

OVERVIEW AND SCRUTINY BOARD

A meeting of **Overview and Scrutiny Board** will be held on

Wednesday, 29 June 2011

commencing at **5.30 pm**

The meeting will be held in the Meadfoot Room, Town Hall, Castle Circus,
Torquay, TQ1 3DR

Members of the Committee

Councillor Thomas (J)
Councillor Darling
Councillor Pentney
Councillor Barnby
Councillor Parrott

Councillor Bent
Councillor Butt
Councillor James
Councillor Kingscote

Co-opted Members of the Board

Leon Butler
Penny Burnside, Diocese of Exeter

Our vision is for a cleaner, safer, prosperous Bay

For information relating to this meeting or to request a copy in another format or language please contact:

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01803 207035

Email: scrutiny@torbay.gov.uk

OVERVIEW AND SCRUTINY BOARD AGENDA

1. **Election of Chairman**
To elect a Chairman of the Overview and Scrutiny Board for the 2011/12 Municipal Year.
2. **Apologies**
To receive apologies for absence, including notifications of any changes to the membership of the Committee.
3. **Appointment of Vice-Chairman**
To consider appointing a Vice-Chairman of the Overview and Scrutiny Board for the forthcoming Municipal Year.
4. **Minutes**
To confirm as a correct record the minutes of the meeting of the Board held on 13 April 2011.
5. **Declarations of Interest**
 - (a) To receive declarations of personal interests in respect of items on this agenda.

(Pages 1 - 2)

For reference: Having declared their personal interest members and officers may remain in the meeting and speak (and, in the case of Members, vote on the matter in question). If the Member's interest only arises because they have been appointed to an outside body by the Council (or if the interest is as a member of another public body) then the interest need only be declared if the Member wishes to speak and/or vote on the matter. A completed disclosure of interests form should be returned to the Clerk before the conclusion of the meeting.

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

For reference: A Member with a personal interest also has a prejudicial interest in that matter if a member of the public (with knowledge of the relevant facts) would reasonably regard the interest as so significant that it is likely to influence their judgement of the public interest. Where a Member has a personal prejudicial 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 Democratic Services or Legal Services prior to the meeting.)

6. **Urgent Items**
To consider any other items that the Chairman decides are urgent.
7. **Appointment of Health Scrutiny Board** (Pages 3 - 4)
To consider appointing a Health Scrutiny Board with the terms of reference as set out in the accompanying report.
8. **Update on Bathing Water Quality and the revised Bathing Water Directive** (Pages 5 - 8)
To consider an update on the above.
9. **Revenue Outturn 2010/11 - Subject to Audit** (Pages 9 - 24)
To consider the Revenue Outturn 2010/11
10. **Capital Plan Budget Outturn 2010/11** (Pages 25 - 44)
To consider high-level information on capital expenditure and income for the year 2010/11.
11. **Overview and Scrutiny Work Programme 2011/2012** (Pages 45 - 54)

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Minutes of the Overview and Scrutiny Board

Wednesday, 13 April 2011

-: Present :-

Councillor Thomas (J) (Chairman)

Councillors Baldrey, Excell, McPhail, Parrott, and Richards

667 Apologies

Apologies for absence were received from Councillors Darling, Manning, and Pentney.

668 Minutes

The minutes of the meetings of the Board held on 16 and 28 March 2011 were approved and signed by the Chairman as a correct record.

669 Older Persons' Strategy - Update

The Board considered Report 87/2011 which provided an update on the progress that had been made in developing an Older Persons' (Active Ageing) Strategy for Torbay.

The Director of Public Health attended the meeting and explained that she had now taken responsibility for developing the Strategy given the links between it and the emerging Health and Wellbeing Strategy for Torbay. It was expected that the Strategy would be considered by the Torbay Strategic Partnership in September 2011.

The Director went on to give an explanation of the ongoing consultation which was being led by the Torbay Older Citizens' Forum (supported by Torbay Council, Torbay NHS Care Trust and the Torbay Local Involvement Network (LINK)).

Resolved:

- (i) that the Board was pleased to note that the Director of Public Health would now be leading on this project and would be looking for a Strategy to be in place in accordance with the timetable shared at the meeting;
- (ii) that, at its meeting in July 2011, the Board consider the results of the consultation in relation to the emerging Active Ageing Strategy together with a framework for the Strategy;

- (iii) that the Board has concerns about the definition of an “older person” being over 50 but looks forward to hearing the views on this issue as expressed in the consultation; and
- (iv) that the Board would like to see a wider proportion of the population included within the consultation so that a greater degree of confidence could be placed on the results.

670 Quality Accounts for local NHS Trusts

It was noted that healthcare providers have a legal duty to send their Quality Account to the appropriate Overview and Scrutiny Committee prior to publication and by 30 April each year. For 2010/2011, South Devon Healthcare NHS Foundation Trust was required to send Torbay Council’s scrutiny committee a Quality Account on its services, as was Torbay NHS Care Trust in respect of its community healthcare services.

To date neither Trust had made their Quality Account available.

Resolved:

- (i) that the Chairman and Vice-Chairman of the Health Scrutiny Board be authorised to agree the wordings of the Quality Account statements for South Devon Healthcare NHS Foundation Trust and Torbay NHS Care Trust on behalf of the Health Scrutiny Board; and
- (ii) that it be noted that the Overview and Scrutiny Board is increasingly concerned about the lateness of reports it is due to consider which makes it difficult for members to make intelligent comments on them.

671 Overview and Scrutiny Annual Report

The Board considered Report 86/2011 on the draft Overview and Scrutiny Annual Report for 2010/2011. The report provided a snapshot of the work of the overview and scrutiny function over the past year and would be circulated to all Members of the Council and the wider community.

Resolved:

- (i) that the Overview and Scrutiny Annual Report 2010/2011 be approved and forwarded to Council; and
- (ii) that the Annual Report be circulated widely to partner organisations and within the community.

Chairman

Terms of Reference of Health Scrutiny Board

Health Scrutiny Board (sub-committee of the Overview and Scrutiny Board)

Membership

8 members of the Council (including the Scrutiny Lead Member for Health and the Overview and Scrutiny Co-ordinator) excluding the Mayor, other members of the Executive, and the Chairman of the Council

To consider all matters and issues arising from the Council's power of scrutinising local health services in accordance with the Health and Social Care Act 2001.

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Title: **Update on Bathing Water Quality and the revised Bathing Water Directive**

Public Agenda Item: **Yes**

Wards Affected: **St Marychurch, Wellswood, Tormohun, Cockington with Chelston, Preston, Roundham with Hyde, Goodrington with Roselands, Churston with Galampton, Berry Head with Furzeham, St Marys with Summercombe**

To: **Overview and Scrutiny Board** On: **29 June 2011**

Contact Officer: **Derek Singleton**

☎ Telephone: **207947**

✉ E.mail: **derek.singleton@torbay.gov.uk**

1. Key points and Summary

- Torbay's response to the revised Bathing Water Directive (rBWD)
- Designated Bathing Water signage
- Update

The forthcoming revised Bathing Water Directive will introduce a number of changes including requirements for public information and the criterion used to assess the quality of bathing water.

In May 2011 Torbay gained the highest total of Blue Flag and Quality Coast Awards for any area in the UK.

