughout this pandemic.
- 6.4. Due to slightly higher than budgeted contributions towards the Better Care Fund (BCF) from the CCG there is a forecast underspend of £200k.
- 6.5. Community and Voluntary Sector organisations who have been supporting the community response to Covid-19 have also been allocated additional financial support to strengthen their fantastic work as part of the community response. So far this totals £0.25m.
- 6.6. Based on the initial MHCLG un-ringfenced grant funding allocations, in consultation with the Section 151 Officer, £2.0m was allocated to the ICO to support Adult Social Care providers. This funding is in addition to the specific ASC sector grants detailed under paragraph 4.6.
- 6.7. The current contract with the ICO is due for renewal on 1<sup>st</sup> April 2023. Collaborative work is underway between Council & NHS colleagues on the Adult Social Care Improvement Plan and fortnightly budget oversight meetings have been initiated with a view to mitigating current and emerging cost pressures within the service.

### 2. Public Health – Underspend £165k

- 6.8. Most of the Public Health activity is funded by the ring-fenced grant. There is an underspend on the Joint Commissioning team salaries. There has been reduced spend on some demand-led services which rely on face-to-face provision and therefore have seen significantly reduced demand in 2020/21.
- 6.9. The Public Health team have been central to the local management of the Covid-19 response and coordinating a range of initiatives to ensure safe and effective management of Covid-19 within the local area.
- 6.10. The Public Health team's work has encompassed management of activities funded by the Test, Track and Trace grant as well as the Contain Outbreak Management Fund grant. This response work is expected to continue for the whole of the 2021/22 financial year.

### 3. Children's Services – Underspend £5.7m

- 6.11. During 2020/21 Children's Services has seen a dramatic reversal of the historic trends, which ultimately results in an underspend of £5.7m. This is due to continued hard work within the Safeguarding teams to manage placement numbers and achieve planned step-downs for placements. This results in significant financial savings, but more importantly ensures improved outcomes for Children and families and ensures where it is safe and appropriate to do so children and young people live in family-based settings.

### 3a Children's Safeguarding underspend £5.2m

6.12. Children's Safeguarding has in recent years been the cause of financial pressure within the Directorate. The below table shows a comparison of the annual spend on safeguarding over the last 4 complete financial years.

<b>Children's Safeguarding Service</b>	<b>2017/18 £'m</b>	<b>2018/19 £'m</b>	<b>2019/20 £'m</b>	<b>2020/21 £'m</b>
Actual spend	28.7	33.1	41.0	36.5

6.13. In 2020/21 the Council approved a significant investment into Children's Services to address the historic issues faced by the service. This investment focused on improving outcomes for children and young people as well as improving the experience for staff. As a result of this renewed focus on improving Children's safeguarding, in 2020/21 we have also seen a reduction in year on year spend in compared to 2019/20.

6.14. This reduced spend is mainly due to the significant and maintained reduction in the number of residential placements which currently has an average cost of £4.5k per week. There has also been a decrease in the number of Independent Foster Placements which are via agencies and are significantly more expensive than in-house fostering placements.

<b>Placement types for 2020/21</b>	<b>April</b>	<b>August</b>	<b>December</b>	<b>March</b>
Residential Placement	28	26	23	20
IFA Fostering Placement	101	92	89	80
Total Children Looked After (CLA)	348	330	322	321

6.15. For comparison residential placements peaked at 44 in September 2019. Maintaining this reduced reliance on externally commissioned placements is integral to the Council's financial position.

6.16. The other historic pressure in Children's social care has been agency staff. Total spend on Agency and interim staff was £4.1m for 2020/21. Increased costs were expected because of the implementation of the Learning Academy to provide increased capacity whilst new ASYE Social Workers complete their first year of training. Looking ahead to 2021/22 these costs will reduce as the staff take on larger caseloads.

6.17. Several internal permanent staff were also successful in securing promotions in the new structure, which requires some interim agency staffing to ensure service continuity whilst the substantive posts are recruited to. These internal promotions demonstrate Torbay's commitment to the genuine career progression on offer for staff at Torbay Council.

6.18. Overall, despite the continued use of agency staff there was a £1.2m underspend in Children's Safeguarding staffing overall.

- 6.19. Changes in ways of working implemented due to Covid-19 restrictions have also resulted in a forecast £190k savings due to reduced costs of recruitment, travel, print and postage etc.
- 6.20. This very welcome improvements to long term trends does not mean the hard work is over, Torbay's total spend on Children's Safeguarding remains one of the highest when compared to its statistical comparator group. Further improvements to this service remain central to the success of the Medium-Term Resource Plan.
- 6.21. Whilst these updates contained within this finance report understandably focus on the financial impact of the changes, the most significant impact of all of 'the numbers' is that children & young people growing up in Torbay have improved outcomes.

### 3b Schools Service underspend £390k

- 6.22. Within Schools Services, on Council funded activity (i.e. non-DSG) there was a net underspend of £390k predominantly as a result of staff vacancies within the service.
- 6.23. Due to social distancing restrictions there are implications on the current home to school travel arrangements for children with Special Educational Needs (SEN). Before lockdown this service cost £54k per week on transporting 454 children "door to door".
- 6.24. With the requirement to comply with social distancing restrictions the weekly costs have increased, costing the Council a total of £2.0m for 2020/21 which represents an overspend of £0.2m for the remainder of this financial year.
- 6.25. Government financial support has been received to offset the costs of providing additional public transport during school travel times. The council has worked with both bus and rail operators to ensure additional public transport was available from the start of this term.

### 4. Community Services – Underspend £421k

- 6.26. The main pressure within Community Services is the cost of providing temporary accommodation which is forecast to be a total of £938k. This additional cost is because of providing accommodation and support as part of the "Everyone In" initiative. The service is concerned that demand for this service will remain high for the remainder of the year and will continue to 2021/22 as economic pressures continue.
- 6.27. At the peak of demand in June 2020, this service was providing accommodation an additional 121 people because of the "Everyone In" campaign. This meant at the time there was a total of 249 people in Temporary Accommodation.
- 6.28. Following a successful bid for the Next Steps Accommodation Programme, the Council has received £274k of funding towards the revenue costs of Temporary accommodation for 2020/21, which results in an underspend against the revised budget set for Housing.
- 6.29. Grant funding of £57k was also received to deliver additional initiatives working with Landlords and a specialist youth provider.
- 6.30. In partnership with Tor Vista, the Council was also successful in its bid for £1m of Capital funding towards the Next Steps Accommodation Programme to purchase

properties to provide move on accommodation. The total Capital project has a value of £2.2m, with the properties being purchased and managed by Tor Vista.

- 6.31. As a result of the work of the dedicated housing team and their work with local landlords they have enabled most people to move on to permanent accommodation options. As at the end of 2020/21 there were 155 people remaining in Temporary Accommodation, with 14 of these due to move into the Next Steps Accommodation Programme Properties.
- 6.32. This work results in an underspend against the revised budget set and allows the unused money to be carried forward to meet 2021/22 pressures within the service.
- 6.33. As the Furlough and Self-employed income support schemes come to an end and evictions restart the team are expecting to see further increases in demand for support. These changes at a national level are coupled with a very competitive rental market locally which is being further stretched due to the significant demand for “staycation” properties and B&B or self-catering accommodation. In efforts to address these challenges the Housing team are in the process of developing a Housing Sufficiency Strategy which will identify mitigating actions.
- 6.34. Elsewhere within Community Services there are some expected shortfalls in income associated with the Food safety and licensing of £150k due to restrictions on the work the team were able to undertake due to lockdown restrictions. This is partially offset by the Income Reimbursement Scheme. There are also several vacancies across the Community Services teams which contribute to the overall underspend.

#### 5. Corporate Services – Overspend £1.258m

- 6.35. Within legal services there was an overspend of £560k. This is in part due to the ongoing costs associated with Agency Staff of £413k, predominantly because of the support for Adult Safeguarding. There are renewed efforts to recruit to permanent staff including a review of market supplements and a “grow our own” approach. Recharges and income associated with Legal work is forecasting a shortfall of £200k based on historic levels of income achievement.
- 6.36. Of the total £386k of historic transformation savings for delivery in 2020/21 £125k will be undelivered. This is ultimately due to the significant amount of Covid-19 response work undertaken by key officers leading on Council Redesign. These savings will need to be delivered in 2021/22. This have been offset by salary savings of £100k. Linked to the Council’s investment in improved digital and customer interfaces a carry forward has been included to fund the implementation costs of the proposed Customer Relationship Management (CRM) system.
- 6.37. There is an income shortfall of £283k associated with the Print service, in line with recent years.
- 6.38. Although income levels have started to improve the Registrars service faced a shortfall of £200k in income due to social distancing restrictions on the registration of Births and Marriages. With continued restrictions shortfalls on income are expected to continue into 2021/22.

## 6. Customer Services – Overspend £164k

- 6.39. As a result of reducing numbers of claimants for Housing Benefit as claimants transition to Universal Credit the Council has seen a fall in the Administration grant received by the Council. The reduction in Housing Benefit cases also affects the “mix” of claimants and resultant subsidy for the claimants. Overall this relates to a £300k pressure in the subsidy received by the Council. This has been offset by the allocation of Covid-19 funding.
- 6.40. Over the last year there have been significant increases in demand for the contact centre resulting in £200k of additional staff costs associated with the increased demand within customer services associated with the delivery of support for individuals and businesses in accessing support.