All awards are based on a number of criteria including safety, quality of management, cleanliness, and water quality.

The awards requiring the highest water quality are the Blue Flag Award and the Good Beach Guide recommendation from the Marine Conservation Society.

All Torbay's managed beaches have the Keep Britain Tidy Quality Coast Awards.

Torbay Council, Environment Agency (EA) and South West Water (SWW) continue working together to improve bathing water quality and address the various objectives identified within the directive.

2. Introduction

The main objective of the revised Bathing Water Directives (76/160/EEC and 2006/7/EC) is to protect public health and the environment from faecal pollution at bathing waters. Member States are required to identify popular bathing areas and to

monitor water quality at these bathing waters throughout the bathing season, which runs from the beginning of May to the end of September in England.

The revised Bathing Water Directive places a strong emphasis on providing information to the public on the quality of bathing waters to allow them to make an informed choice where to bathe. As part of this, the Bathing Water Regulations require certain information to be available at all bathing waters.

These Regulations apply to all beaches and inland waters in England that have been designated as bathing waters under the Directive.

Following the introduction of signs in 2012, there will be an additional requirement to show the “classification” of bathing water quality, which will replace the Directive’s standards and will come into effect in 2015 . Standard symbols will be used to display the water quality classifications and, where appropriate, to advise against bathing. The first classifications for each bathing water will be announced in the Defra bathing water report of 2015 and must be displayed on the signs from the beginning of the 2016 bathing season.

Updates:

Liaison with partners

One of the outcomes of the Bathing Water Directive and the level of partnership working we enjoy with EA and South West Water, is the Torbay Project. This comprises an officer funded by SWW, employed by EA for the year 2010-11 and now extended to 2012 concentrating on the misconnections that affect the catchments draining into some of Torbay’s bathing water. This project and the relationships that exist between partner organisations is now viewed as national best practice.

We continue to liaise through a number of forums including The Bathing Water and Urban Drainage Group and the management team for the Torbay Project. Officers have also attended the SWW Bathing Waters Forum.

Designated Bathing Water Signage

From the beginning of 2012 bathing season it will be a legal requirement of the revised Bathing Water directive for the information about water quality and potential sources of pollution to be displayed at beaches, throughout the EU, that have been designated as bathing waters. Under the new directive each designated bathing water must have a “Controller” who has the statutory responsibility for the provision of required public information. Torbay Council through the Beach Service is identified as the Controller for the 15 bathing water within the authority’s area.

As this is a new requirement, the Local Government Act places a responsibility on Defra to provide funds to assist local authorities to comply. The funding of one sign per bathing water will be paid in the formula grant 2011/12; however the signs must be in place before the start of the 2012 bathing season. Additional funds will be required from the council to provide the Beach Service budget with sufficient resources to provide adequate signage.

Initially this was suggested to be in the region of £1000 per bathing water. This would have enabled Torbay to place a new sign on each beach that also complied with the

RNLI Guide to Beach Signage (likely to become a British Standard), eventually providing a commonality around the coast of the UK.

Defra has re-evaluated their position and have now suggested that the amount per bathing water will now amount to something in the region of £200. They have explained this by saying that they have revised the signage to just comply with the statutory requirement.

I have now reviewed our plans and expect that I will be able to comply with the basic specification from the Defra funding. The signage will vary again with the requirement to publish the beach classification when it is introduced in 2015 ready for the 2016 bathing season. Compliance with this should be possible from existing budgets. The signage requirement for beach awards and the revised directive should be more settled by 2015 when the position should be reviewed and funding sought to begin upgrading signage to RNLI standard the following year.

Sample draft sign for Meadfoot beach

Meadfoot Beach is a designated European bathing water monitored by the Environment Agency between 15 May – 30 September each year.

The quality of bathing water may be adversely affected by heavy rain. The Ilsham Stream runs through the valley and enters the sea at the far north east end of beach. It is not a known source of pollution.

More information about water quality is available from Torbay Council's Beach Service on 01803 207975 or the council's website www.torbay.gov.uk

Or

Environment Agency website www.environment-agency.gov.uk

Sample draft sign for Paignton beach

Paignton Beach is a designated European bathing water monitored by the environment Agency between 15 May – 30 September each year.

There are two combined sewer overflows that may adversely affect the quality of bathing water following heavy rain. The Victoria Stream that runs through the park and enters the sea near the pier may sometimes be the source of poorer water quality than usual after heavy rainfall.

More information about water quality is available from Torbay Council's Beach Service on 01803 207975 or the council's website www.torbay.gov.uk

Or

Environment Agency website www.environment-agency.gov.uk

The finished design will be included within the existing signage provision situated on all designated bathing waters.

Reports from Partners

1. Sewerage System Modelling. The sewer network computer modelling of all the sewerage system draining to Torbay STW, including all the storm sewage overflows, is complete. The model has been run to predict how often the overflows on the system operate during wet weather, and how much storm sewage is being spilled to the urban watercourses, or direct to the sea.
2. Sewer Overflow Monitoring. Over the last 12 months, monitors to record spills occurring have been installed in the majority of the overflows in Torbay, and all of the overflows will be monitored by the end of March 2012. To date we have little data of interest, mainly because the very dry weather has meant that overflows have not been operating!
3. Hydrodynamic Marine Model of Torbay. The development of a hydrodynamic model of the bay is almost complete. The model, which shows how plumes of pollution move around in the bay, has been run with pollutant load inputs from the storm sewage overflows (as predicted by the sewerage system computer model), and from polluted urban streams (based on our long term water quality monitoring of the streams). We have a copy of the draft final report. This describes how the model shows which sources of pollution have the greatest impact at the bathing waters. Both South West Water and ourselves are still reviewing the content of the report, and the findings, and a detailed summary of findings is not yet available. However, the work does suggest that both sewer overflows and polluted urban streams contribute to poor bathing water quality, but that the greater source of pollution is from polluted urban streams.
4. Cleaning up Torbay's Streams. A project has been running in Torbay for about 18 months to identify and remove sources of pollution into Torbay's urban streams. For the last 12 months a dedicated Environment Agency officer has been working on this, with funding from South West Water, and additional support work by Torbay Council's Environmental Health Team. The project has met with considerable success in identifying and removing sources of gross pollution, and we estimate a significant reduction in the volume of pollution to the stream in the last 6 months, which we expect to see reflected in future bathing water quality results.

Charles Uzzell
Environment Commissioner

Derek Singleton
Resort Services Manager

Appendices

None

Documents available in members' rooms

Overview and Scrutiny Bathing Water briefing March 2010

Water quality results for 2010

Signage at bathing waters - Defra

Background Papers:

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

Revised Bathing Water Directives (76/160/EEC and 2006/7/EC)

Guidance for Bathing Water Controllers in England (Defra 2010)



Title: **Revenue Outturn 2010/11 – Subject to Audit**

Public Agenda Item: **Yes**

Wards Affected: **All Wards in Torbay**

To: **Overview and Scrutiny Council** On: **23 June 2011**
On: **13 July 2011**

Key Decision: **No**

Change to Budget: **Yes** Change to Policy Framework: **No**

Contact Officer: **Paul Looby**

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1. What we are trying to achieve and the impact on our customers

- 1.1. Monitoring of the Council's finances is an essential requirement and forms an integral part of the Council's ongoing performance monitoring. During the financial year 2010/11, Members received quarterly revenue and capital budget monitoring reports. These reports identified the key spending pressures faced by Business Units and any action taken by managers to ensure the Council spent within its approved budget for the financial year.
- 1.2 The purpose of this report is to inform Members of the final revenue outturn position for the Council for the financial year 2010/11 and to make appropriate recommendations with respect to the declared surplus. A separate report will be presented to Members of the final capital outturn position.