## 7. Investment Properties – Overspend £437k

- 6.41. There are pressures associated with investment property income which are because of national organisations going into administration that were previously operating within Council owned properties within Torbay.
- 6.42. The overspend reported is, in part, of making a provision for other properties with tenants that have entered into payment plans as a result of the economic impact of Covid-19 on their normal operations. As and when any current arrears are repaid this provision will be reversed.
- 6.43. As a result of the overall Council position no drawdown from the Investment fund reserve has been required in 2020/21. Therefore this reserve remains preserved to meet temporary income shortfalls on investment properties across the portfolio.

## 7. Finance – Underspend £2.1m

- 6.44. Within this budget heading there are several centrally held Covid-19 expenditure items which are funded by the Government grants received.
- 6.45. As a result of reduced interest rates and no requirement for borrowing due to a pause on Investment Fund activity there are Treasury Management savings of £750k.
- 6.46. During the year there were costs of £826k associated with the Temporary mortuary facility that has been set up by the Council. The facility has been in place since April and based on the projections for use was partially downsized during the year and is scheduled for full demobilisation in July 2021.
- 6.47. The costs of the emergency response for the financial year including the Shielding Hub which has been set up to provide support for individuals on the Governments shielding list, additional communication with the community, purchase of PPE, and additional bandwidth for homeworking is forecast to cost up to £400k. The Shielding Hub has provided a range of support for the community and includes a contact centre as well as the provision of food parcels and PPE.
- 6.48. There are pressures associated Business Rates Collection from a reduced “gain” from the NNDR rate retention pool. This is due to a predicted downturn in rates collection across the Devon-wide pool which results in less funding being re-distributed across the pool. In addition, the significant changes in NNDR reliefs, in particular the 100% reliefs



for retail, leisure and hospitality, has changed the mix of reliefs in year and the resulting grant support.

- 6.49. £300k of contingencies for shortfall in income have been released to mitigate budget shortfalls. There is an impact on interest receipts from the reduction in bank base rate from 0.75% to 0.1% however this is forecast to be offset by compensating savings elsewhere in the treasury management budgets.
- 6.50. Due to the significantly increased activity in the Revenues & Benefits function additional resources (£100k) have been approved to support the team in administering the Collection Fund. The Council has received additional “new burdens” funding which reflects the huge volume of additional work undertaken by the Business Rates & Council Tax teams in the response to Covid-19, particularly around the payment of business grants, administration of reliefs and re-billing.

#### 9. Central Covid costs & Grants – overspend of £2.6m

- 6.51. This heading reflects the receipt of the sales, fees and charges compensation grant, however £6.7m of grant has now been classified in Sources of Funding as unringfenced grant which results in an underspend in that area. Some Covid-19 funding received in 2020/21 has been earmarked to offset the continued impact of Covid-19 in 2021/22. Within this area several service specific carry forwards have been actioned to recognise the known impact of Covid-19 on some services in 2021/22.
- 6.52. If it hadn't been for the significant turnaround in Children's Services the Council may have needed to deploy this funding in 2020/21. This again emphasises the significance of the continued improvement within Children's Services and ongoing effective financial management of all Council services both in terms of the business-as-usual work and mitigating and offsetting pressures that will feature in 2021/22.
- 6.53. More information on the expected mitigation required is in **Section 7 Future mitigating actions.**

#### 10. Business Services – Overspend £557k

- 6.54. Within Car Parking services income has been significantly affected due to the extended Government lockdowns in place for the majority of 2020/21. Off street income was £1.8m down compared to the previous year, on street income was down £0.6m for the same period.

Change in income between 2020/21 and 2021/22				
Car park type	Q1	Q2	Q3	Q4
Off Street	-82.3%	-5.4%	-37.5%	-68.9%
On Street	-75.7%	+10.1%	-25.4	-51.9%

- 6.55. The extension of the Sales, Fees & Charges reimbursement scheme offsets most losses in 2020/21. The extension of this scheme has been agreed for the first Quarter of 2021/22. However, if the scheme is not extended beyond June and restrictions on

foreign travel are lifted a lack of visitors over the summer months could have a significant impact on the Councils financial position in 2021/22.

6.56. There are additional income pressures across:

- Harbours faced a shortfall in income due to reduced visiting vessels and fish tolls
- Culture & Events faced an £80k shortfall due to the cancellation of local events & Torre Abbey £200k due to opening restrictions.
- Beach Services faced a shortfall of £80k due to lost sales because of lockdown.

6.57. As a result of the prolonged closure of Leisure centres, financial support for local centres was £1.1m. This is £0.7m for the RICC and £0.4m for Clennon Valley. This support was partially offset by £250k of grants that Torbay Council successfully bid for from the 'National Leisure Recovery Fund'.

## 11. Planning & Transport – Underspend £326k

6.58. Linked to the pattern of payments to operators reflecting changes in demand due to COVID and following Department of Transport guidance it is proposed to establish an earmarked reserve of £0.960m for support to future bus travel and transport. In addition, there is an underspend of £280k due to reduced "standard" usage of the main bus routes.