2. Recommendations for decision

- 2.1 **That the revenue outturn position for 2010/11 be noted.**
- 2.2 **That the Overview and Scrutiny Board be asked to report directly to Council on any recommendation it may have following its review of the outturn position.**
- 2.3 **That it be recommended to the Council that:**

- (i) **the transfer of £0.500m to the Comprehensive Spending Review reserve be approved (paragraph A5.1);**
- (ii) **the transfer of £0.576m to the budget pressures reserve be approved (paragraph A5.1);**
- (iii) **the transfer of £0.275m of the revenue underspend to the General Fund Balance (paragraph A5.5) be approved;**
- (iv) **a sum of £0.300m is earmarked to be transferred to the Change Management and Financial Strategy Reserve subject to the final audit of the Council's Housing Benefit Subsidy be approved (paragraph A3.7);**

3. Key Points and reasons for recommendation

- 3.1 The Council is faced with an extremely challenging future due to the reduction in government grant over the period of the current Comprehensive Spending Review (CSR). In addition, 2010/11 was a challenging year financially for the Council due to the in-year reduction to the Council's grant of £0.986m. However, despite this significant reduction, once again the Council has been able to contain spending within the overall budget and is in the position whereby income received has exceeded expenditure in 2010/11.
- 3.2 Despite the ongoing budget pressures faced by some services and as a result of careful monitoring of budgets and performance by the Cabinet, Overview and Scrutiny Board and Commissioner Officer Group, the Council has been able to stay within their overall budget allocation – for this managers must be commended. This has been achieved through careful management of the in-year reduction to the Council's grant and implementing a vacancy freeze for all non-front line officers and robust review and challenge of all Council expenditure.
- 3.3 This continues the trend of the Council not having to make a call on general fund balances since the Council became a unitary authority in 1998. The Council must be mindful of the challenges that will have to be faced in the next few years and therefore it is recommended that due to this positive financial position at year end a contribution of £0.275m is made to the general fund balance.
- 3.4 The Council approved the creation of a Comprehensive Spending Review (CSR) reserve in 2010 as recommended with the Review of Reserves report – 277/10 refers. The approval of a transfer of £0.500 m from the surplus achieved in 2010/11 will replenish the reserve after using £1.4m to fund redundancy costs arising from the 2011/12 budget. This will assist the Council in managing the impact of the cuts, as set out in the Comprehensive Spending Review in 2010, including financing any costs in relation to reducing services and staff numbers.
- 3.5 Due to the challenging financial position faced by the Council it is considered prudent to maintain a Budget Pressures Reserve in 2011/12, funded from the pay provision which was not required in 2010/11 and the balance of the surplus achieved in 2010/11. This is a prudent approach to ensure resources are available to fund budget pressures that may arise during the year and enable the

Council to continue to manage the challenging financial outlook faced over the next three years.

- 3.6 Members will be reassured that all Business Units will be expected to explore all options to manage any budget pressures during the year before consideration is given to releasing resources from this earmarked contingency.
- 3.7 The earmarking of £0.300m to the Change Management and Financial Strategy Reserve from the expected additional housing benefit subsidy (subject to the final external audit) will enable the Council to continue to support the ongoing change agenda and consider any new demands and service pressures that arise in the future.
- 3.8 The approval of the transfer to the General Fund balance will increase the balance to £4.0m and, in my opinion, will provide the Council with sufficient resources to fund any unforeseen events that could occur in the future. This level of general fund balance represents 3.2% of the Council's net expenditure, and means the Council will have met its target level of general fund reserves set a number of years ago (report 277/10 refers).
- 3.9 The Council has a statutory obligation to report on its financial position in each year which culminates in the production of the Council's statutory annual accounts. The accounts must be finalised and signed by the Chief Finance Officer before the end of June each year.
- 3.10 The revised Accounts and Audit Regulations mean the statutory accounts will be presented to Members of the Audit Committee for scrutiny and Council for formal approval in September 2011. Previously the requirement was that the accounts had to be presented to Members in June, however the new regulations will mean Members will be considering and approving the accounts after the statutory audit has been completed and reported to Members in September 2011.
- 3.11 For Members information, the external audit of the accounts will commence on 11 July 2011 and is expected to take approximately 2 months.

For more detailed information on this proposal please refer to the supporting information.

Paul Looby
Executive Head of Finance

Appendices

Appendix 2 Write-Off's over £5,000 (Exempt Appendix).

Supporting information to Report ??/2011

A1. Introduction and history

- A1.1 The Council approved the 2010/11 budget at its meeting on 10 February 2010. A revised budget was presented and approved by Council in September 2010, due to the in-year cut by the Government to Torbay's grant.
- A1.2 The Council has continued to present financial reports to both the Cabinet and the Overview and Scrutiny Board during 2010/11 which is recommended as best practice. These reports summarised and identified the key spending pressures faced by Business Units within the Council and where appropriate, the action officers took to ensure the Council spent within the agreed budget set for the year. This process ensured that there was effective public monitoring and scrutiny of the revenue budget throughout the financial year.
- A1.3 Performance and financial monitoring is provided to Members through the SPAR system and quarterly updates are available. Performance management includes integrated reporting to Cabinet and Overview and Scrutiny Board. During 2010/11, the reporting process provided integration of performance with benchmarked and value for money comparators as well as an overview of resources.
- A1.4 This report is comparing the revised budget position for 2010/11 to the revenue outturn position as at the end of the financial year.
- A1.5 The outturn position indicated in this report is the final position subject to the Council's external auditors – the Audit Commission - completing their annual audit of the accounts. The approval of the Council's statutory accounts, which will be approved by Council in September 2011, after the Audit Commission have completed and reported on their audit of the accounts.
- A1.6 As part of the audit review by the Audit Commission, there is the possibility that changes may be made to the overall outturn position for the Council. However, should any variations to the figures be necessary these are not expected to be materially significant. For Members information, the external audit of the accounts will commence on 11 July 2011 and is expected to take approximately 2 months.
- A1.7 As in previous years, to ensure the deadline for closing the accounts is met, assumptions have had to be made when closing the accounts which are subject to review by the Audit Commission.

A2. Carry Forwards

- A2.1 The Council's Financial Regulations states that, subject to the approval of Council when considering the end of the financial year position, any overall net underspend within a directly controllable revenue budget may be carried forward into the following financial year.

- A2.2 Under the terms of the Constitution, Commissioners, and Executive Members have discuss any proposed carry forwards and agreed those that should be recommended for approval. Due to the difficult financial position faced by the Council it was decided that all underspending budgets that are not committed will be transferred to reserves to assist to the Council in managing the difficult financial position it is facing.
- A2.3 The Council has £0.578m of carry forwards which are already committed and do not require Member.