6.59. Changes to stamp duty relief have seen significant late demand within the Land Charges service which means despite the initial downturn, service income was on budget.

6.60. Overall within planning income losses have been offset by the Income reimbursement scheme and late improvements in income levels has allowed for a £100k carry forward for service improvement work to be carried out in 2021/22.

## **7. Future mitigating actions**

7.1. Looking ahead to 2021/22 service pressures are expected to continue in a number of services;

7.1.1. Council Tax & Business Rates Collection

7.1.2. Demand for Council Tax Support Scheme

7.1.3. Support for individuals and families requiring Temporary Accommodation

7.1.4. Income pressures across Car Parking, Investment Properties

7.1.5. Support for the Leisure Centres & SWISCo

7.2. Officer groups working in "Incident Management Teams" continue to focus on each of these issues to identify and deploy interventions to manage these pressures. Details of which will be contained within 2021/22 monitoring reports.

7.3. Following on from the success of the focused Officer & Member working groups which focused on Children's, during 2021/22 Officer & Member groups have also been established for each Directorate. This allows the Leader, Deputy Leader, Portfolio

Holder for the Service and the Overview & Scrutiny Lead to be kept up to date on emerging pressures & actions delivered.

- 7.4. Looking ahead, the financial impact for the Council remains contingent on the level of recovery in Torbay. This recovery is in terms of both the local economic recovery and collection of Council Tax and NNDR which is vital to fund the delivery of local public services. Early signs of a very busy visitor season seem encouraging in terms of the economic recovery, albeit present enormous pressures on other services due to the influx of visitors.
- 7.5. The Chief Financial Officer and his team are closely monitoring the Council's cash flow, although at this stage there remains no concern about cash flow.

## 8. Risks & Sensitivity

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

Risk	Impact	Mitigation
Continued loss of income	High	Recovery meetings have been convened by the Chief Finance Officer for all the Council's main areas of income. Each group is tasked with developing an action plan to influence income where possible
Collection Fund shortfall	High	Additional resources allocated to support the Revenues & Benefits team and a review of debt recovery will be undertaken.
Fair Funding Formula	Medium	Development of a robust MTRP to address the expected impact on Torbay's funding. Timing of this funding change is now 2022/23 at the earliest.
Identification, and delivery, of savings for 2022/23 to 2024/25 per Medium Term Resource Plan	High	Star Chambers for the 2022/23 Budget setting process commenced in June. Options will be reviewed by Senior Leadership Team in collaboration with Cabinet to consider options for future years.
Delivery of Children's Services cost reduction plan	Medium	Meetings continue to monitor the current rate of delivery against the identified actions from the Sufficiency Strategy.
Unable to recruit staff and need to use agency staff.	High	Recruitment & retention of Social Work staff, particularly in safeguarding is still one of the core priorities for the Senior management team within Children's Services.  This pressure is also being seen across a number of front line services which are integral to the Council's "Summer Response Team" Work continues to identify solutions to these challenges which seem to be on a national scale.
Additional demand and cost pressures for services, particularly in children's social care	Low	2020/21 Budget monitoring, use of service performance data and recovery plan.
Delivery of approved savings for 2021/22	Medium	Further to regular budget monitoring for all budget holders, the Council's Senior Leadership Team receive monthly updates on the 2021/22 position.
Investment Property Income changes	High	There are ongoing discussions with tenants about recovery plans

## **9. Capital Plan update**

- 9.1. The Capital Plan Budget totals £301m over the 4-year period. Various changes, mainly new grant allocations, before 31 March 2021 increased the Plan total to £307m. Capital expenditure of £27m was incurred in 2020/21 of which £12m related to regeneration projects
- 9.2. Appendix One shows the expenditure on each scheme in 2020/21 compared to level of spend estimated at Quarter 3. The final column shows the total balance that will be carried forward as the capital expenditure budget in future years.
- 9.3. As a result of capital projects carried forward into 2021/22 there is £89m profiled for delivery in 2021/22, with a possible further £52.8m of Regeneration and Economic Growth projects, subject to suitable schemes being brought forwards.
- 9.4. More detail on the final spend and activity during 2020/21 is contained below.

### **Thriving People and Communities**

- 9.5. Over £7m was spent in 2020/21 including some £4.5m on school improvements at sites including Brunel Academy, Paignton Community and Sports Academy and Barton Nursery.
- 9.6. The Council's contribution towards the provision of a new Free School in Paignton was finally paid and the site is hoped to be in use by September 2021. Investigations for a further site in Paignton continue.
- 9.7. There was further expenditure of £0.6m on the Children's Case Management system and £1m was also spent to progress affordable housing developments and the 'Next Steps Accommodation Programme'.
- 9.8. Whilst there was some preparatory expenditure on Crossways redevelopment proposals, which will include Extra Care housing, the expenditure levels were much less than anticipated as a result of the delays to the Compulsory Purchase Order.