Schools Service

- A2.4 A balanced budget position has been declared for Schools Block Activities after making a contribution to reserves of £0.267m. This position will be reported to the Schools Forum.
- A2.5 Schools will be carrying forward balances of £2.5m from 2010/11 to 2011/12 which represents 4% of the total delegated schools budget – these resources are earmarked for schools related expenditure. This is an increase of £0.7m against the previous year. There will also be a carry forward of £0.3m in respect of Standards Fund monies which is a mandatory requirement as it can be spent by schools over a 17 month period.
- A2.6. Members are advised that during 2010/11, 3 schools converted to Academy status and their figures have been excluded from the above balances and Standards Fund Monies.

A3. Net Committee Expenditure

- A3.1 After taking into account the committed carry forward total of £0.578m net expenditure for 2010/11 is £131.630m. This gives an overall Council surplus of £1.351m against the revised budget of £132.981m. The main variations are summarised in table 2.

Table 2
Net Revenue Expenditure 2010/11

Council Services	Revised Budget A	Actual Spend B	Carry Forward to 2011/2012 C	Outturn (D) B+C	Net Over/(Under) spend D-A
	£'000	£'000	£'000	£'000	£'000
Environment					
Residents and Visitors	10,927	10,608	171	10,779	(148)
Waste	8,829	8,834	38	8,872	43
Spatial Planning	4,931	4,327	14	4,341	(590)
Torbay Development Agency	5,042	4,633	290	4,923	(119)
Community Safety	1,778	1,560	30	1,590	(188)
Marine	0	0	0	0	0
	31,507	29,962	543	30,505	(1,002)
People					
Adult Social Care	42,103	42,028	0	42,028	(75)
Children's	23,071	23,264	0	23,264	193
	65,174	65,292	0	65,292	118
Corporate Support					
Governance	9,002	8,742	0	8,742	(260)
Business Planning	3,109	3,085	0	3,085	(24)
Communities - Housing Services	8,311	8,281	35	8,316	5
	20,422	20,108	35	20,143	(279)
Operational Support					
Customer Contact	1,836	1,660	0	1,660	(176)
Finance	9,136	9,112	0	9,112	(24)
Human Resources	839	834	0	834	(5)
Information Technology	2,936	2,908	0	2,908	(28)
Legal and Procurement	1,131	1,176	0	1,176	45
	15,878	15,690	0	15,690	(188)
Total	132,981	131,052	578	131,630	(1,351)

A3.2 Members have been informed throughout the year as to the reasons for the main variations within Business Unit budgets as part of the monitoring reports presented to the Cabinet and Overview and Scrutiny Board. A brief summary of the main variances and the principal reasons for any underspends or overspends within each directorate are explained below.

Environment

A3.3 Overall services within the Environment portfolio declared an underspend of £1.002m after the application of carry forwards.

The main variations were:

- Residents and Visitors reported an underspend of £0.148m after the application of carry forwards of £0.171m. The receipt of additional car parking income and vacancy savings within the Car Parks Service was partly offset by costs for the implementation of the new Tourism company, increased costs for winter maintenance and a revenue contribution to fund additional costs for Rock Walk.
- The creation of the Joint Venture Company, TOR2, was approved by Council on 25 March 2010 - Report 71/2010. The report to Council said there would be short term additional costs in the first few years of the contract - primarily as a result of the early implementation of the new waste strategy. These costs have been funded from reserves and the relevant reserve replenished over the course of the contract or earlier if resources are available. As at the end of 2010/11 the contribution from reserves is £1.3m.
- Waste and Cleaning declared an overspend of £0.043m primarily due to setting aside a carry forward request for the remediation works at Claylands over the next two years as required by the Environment Agency.
- Spatial Planning declared an underspend of £0.590m due to the receipt of additional Concessionary Fares Grant which was announced at the end of the 2009/10. During the year Members agreed to hold an uncommitted balance as a contingency to support the Council's overall financial position.
- The TDA declared an underspend of £0.119m after the application of carry forwards totalling £0.290m due primarily to the timing of projects.
- Community Safety declared an underspend of £0.188m primarily through managing vacancies, general administrative cost savings and improved licensing income.

People

A3.4 Overall services within the People portfolio declared an overspend of £0.118m after the application of carry forwards. The main variations were:

- Adult Social Care declared a small underspend of £0.075m as reported throughout the year.
- Children's Services declared an overspend of £0.193m. The overspend is primarily within Specialist Services. This is one of the Council's most volatile budgets and covers placements for vulnerable children and has overspent due to placement numbers. This overspend has been partly

offset due to savings within Early Intervention and vacancy management savings across Learning and Standards.

Corporate Support

A3.5 Corporate Support declared an underspend of £0.279m after the application of carry forwards.

- Housing Services declared a small overspend after the application of a carry forward of £0.035m.
- Business Planning declared a small underspend of £0.024m.
- Governance declared an underspend of £0.260m. As reported during the year, 3 services delivered savings above the 5% target set in the 2010/11 budget and for reporting purposes this corporate saving has been accounted for within the Governance Business Unit.

Operational Support

A3.6 Services within the Operational Support portfolio declared an underspend of £0.188m, of which the significant variations are:

- Customer Contact declared an underspend of £0.176m due to better than anticipated benefit subsidy during the year.
- Finance declared an underspend of £0.024m due to vacancy management
- IT declared an underspend of £0.028m due to a reduced costs for IT licences.
- Legal and Procurement declared an overspend of £0.045m primarily due to legal fees incurred on behalf of other department's.

A3.7 The latest information indicates that the Housing Benefit service has met its targets for reducing errors in processing claims. This means the service will receive additional subsidy of £0.3m which will confirmed later in the year once the Audit Commission have completed their annual audit. It is recommended this sum is earmarked as a transfer to the Change Management and Financial Strategy Reserve.

A4. Debtors Outturn

A4.1 The key issues with respect to debtors monitoring are:

Council Tax

A4.2 The 2010/11 targets for collection of Council Tax were:

- (i) collect 96.5% of the Council Tax due within the 12 months of the financial

year (i.e. April to March); and

- (ii) collect 50% of the arrears brought forward from previous years.

At the end of the fourth quarter 2010/11 the Council collected £59.2m which is 96.3% of the Council Tax due in year. This is an improvement on the outturn position at the end of last year.

A4.3 The collection of arrears proved difficult due to the weakness of the local economy. The arrears outstanding at the end of the financial year were £3.3m.

A4.4 Even though the Council tax was not increased for 2011/12, changes in welfare benefit regulations will reduce many customers disposable income, combined with the continuing weakness of the local economy will place pressure on collection performance during the next 12 months and the position will continue to be monitored and reported to Members on a quarterly basis.

Non-Domestic Rates

A4.5 The targets for the collection of NNDR (business rates) are:

- (i) collect 98.0% of the business rates due within the 12 months of the financial year (i.e. April to March); and
- (ii) collect 50% of the arrears brought forward from previous years

At the end of the fourth quarter, the Council collected £32.0m which is 96.6% of the business rates due in year. This is an improvement on the outturn position at the end of last year.