### **Thriving Economy**

- 9.9. There was expenditure of over £17m in 2020/21 on schemes. Work continued on the Claylands site redevelopment (£6.7m) and the Harbour View Hotel (£2.5m) along with a number of other regeneration projects including the acquisition of a town centre retail site.
- 9.10. The Public toilets modernisation programme also continued along with ongoing major highway works at Torquay Gateway (£1m) and other highways spend (£3m) including payments in relation to the South Devon Highway.
- 9.11. There was a significant variation in the payment due to Devon County Council for payments in relation to South Devon Highway compared to previous forecasts supplied. The remaining costs are expected to be in respect of compensation claims but these have been slow in progressing.

9.12. In general, expenditure in year was lower than forecast on several schemes in part delayed by pandemic lockdown restrictions. This is also the case across several areas of the Capital Plan.

### **Tackling Climate Change**

9.13. Spend of £1.5m was mainly on the purchase of new recycling collection vehicles which enable significant improvements to the efficiency and effectiveness of SWISCo's recycling operations and will facilitate improved recycling efforts.

There was also some limited expenditure on initial costs and surveys associated with the proposed Solar Farms at Brokenbury, near Brixham and Nightingale Park, Torquay.

### **Council fit for the Future**

9.14. Spend of £1.2m including a further £0.25m on IT investment and £0.6m on essential repair works to properties particularly in sea front locations, and a loan to SWISCo. for some heavy plant vehicles.

## **10. Funding**

10.1. A summary of the funding of the 2020/21 Capital Plan is shown in the Table below:

<b>2020/21 Funding</b>	<b>Totals @ Q4 £m</b>
Unsupported Borrowing	13
Grants	12
Contributions	1
Revenue	1
Reserves	1
Capital Receipts	(1)
<b>Total</b>	<b>27</b>

## 11. Grants

- 11.1. The Council has been notified of the following new capital grant allocations, since the last monitoring report.
- 11.2. Department for Education – School Condition Allocation 2021/22 - £417,887. Provided to authorities for major repairs and maintenance of school estates.
- 11.3. Department for Education– Devolved Formula Capital Grant 2021/22 - £83,700. This is a ring-fenced grant and will be paid to appropriate schools as required.
- 11.4. Department for Education – Basic Need allocation 2022/23 - £1,829,365. Note this is a future year allocation to enable planning for future demands for school places. In addition, a further £440,961 allocation for 2020/21 has been announced to compensate for the later than expected opening of the new Free Primary School in Paignton.
- 11.5. Department for Education – High Needs Provision Capital 2021/22 £530,150. A new allocation for 2021/22 to enable schools to provide improved facilities for pupils with High Needs
- 11.6. Department for Transport – Highways Structural Maintenance Grants £809,000 together with Potholes Action Fund also £809,000. Both are 2021/22 allocations.
- 11.7. Department for Transport – Incentive Element 2021/22 - £202,000. This is an indicative amount and the maximum amount but is subject to DfT review and adjudication before being confirmed. This element of grant is paid to authorities following effective asset management and adopting efficiency and best practice principles for local highway maintenance.
- 11.8. Department for Transport – Integrated Transport Block 2021/22 - £1,071,000.
- 11.9. Ministry of Housing Communities and Local Government – Disabled Facilities grants 2021/22 £2,128,689. This grant allocation is used to support our DFG expenditure but also includes the former Adult Social Care capital grant. In recent years £1m has been allocated by members to DFGs with the balance to Adult Social Care some of which will be used to support the proposed Torre Marine (Extra Care Housing) redevelopment.
- 11.10. As well as the above new annual grant allocations the Council received confirmation of the following specific grant:
- 11.11. Public Sector Decarbonisation Scheme –allocation £1,849,899 to enable the replacement of the heating system at Torbay Leisure Centre with a more favourable decarbonisation heat technology alternative.
- 11.12. All the above grants will be included in the Council’s 2021/22 capital budget and have been allocated to the intended services

## **12. Capital Receipts**

- 12.1. In 2020/21 just over £0.5m of capital receipts have been generated from asset disposals, with a further £0.18m from Right To Buy (RTB) Clawback and £0.4m from capital loan repayments, giving total receipts of £1.1m. The RTB Clawback and repaid loans are earmarked resources and are not available to fund the general Capital Plan. Currently, the approved Plan relies upon the generation of a total of £6.6 million additional capital receipts from asset sales.
- 12.2. No capital receipts were used to finance capital expenditure in 2020/21 and some previous temporary usages were 'repaid' or and some estimated usage delayed, increasing the balance held at year end to £1.7m.
- 12.3. During 2020/21 the land at Collaton St Mary was offered for sale. The use of the Capital Receipt from the (expected) proceeds are detailed in Appendix 4. It is important to note that any use of the receipt will only be committed once the funds have been received from the developer and any relevant conditions have been met. Repayment of the original borrowing is currently profiled to take place in equal payments in 2022/23 and 2023/24.