A4.6 The impact of the downturn within the local economy has meant it continues to be a difficult environment for the business sector and this has made it a challenging time with respect to the collection of income, reflecting the difficult trading conditions and a number of business failures due to the recession. In this difficult climate position will continue to be monitored and reported to members on a quarterly basis. The total arrears outstanding at the end of the year was £1.5m.

A4.7 The Government last year introduced an exemption for small businesses with rateable values (RVs) of below £12,000, which applied from 1 October 2010. Those with RV's of less than £6,000 will qualify for 100% relief and where the RV is £6,001 to £12,000 then the relief will reduce on a sliding scale from 100 to 0%.

A4.8 The Government has extended the scheme for a further twelve months which has meant that some properties which were exempt to 30 September 2010, which would have come back into charge from this date, have now been exempt for the full financial year. The impact of this change is to increase the amount of relief awarded and a net reduction in the debit for the year

A5. Overall Financial Position

A5.1 As identified above in paragraph, (A3.1) the Council has declared an overall surplus of £1.351m. It is also recommended that £0.500m is transferred to the

CSR Reserve which will enable the Council to meet the difficult financial challenges it faces over the next few years and £0.578m be transferred to the Budget Pressures Reserve.

A5.2 As part of the Council's normal budget planning a provision for pay inflation of 1% was included in the 2010/11 base budget. However, due to the public sector pay freeze, this provision was not required. It was recommended during 2010/11 that this sum of money (£0.367m) was transferred to the Budget Pressures Reserve and held as a provision against any budget pressures that may arise during the year.

A5.3 If approved this recommendation will be seen as a prudent approach to ensure resources are available to fund budget pressures that may arise during the year and provide a contingency for the further reductions to government grant over the next 2 years.

A5.4 Whilst this contingency is available to support budget pressures before resources will be released from the contingency, Business Units will be expected to explore all options to manage any budget pressures in the year, including the production and agreement of a robust recovery plan. Any monies released through the normal approved process in accordance with the financial regulations must be supported by a business case explaining how the monies will be used and the expected outcomes.

A5.5 It is also recommended that the balance of £0.275m is transferred to the General Fund Balance. The General Fund Balance currently stands at £3.7m, before any additions are made. There has been recent media attention as to the level or reserves held by Council's and the Council's external auditors take a view as to the level of the Council's General Fund Balance. I, therefore, consider it prudent to make a contribution to the General Fund Balance of £0.275m which would increase the overall General Fund Balance to £4.0m which represents 3.2% of the 2011/12 approved net revenue budget (excluding Schools Related Expenditure) and ensures the Council is above its target of 3%.

A5.6 It should be recognised that the general fund balance is uncommitted and provides funds that would only be used to fund any unforeseen or unexpected expenditure that could not be managed within services. With this in mind and in light of the difficult financial climate faced by the Council, I believe that a cash balance of £4.0m, whilst the Council is at its current size of service provision, is a prudent and sustainable level.

6 Reserves

A6.1 The annual review of all reserves will be undertaken as part of the budget preparation process and is reported to Members at least once a year usually in the autumn, as has been the practice in recent years. This then allows any surplus monies to be recycled as part of the budget setting process for the following year. Members should bear in mind that all reserves are earmarked for specific purposes with the exception of the General Fund Reserve which remains the only fund the Council holds to meet emergency costs. With media attention focusing in the level of Council reserves it should be noted that any release of monies from reserves should only be used for one off purposes and cannot be used to sustain ongoing expenditure.

- A6.2 A recommendation from the Review of Reserves report was the creation of a Comprehensive Spending Review (CSR) reserve to support the Council in managing the impact of government grant reductions over the period of the CSR. The opening balance on this reserve was £4.5m. As part of the budget savings made in 2010/11, £1.4m has been used to fund the costs of redundancies and a further £0.4m has been earmarked to support and increased pressures within Adult Social Care that may arise during the year.
- A6.3 As stated in paragraph A5.1, it is recommended that a contribution of £0.500m is made from the surplus for the year to replenish the CSR reserve. This will help ensure there is provision to meet any further costs of managing the expected changes to the Council structure and services over the next few years.
- A6.4. On 4 April 2011 the Council was allocated £0.3m of New Homes Bonus money. This will be paid to the Council for the next 6 years and further allocations will be made subject to any increase in the number of houses built or brought back into use. This money is not committed and officers will be making proposals to Members as to how this money can be used.

A summary of the uncommitted reserves available to the Council are summarised below.

Reserve	Balance at 1 April 2010 £'m	Spend in Year £'m	Commitments / Contingency £'m	Balance at 31 March 2011 £'m	Contribution to Reserve £'m	Balance at 1 April 2011 £'m
CSR Reserve	4.400	1.400	0.400	2.600	0.500	3.100
Budget Pressures Reserve	0.450	0.450	0	0	0.943	0.9435
Credit Crunch Reserve	0.374	0.265	0	0.109	0	0.109
LABGI Reserve	0.193	0.136	0.012	0.045	0	0.045
Seaside Towns Reserve	0.200	0.158	0.162	0.042	0	0.042
Financial Strategy and Change Management Reserve	0.803	0.318	0.086	0.399	0	0.399

A7. Summary and Impact on 2010/11 and Later Years

- A7.1 The regular budget monitoring reports to Members during the year identified the key variations which have been summarised in this outturn report. After taking into account the in year cut to the Council's grant, close monitoring of all variations and performance by Cabinet and the Commissioner Officer Group and key actions such as a vacancy freeze has enabled Council to declare an

underspend for the year. To that end service managers must be commended for their approach when the Council was facing a challenging position in a number of key services. Not only has this helped deliver a year end surplus but it also provides the Council with a strong base from which it can continue to meet the even more challenging financial climate faced over the next few years.

A7.2 The Council will be responding to the financial challenges by continuing to develop its change process with the implementation of a number of projects arising from the Productivity and Improvement Programme which will support the Council delivering savings over the next few years.

A7.3 The Council has already started developing plans as to how it will meet the reduction to its grant in 2012/13 and is mindful of the significant ongoing pressures it faces including the Waste Agenda, increasing demands made upon Social Care for Adults and Children's as well as the volatility in income collection to name but a few.

A7.4 Members and officers must not be complacent and must continue to manage their budgets robustly in 2011/12 to maintain expenditure within their approved allocation and continue to demonstrate value for money to ensure the Council is not in a position that it would have to implement draconian actions in order to achieve a balanced position at year end.

A7.5 As in previous years, it is essential that managers and Members contain their service commitments and spending within the approved levels. A key principal that must be adhered too is that any new proposals and service issues should not be considered or brought forward unless clear and achievable funding sources are identified, that these are priority projects for the Council and are not driven simply because some external funding has become available. At the first indication of a variance against the approved budget, officers must identify the anticipated size of the variance, the cause of the variance and the remedial action to bring the budget back into balance. This will be supported through the regular budget monitoring to Executive Lead Members, Overview and Scrutiny and the Senior Leadership Team.

A7.6 The Council will be re-assured that it has some provision in 2011/12 to address any unforeseen expenditure with an earmarked budget pressures reserve and the other reserves outlined in section 6 will assist the Council in managing a reduction in service provision over the next few years. Members should also be reassured that the proposed contribution to the General Fund Balance means the Council has stayed above its target level of 3%.