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

- 12.4. In 2020/21 £1.1m of capital contributions were generated. Of this value, £0.1m was from Section 106 Planning agreements with £0.3 from Community Infrastructure Levy and the balance £0.7m being contributions to specific schemes by other partners.
- 12.5. The Council's Community Infrastructure Levy (CIL) scheme came into effect in 2017/18. The main capital project identified for funding from CIL receipts is the South Devon Highway. The Council used £0.1m of its CIL receipts to fund its South Devon Highway expenditure in 2020/21. The "neighbourhood proportion" of CIL receipts has been allocated to an earmarked reserve pending distribution.

## **14. Appendices:**

- 14.1 Appendix 1 - Capital Plan summary – Quarter 4 2020/21
- 14.2 Appendix 2 – Allocation of Corporate and Community Plan funding £1m
- 14.3 Appendix 3 – Concessionary Fare allocation £950k
- 14.4 Appendix 4 – Use of Collaton St Mary Receipt



CAPITAL PLAN - OUTTURN 2020/21 - EXPENDITURE

Appendix 1

	Latest Est Scheme Cost	Expend in Prev Years (active schemes only)	Revised 4-year Plan						
			Total 2020/21 Revised	Outturn 2020/21	Slippage to c/f to 21/22	2021/22	2022/23	2023/24	Total for Plan Period 21/22-23/24
<b>PB</b> = Approved Prudential Borrowing schemes	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Thriving People and Communities</b>									
Barton Academy - Nursery provision	105		527	422	105				105
Brookfield Site / Brunel Academy Phase 1	1,008	1,008	0		0				0
Brunel Academy Ph 2 Vocational Classrooms	541	366	676	551	125	50			175
Capital Repairs & Maintenance 2018/19	227	227	151	171	14				0
Capital Repairs & Maintenance 2019/20	153	139	130	116	14				14
Capital Repairs & Maintenance 2020/21	463		362	129	213	250			463
Devolved Formula Capital			211	35	176				176
Early Years - Ellacombe Academy Nursery	892	892	0	19					0
Education Review Projects			53	30	4	1,881	1,829		3,714
Mayfield Expansion	1,447		150	53	97	1,350			1,447
Medical Tuition Service - relocation	586	518	83	15	68				68
New Paignton Primary school sites (St Michaels & Windmill)	594	7	602	615	(13)	600			587
Pgn CS Academy Expansion	1,026	836	43	898	(855)	1,045			190
Roselands Primary - additional classroom	585	454	75	14	61	70			131
Secondary School places	2,192	2,192	0		0				0
Sixth Day Provision	117		250	133	117	0			117
Special Provision Fund (SEND)	735	371	278	114	164	200			364
St Cuthbert Mayne Expansion	3,541		300	249	51	3,490			3,541
Torbay School Relocation (Expansion Burton Acad Hillside site)	302	279	921	923	(2)	25			23
Foster Homes Adaptations	300		0		0	100	100	100	300
IT replacement - Childrens Case Management System	424	232	768	576	192				192
Adult Social Care			0		0	241			241
<b>PB</b> Crossways, Paignton - Regen and Extra Care Hsg	22,261	13	4,999	98	4,901	8,625	8,722		22,248
Extra Care Housing (Torre Marine)	3,700	1,315	35		35	2,350			2,385
Disabled Facilities Grants			1,203	739	464	369			833
Affordable Housing	720	1	0		0	719			719
<b>PB</b> Housing Rental Company - Loan	23,289		1,067	778	289	10,000	13,000		23,289
Housing Rental Company - Aff Hsg Developments	101	11	89	(1)	90				90
<b>PB</b> Tor Vista Homes re Preston Down Road	23,000		0		0	3,000	10,000	10,000	23,000
<b>PB</b> Next Steps Accommodation Programme	1,798		2,172	374	1,798				1,798
	<b>90,107</b>	<b>8,861</b>	<b>15,145</b>	<b>7,051</b>	<b>8,094</b>	<b>34,365</b>	<b>33,651</b>	<b>10,100</b>	<b>86,210</b>

CAPITAL PLAN - OUTTURN 2020/21 - EXPENDITURE

Appendix 1

		Revised 4-year Plan							
	Latest Est Scheme Cost	Expend in Prev Years (active schemes only)	Total 2020/21 Revised	Outturn 2020/21	Slippage to c/f to 21/22	2021/22	2022/23	2023/24	Total for Plan Period 21/22-23/24
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>PB = Approved Prudential Borrowing schemes</b>									
<b>Thriving Economy</b>									
PB	Claylands Redevelopment	3,756	1,855	7,250	6,683	567	1,250	84	1,901
	DfT Better Bus Areas	1,147	1,095	52		52			52
PB	Edginswell Business Park	6,509	2,983	337	111	226	3,300		3,526
	Edginswell Station	8,401	518	0		0	4,000	3,883	7,883
PB	Innovation Centre Ph 3 (EPIC)	6,511	6,420	115	24	91			91
PB	Oxen Cove Landing Jetty	2,483	2,483	0		0			0
PB	South Devon Highway - Council contribution	20,100	18,641	800	123	677	782		1,459
PB	TEDC Capital Loans/Grant	4,040	3,465	0		0	575		575
	Transport Highways Structural Maintenance			2,790	2,469	321	2,020		2,341
	Transport Integrated Transport Schemes			796	354	441	1,071		1,512
	Transport - Torquay Gateway Road Improvements	1,866	1,198	1,049	1,061	(12)	600	80	668
	Transport - Tweenaway Junction	4,905	4,905	0		0			0
	Transport - Western Corridor	12,254	11,645	250	17	233	250	126	609
	Babbacombe Beach Road	250	0	510	280	230	20		250
PB	Brixham Harbour - Breakwater	3,783	3,783	0		0			0
	Brixham Harbour - CCTV upgrade		79	7		7			7
	Brixham Harbour - Infrastructure Repairs	147	92	122	67	55			55
	Brixham Harbour - Water Meters	72	72	38	45				0
PB	CCTV equipment	521	518	3		3			3
	Clennon Valley Sport Improvements	69	32	38	1	37			37
	Flood Alleviation - Cockington	323	82	200	5	195	46		241
	Flood Alleviation - Monksbridge	407	51	40	5	35	321		356
	Paignton Coastal Defence Scheme	3,076	69	186	66	120	1,585	1,302	3,007
PB	Paignton Harbour Light Redevelopment	796	714	86	4	82			82
	Princess Pier - Structural repair (with Env Agency)	1,692	846	10	(27)	37	809		846
PB	Public Toilets Modernisation Programme	1,157	1,050	729	622	107			107
	Recreation Ground Drainage Network	9	0	33	24	9			9
PB	RICC Improvements (re Parkwood)	2,574	31	250	125	125	500	418	1,500
	Torbay Community Partnership	40	40	10	10	0			0
PB	Torbay Leisure Centre (Parkwood Loan)	300		150		150	150		300
PB	Torre Abbey Renovation - Phase 3 (TC contrib)	1,700		0		0	0	1,700	1,700
	Torre Valley North Enhancements	36	36	0		0			0
	Torquay Harbour - South Pier Pontoon Runner Guides	35	35	5	5	0			0
PB	Regeneration Programme and Economic Growth Fund	102,800		0		0	52,800	50,000	102,800
PB	Regeneration Programme-Retail Opportunity	15,941	15,941	759					0
PB	Regeneration Programme-Harbour View Hotel Developmt	11,516	1,002	3,990	2,500	1,490	8,770	254	10,514
PB	Old Toll House (Econ Growth Fund)	1,146	74	100	54	46	998		1,044
PB	TCCT Occombe Farm Development (EGF)	1,092		0	108	(108)	1,200		1,092
PB	Retail site acquisition (Regen Prog)	0		1,725	1,769				0
	Torquay Towns Fund - Accelerated Funds	221		750	529	221			221
	Torquay Towns Fund	21,900		0		0	10,000	11,900	21,900
	Paignton Future High Streets Fund (Provisional)	13,363		0		0	1,000	6,000	6,363
PB	Lymington Rd Business Centre (LEP GBF/EGF)	2,794		110	16	94	2,700		2,794
	Edginswell Enabling Works (LEP GBF)	1,887		260	73	187	1,700		1,887
	EPIC and SD College (LEP GBF)	768		680	412	268	500		768
		262,387	79,755	24,230	17,535	5,986	86,947	73,847	19,763
<b>Tackling Climate Change</b>									
PB	Council Fleet Vehicles	3,303	2,973	1,798	1,468	330			330
PB	Solar Farm, Brokenbury (EGF)	2,717		50	33	17	2,700		2,717
PB	Solar Farm, Nightingale Park (EGF)	2,182		100	18	82	2,100		2,182
		8,202	2,973	1,948	1,519	429	4,800	0	0
<b>A Council fit for the future</b>									
PB	Corporate IT Developments	1,722	1,715	86	161	(75)	82		7
	IT Equipment - TOR2	69	22	128	81	47			47
PB	Essential Capital repair works	728	49	322	143	179	500		679
	Enhancement of Development sites	310	110	200	32	168	32		200
	General Capital Contingency	689	0	0		0	689		689
	SWISCo Loan facility			332	332	0			0
	Capital from Revenue				459				0
		3,518	1,896	1,068	1,208	319	1,303	0	0