A7.7 Looking into the medium to longer term commentators and the public sector are expecting ongoing reductions to funding but with the inevitability of increasing demands within key services which will mean Torbay will not only be facing some challenging financial issues but also a number of difficult choices as to where expenditure and services have to be reduced. The Council has started to plan for this and all officers and Members must consider the impact of a reduced settlement in future years as part of their future spending plans and when planning future service delivery.

A8. Risk assessment of preferred option

Outline of significant key risks

- A8.1 The contribution of any surplus to general fund balances will assist in ensuring the Council's general fund balances are sufficient to assist with its medium term financial planning. The Council's external auditors have commented in the past on level of the Council's general fund balances. The recommended contribution to the general fund balance means the Council has stayed above its own 3% target. Whilst it is important to keep all reserves under review the Council must continue with its commitment to build up its financial reserves particularly in this challenging financial climate as undoubtedly it will continue to face many financial pressures, in the short and medium term.
- A8.2 The continuation of having a budget pressures reserve into 2011/12 is a prudent measure to ensure resources are available to fund increased demands during the year.

A9. Other Options

- A9.1 Members could determine to utilise the monies put into the various reserves for 2011/12 budget pressures and Change Management and Finance Strategy Reserve.
- A9.2 Members could make alternative recommendations as to how the underspend is used.

A10 Summary of resource implications

- A10.1 The resources implications are outlined within the report in section A1.

A11. What impact will there be on equalities, environmental sustainability and crime and disorder?

- A11.1 The approval of the recommendations Council's will assist all Council services in meeting their obligations with respect to equalities, environmental sustainability and crime and disorder.

A12. Consultation and Customer Focus

- A12.1 Commissioners and Executive Heads and their Executive Leads have discussed and agreed the outturn position.

A13. Are there any implications for other Business Units?

- A13.1 Implications for Business Units with respect to the outturn position.

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Title: **Capital Plan Budget Monitoring - 2010/11 Outturn (Subject to Audit)**

Public Agenda Item: **Yes**

Wards Affected: **All Wards in Torbay**

To: **Overview & Scrutiny Board Council** On: **29th June 2011
13th July 2011**

Contact Officer: **Martin Phillips**

☎ Telephone: **207285**

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1. What we are trying to achieve and the impact on our customers

- 1.1 The Council's capital plan with its investment in new and existing assets is a key part of delivering the Council's outcomes. This is the final Capital Monitoring report for 2010/11 under the Authority's agreed budget monitoring procedures. It provides high-level information on capital expenditure and income for the year (subject to Audit), compared with the latest budget position as at period 9 reported in February 2011.

2. Recommendation(s) for decision

Overview & Scrutiny Board

- 2.1 **That Members note the outturn position for the Council's Capital expenditure and income for 2010/11 and make any recommendations to Council**

Council

- 2.2 **That Council note the outturn position for the Council's Capital expenditure and income for 2010/11 and note the action taken by the Chief Finance Officer, under the Officer Scheme of Delegation, to carry forward the unspent budgets for expenditure or work in progress (together with their funding) from 2010/11 to 2011/12.**
- 2.3 **That Council approves the funding of the capital plan for 2010/11 as outlined in paragraph C1.1 is approved.**
- 2.4 **That Council approves the Prudential indicators for 2010/11 as shown in Annex 1 to this report.**

3. Key points and reasons for recommendations

- 3.1 Members of the Overview and Scrutiny Board and Cabinet have received regular budget monitoring reports on the Council's Capital Budget throughout the year.
- 3.2 This report presents monitoring information on schemes which have been completed during the year and provides the outturn Prudential Indicators for 2010/11 under the Chartered Institute of Public Finance & Accountancy (CIPFA) Prudential Code, which Council will be asked to approve. The capital outturn and its financing have close links to the Council's annual Treasury Management Report (being considered by Audit Committee 22nd June 2011 prior to approval by Council).
- 3.3 Outturn expenditure for the year was £43.8 million compared with the budgeted spend as per the last monitoring position in February of £47.3 million. Reasons for this variation over a number of schemes are included in paragraph B2.9. In percentage terms, spend was 93% of the forecast in February. This compares with 87% for 2009/10.
- 3.4 The 2010/11 total capital spend of £43.8 million is at a slightly lower level compared to 2009/10 which reflects the near completion of a number of major projects. 2011/12 spend is expected to be at a lower level due to the impact of the revision to the Castle Circus Regeneration Project and the part impact of the Coalition government's capital funding reductions before significantly reducing in 2012/13 onwards.
- 3.5 The original capital budget approved by Council in February 2010 was £58.9 million. That was subsequently revised during 2010/11 for slippage from 2009/10, new schemes and re profiling spend to future years. All changes with reasons have been included in previous monitoring reports. Variations in planned spend have an impact on cash flow and treasury management activities.
- 3.6 The overall expenditure position by Theme for 2010/11 is summarised in the table below:

Theme	Original Budget 2010/11 per Council Feb 10	Revised Budget per Cabinet Feb 10	Outturn for 2010/11	Variation (Outturn less Revised budget)
	£m	£m	£m	£m
Pride in the Bay	12.0	12.3	12.2	(0.1)
New Economy	5.2	7.1	6.5	(0.6)
Learning & Skills	26.9	22.3	21.0	(1.3)
Stronger Communities	4.8	2.2	1.8	(0.4)
Corporate Health	10.0	3.4	2.3	(1.1)
Total	58.9	47.3	43.8	(3.5)

- 3.7 Details of schemes completed and progressed during the year are included in the Supporting Information to this report along with a summary of the slippage that occurred in the last quarter.

- 3.8 Capital expenditure will be carried forward to 2011/12 to enable schemes not completed or progressed in 2010/11 to be continued in the current year along with the funding sources for the scheme.
- 3.9 The overall funding position of the 4-year Capital Plan remains in balance, although there is a risk associated with the level of capital receipts due to be generated over the life of the plan. Capital Receipts in 2010/11 generated £0.5 million (£2.3m 2009/10).
- 3.10 At the start of 2010/11 the Council held £0.4m of unapplied capital receipts and generated a further £0.5m from disposals during the year. £0.4m of receipts were applied from this reserve in 2010/11 leaving a balance of £0.5m on the capital receipts reserve at year end.
- 3.11 In overall terms this means that at 1 April 2011 the approved Plan, as approved by Council in February 2011, still relies upon the generation of a further £3.1 million of capital receipts from asset sales by the end of 2014/15. These targets are expected to be achieved provided that -
- approved disposals currently “in the pipeline” are completed
 - the Council continues with its disposal policy for surplus and underused assets
 - no new (or amended) schemes are brought forward that rely on the use of capital receipts for funding and,
 - there is no significant impact on disposals from the current economic conditions in the life of the plan
- 3.12 There is an ongoing risk over the value of receipts. Current valuations on some sites to be disposed are below original forecasts. However the current approved plan has taken a prudent approach to the value of potential receipts and number of assets disposed of.
- 3.13 If additional capital receipts are generated these could be applied to fund schemes previously funded from revenue funded prudential borrowing such as Paignton Library Hub and Castle Circus Regeneration project. This would generate a benefit to the Council’s ongoing revenue budget.
- 3.14 The Council set its Prudential Indicators for 2010/11 and monitoring arrangements for “affordable borrowing” in March 2010. The detailed Outturn Indicators are provided in Annex 1. There are no significant variations to these Indicators. Council are asked to formally approve these indicators as required by the CIPFA Prudential Code.