CAPITAL PLAN - OUTTURN 2020/21 - EXPENDITURE

Appendix 1

	Latest Est Scheme Cost	Expend in Prev Years (active schemes only)	Revised 4-year Plan						
			Total 2020/21 Revised	Outturn 2020/21	Slippage to c/f to 21/22	2021/22	2022/23	2023/24	Total for Plan Period 21/22-23/24
<b>PB</b> = Approved Prudential Borrowing schemes	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Investment Fund</b>									
<b>PB</b> Investment Fund	231,431	231,431	0	(306)		0			0
	231,431	231,431	0	(306)	0	0	0	0	0
<b>TOTALS</b>		324,916	42,391	27,007	14,828	127,415	107,498	29,863	279,604
<b>CAPITAL PLAN - OUTTURN 2020/21 - FUNDING</b>									
Unsupported Borrowing			21,070	13,521	7,090	98,144	75,456	11,500	192,190
Grants			18,540	12,113	5,712	25,108	27,314	18,263	76,397
Contributions			1,106	642	726	764			1,490
Revenue			(72)	557	(55)	182	100	100	327
Reserves			1,130	800	337	608	206		1,151
Capital Receipts			617	(626)	1,018	2,609	4,422		8,049
<b>Total</b>			42,391	27,007	14,828	127,415	107,498	29,863	279,604

### Appendix 2

Funding proposals		
Year End Underspend– Revenue Reserve of £1m		
Place Investment		
YEU1	150	Beach Improvements
YEU2	100	Lighting - to bring some up to standard
YEU3	30	Festoon Lighting - Torquay Seafront
YEU4	100	Festoon lighting - Torquay Harbour
YEU5	100	Works associated with Broadsands overflow car park & preventing unauthorised use of public open spaces
YEU6	145	Funding for double yellow lines
YEU7	60	To support Sport in Torbay.
YEU9	65	TCCT
Resource and Waste Management/Climate Change		
YEU12	250	Bio-diversity and climate change fund
<b>Total proposals</b>		<b>1,000</b>

Appendix 3

<b>Funding proposals</b>		
<b>Concessionary Fares – Revenue Reserve of £0.95m</b>		
	<b>£'000</b>	
CF1	50	Development of Electric Bus Plan
CF2	290	Bus fares support for FSM and Care Experienced
CF3	50	Bus Infrastructure - new shelters, grass roofs
CF4	500	Highway Infrastructure - lining and pot holes
CF5	5	Support for travel to Heritage Sites (i.e. Torre Abbey / Torquay Museum)
CF6	30	Improving residential signage
CF7	25	Highways Improvements
<b>Concessionary Fares reserve proposals</b>	<b>950</b>	

## Appendix 4

<b>Funding proposals</b>		
<b>Collaton St Mary – Capital Receipt of £9.2m</b>		
Expected payment profile:		
£900k	21/22	£4.1m 22/23    £4.2m 23/24
Below details the initial allocations for 2021/22. Further use in 2022/23 and 2023/24 will be put forward as part of setting the Capital Plan as part of the Annual budget setting cycle. This will also include repayment of the original funding required for the initial land acquisition costs.		
<b>Place Infrastructure</b>		
<b>CSM2</b>	100	Torbay Road scheme Top Up funding
<b>CSM3</b>	150	Events Infrastructure
<b>CSM4</b>	150	Oldway reserve for works
<b>Housing</b>		
<b>CSM11</b>	500	Affordable Housing Fund
<b>Total Collaton St Mary Capital Receipt proposals</b>	<b>900</b>	

**Standing Order D11 (in relation to Overview and Scrutiny) – Call-in and Urgency  
Council Meeting, 22 July 2021**

In accordance with Standing Order D11, the call-in procedure does not apply where the executive decision being taken is urgent. A decision will be urgent if any delay likely to be caused by the call-in process would prejudice the Council's or the public's interests.

Before deciding whether a decision is urgent the decision making person or body must consult the Overview and Scrutiny Co-ordinator, or in his absence either:

- (a) (if the decision is a Key Decision and Standing Order E14 (General Exception) applies) each member of the Overview and Scrutiny Board shall be consulted; or
- (b) (in all other cases) the Civic Mayor, or (if there is no Civic Mayor appointed) the Deputy Civic Mayor, shall be consulted.

Decisions taken as a matter of urgency shall be reported to the next available meeting of the Council, together with the reasons for urgency and a summary of the consultation undertaken.

The table below sets out this information:

<b>Matter for decision</b>	<b>Decision-taker</b>	<b>Reasons for urgency</b>	<b>Consultation</b>
Sexual Health Prevention Service	The Cabinet	<p>The Cabinet took a decision, at its meeting held on 15 June 2021, to approve a contract for the Sexual Health Prevention Service.</p> <p>The decision taken by the Cabinet needed to be implemented immediately as any delay likely to be caused by the call-in process would prejudice the public's interests.</p>	The Overview and Scrutiny Co-ordinator was consulted on 14 June 2021.