For more detailed information please refer to the supporting information attached.

Paul Looby
Chief Finance Officer

Appendices

Appendix A Capital Plan Budget Outturn Information

Annex 1 Torbay Council Prudential Indicators Outturn 2010/11

Appendix B Capital Budget 2010/11 Outturn Summary

Appendix A – Background Information to Report

A1. General

- A1.1 Council approved the original 4-year Capital Plan Budget for the period 2010/11 - 2013/14 in March 2010. This Plan indicated spending of £58.9 million in 2010/11 out of the total 4-year Capital Plan Budget of £108.8 million. (This was before slippage from 2009/10 and any approval/revision of schemes during 2010/11).
- A1.2 Quarterly budget monitoring reports have been presented to the Overview & Scrutiny Board during the year. These reports identified any budget pressures faced by the Council and the action taken to ensure spending remained within the agreed overall Capital resources. New additions to the Plan and significant changes to approved budgets have been approved by Council and noted by the Board through this process. This process ensures that there is effective public monitoring and scrutiny of the Capital budget throughout the financial year. In addition during the year the Capital Programme & Asset Management Board reviews progress and performance on the capital plan.
- A1.3 The latest expenditure predictions as at January 2011 were presented in Capital Monitoring Report 33/2011 to Cabinet in February 2011. That Report noted anticipated expenditure of £47.3 million in 2010/11 out of a revised 4-year Capital Plan Budget of £109 million (prior to any further additions to the Budget approved by Council in February 2011).
- A1.4 This report presents Members with summary information on the 2010/11 outturn position (prior to Audit), compared with the latest Budget predictions for both expenditure and funding and highlights some significant variations.
- A1.5 Annex 1 provides the full schedule of the outturn for spending and funding in 2010/11. Column (4) shows the actual payments and funding applied during the year. Column (5) shows the variance between outturn and last reported budget and Column (6) shows the net budget to be carried forward to 2011/12. Budgets, where slippage has taken place, will be carried forward into 2011/12 where required to enable work in progress on uncompleted schemes to be continued. If budgets have overspent, the future year budgets for the relevant project will be reduced to compensate.
- A1.6 In order to meet the timetable for the statutory closure of accounts it is inevitable that assumptions are now made with regard to the final outturn figures which may be subject to challenge by the Audit Commission (the Council's external auditors) when the Audit of the Council's accounts is undertaken. Any changes will be reported to a future meeting.

B1. Expenditure Outturn & Performance

- B1.1 The actual service expenditure in 2010/11 was £43.8 million. The outturn for individual projects is provided in Annex 1. A summary at service level is in the table overleaf –

	Latest Budget	Outturn	Spent	Variation
	£m	£m	%	£m
Pride in the Bay	12.3	12.2	99	(0.1)
New Economy	7.1	6.5	92	(0.6)
Learning & Skills	22.3	21.0	94	(1.3)
Stronger Communities	2.2	1.8	82	(0.4)
Corporate Health	3.4	2.3	68	(1.1)
TOTALS	47.3	43.8	93	(3.5)

In overall terms there was net variation in the Budget spend of £3.5 million, which is under 10% of the revised budget. This compares with more than 10% slippage in 2009/10. A summary of the slippage and reasons is included at paragraph B2.9 below.

- B1.2 The Capital Plan spans 4 financial years and includes development projects where spending is expected to run for a number of years. It is normal that annual budgets need to be re-phased between years as schemes develop through feasibility, design and construction stages in order to ensure continuity. On occasion consultation with end-users, affordability of design and negotiation with external funders can significantly delay anticipated start dates.
- B1.3 During the year, budgets were regularly re-scheduled from between the four years of the plan by pro-active monitoring and the reasons were reported to the Overview & Scrutiny Board.
- B1.4 Performance at project level has been monitored by Senior Managers, Project Steering Groups, Capital Programme & Asset Management Board and through discussion with Cabinet Members.
- B1.5 On a number of schemes, even though works had not been undertaken by the year end there are a number of projects where contractual commitments have been entered into to progress the scheme. The Council's 2010/11 Statement of Accounts shows that at the end of 31/3/10 there was over £3 million of expenditure on Council assets that were "assets under construction".
- B1.6 From a purely financial perspective, a delay in spending in "normal" economic conditions does not generally harm the Council's overall financial position as delays in expenditure increases the Council's cash holding on a temporary basis leading to greater investment returns. However in 2010/11 investment rates were again significantly less than borrowing rates so any borrowing to fund the approved capital plan in advance of projected need would have a negative impact in the short term on the revenue budget. This short term impact needs to be considered with the longer term costs of borrowing where the Council's current average borrowing rate is 4.2% compared to the current market rate for 25 year borrowing of 5.25%.
- B1.7 In general better investment rates can be obtained by strategic rather than short term investments. In addition, in some cases, a delay in implementation of projects could result in inflationary cost increases which may not be offset by value for money savings achieved through a longer consultation, planning and

design period. Continuing to incur the revenue costs of inefficient assets waiting to be replaced can also have a detrimental effect on Revenue Budgets.

- B1.8 In overall terms individual projects have mainly stayed within budget once the “Decision to Invest” stage is reached. Where project costs have exceeded budget, and funds could not be brought forward from future year’s budgets, services were asked to identify additional sources of funding.
- B1.9 The Chief Finance Officer is authorised under the Officer Scheme of Delegation to approve re-phasing of expenditure between years provided the impact does not exceed the overall level of the approved programme and the available funding resources. Under this delegation, net budget provision of £4.0 million has been carried forward into 2011/12 to fund commitments on works in progress and to enable approved schemes to be completed. Conversely service budgets for 2011/12 have been reduced on those projects which have spent in advance. A revised Summary Capital Budget, incorporating the budgets carried forward and any schemes that are now significantly changed will be presented with the first capital monitoring report for 2011/12.
- B1.10 In 2010/11 within the outturn total of £43.8m there was some expenditure originally to be financed from revenue that has now been reclassified as capital expenditure. In addition there were a number of schemes that incurred additional expenditure in 2010/11, such as the Royal Terrace Gardens/Rock Walk project, that were funded in 2010/11 from either revenue or other capital resources.

B2. Individual Project Monitoring

- B2.1 Appendix B shows the expenditure in 2010/11 on each individual project.
- B2.2 The significant expenditure in year on projects within each theme is as follows: (spend over £0.5m):
- B2.3 Pride in the Bay – Total spend 10/11 £12.2 million

	£m
Completed Schemes:	
- Paignton Library Hub	2.5
- Rock Walk	1.9
- TOR2 Waste Collection	1.1
- Tweenaway Junction	2.5
- Roads – Structural Maintenance	0.8
- Integrated Transport Plan	2.7

- B2.4 New Economy – Total spend 10/11 £6.5 million

	£m
Ongoing Schemes:	
- Brixham Regeneration	4.2
- Cockington Court	2.0

B2.5 Learning & Skills – Total spend 10/11 £21.0 million

	£m
Completed Schemes:	
- PCSC – Sports Hub	1.7
- Early Years Capital Grant	0.6
- Schools – Devolved Formula Capital	1.2
Ongoing Schemes:	
- Cuthbert Mayne 14-19 development	1.2
- Roseland Remodelling	1.2
- My Place	1.9
- Queensway Primary	1.2
- Torquay Community College	7.4

B2.6 Stronger Communities – Total spend 10/11 £1.8 million

	£m
Completed Schemes:	
Disabled Facilities Grants	0.6

B2.7 Corporate Health – Total spend 10/11 £2.3 million

	£m
Ongoing Schemes:	
Castle Circus Regeneration	1.7

B2.8 The above list illustrates the wide variety of projects undertaken by a Unitary Council. The majority of schemes were delivered within budget and within a few weeks of the expected handover date.

B2.9 The slippage by scheme, (with variations over £0.3m), is summarised in the table below:

Scheme	(Slippage) £m	Reason
School's Devolved Formula Capital	(1.3)	Money allocated to schools during the financial year but returned by the schools as unspent at year end.
Castle Circus	(1.0)	Delay in starting work on Torhill House and Torquay Town Hall until tenants departure and specification finalised
Tweenaway Cross Junction	(0.4)	Due to the high number of utility apparatus discovered within the junction the works were delayed by three weeks
Sea Change - Cockington	(0.3)	Completion on the New Build element happened in May and completion on the Court is to take place in June. The project has been complicated and is running several weeks behind programme.
Brixham Regeneration	(0.3)	A complicated major project that is still ongoing.

In addition, two schemes , My Place at Parkfield House and Torquay Community College Rebuild both incurred expenditure of £0.5 million ahead of schedule.

C1. Receipts & Funding

C1.1 Resources used in the year to fund the actual spending, compared to the anticipated use of resources, are as follows –

	Latest Budget £m	Outturn £m	Difference £m
Borrowing -	12.3	12.3	0
<i>of which -</i>			
<i>Supported (by Gov't funding)</i>	4.7	4.2	(0.5)
<i>Unsupported (Prudential)</i>	7.6	8.1	0.5
Grants	29.2	28.0	(1.2)
Other Contributions	1.1	0.9	(0.2)
Revenue & Reserves	1.4	2.2	0.8
Capital Receipts	3.3	0.4	(2.9)
Total Required	47.3	43.8	(3.5)

C1.2 Capital Grants continue to be the major funding stream (64%) for the Council to progress its investment plans. The majority of these grants are a result of a “bid” process from other public sector bodies. With potential significant reductions on public sector expenditure expected this funding stream could be significantly reduced for future capital projects.

C1.3 Borrowing was kept within Affordable Borrowing limits and the effect on the Revenue Accounts was within Budget (see Prudential Indicators below).

C1.4 In addition to the £4.2 million of borrowing supported by central government, i.e. costs of borrowing funded in future year grants, unsupported (Prudential) borrowing of £8.1 million was utilised to fund (or part fund) expenditure on the following projects:

- Paignton Library
- South Devon Link Road
- Haldon Pier
- Brixham Regeneration
- Castle Circus Regeneration Project

C1.5 Repayment of the prudential borrowing by services varies between projects and reflects the anticipated use of the asset or a suitably shorter period over which the service feels is appropriate, however prudential borrowing is never taken over a period which is greater than the anticipated life of the asset.

C1.6 An issue is often raised over the level of borrowing undertaken by the Council and how it will be repaid. The Council sets aside an amount in its revenue budget (known as minimum revenue provision) for this repayment. In 2010/11 it set aside £3.6m in respect of capital expenditure by the Council, along with £0.4m in relation to the PFI scheme for Westlands and Homelands Schools (funded by the PFI Grant). This ensures that in the long term all borrowing will be repaid.

C1.7 Borrowing is related to the funding of fixed assets. The costs of these assets tend to be spread over the long term which is line with the long term use of these

assets. The value of Council long term assets as at 31/3/11 was approx. £350 million.

C1.8 Capital Receipts –

C1.9 Capital receipts in the year were £0.5 million. Receipts included the following:

- £0.2m Right to Buy Housing “clawback”
- £0.3m Land sales including land at Blythe Way & Hawkins Avenue

C1.10 The general target for securing capital receipts from asset sales to fund the 4-year Capital Budget, following review of the Budget in February 2011 was £4.0 million (required by March 2015). Of this sum receipts applied in 2010/11 were £0.4m whilst the Council held £0.5m in the capital receipts unapplied reserve at year end.

C1.11 This means that the approved Plan at 1 April 2011 still relies upon the generation of a total of £3.1 million capital receipts from asset sales by the end of 2014/15. As identified at the time that the Council approved the 2011/12 capital plan this target was considered reasonable provided that significant approved disposals currently in the pipeline are completed and the Council's rationalisation policy is continued.

C1.12 Of the receipts expected £1.2 million is in relation to the Tesco development at Brixham. An additional sum is expected for the disposal of the old Paignton Library site. No receipt has been included in relation to the disposal of Oldway Manson. All capital receipts are required to fund approved capital schemes.

C1.13 The Council approved a capital contingency of £1.1 million during the annual Budget review completed in February 2011. This contingency is still in place to provide for unforeseen emergencies or shortfall in projected income over the 4-year Plan period.

D1. Overall Financial Performance & Prudential Indicators

D1.1 The Prudential Indicators for prudence and affordability required by the CIPFA Code became a statutory requirement from April 2004.

D1.2 The Actual Indicators (subject to Audit) are calculated from the Council's 2010/11 Income & Expenditure Account and Balance Sheet presented in the (draft) Statement of Accounts. A brief description of the Indicators that must be reported at Outturn and which will be formally approved by Council is provided in Annex 2. Performance against the main indicators is also incorporated into the “Local” Performance Indicators Table below.

D1.3 The prudential indicators are calculated using the original principal value of the borrowing. The balance sheet values, as required by the application of financial reporting standards in relation to financial instruments, will vary from the principal value as under the new reporting standards borrowing is shown at “fair value”.

D1.4 Overall Capital Budget “Local” Performance Indicators -

Objective	Indicator	Outturn 2010/11	Concern
<ul style="list-style-type: none"> To contain External Borrowing within the Authorised Borrowing Limit 	<ul style="list-style-type: none"> ➤ External Borrowing including long term liabilities as % of Authorised Limit (must be less than 100%) 	77%	No
<ul style="list-style-type: none"> To contain External Borrowing within +5%/- 15% of the Operational Boundary 	<ul style="list-style-type: none"> ➤ External Borrowing as % of Operational Boundary (must be between 85% and 105%) 	99%	No
<ul style="list-style-type: none"> To ensure that Net Borrowing does not exceed the Capital Financing Requirement 	<ul style="list-style-type: none"> ➤ Net Borrowing is less than Capital Financing Requirement (must be greater than Zero) 	£56m < £138m	No
<ul style="list-style-type: none"> To progress the schemes in the approved Capital Budget 	<ul style="list-style-type: none"> ➤ Percentage of Latest Budget spent at year end to be at least 80% ➤ Percentage of Original Budget spent at year end to be at least 80% 	93% 74%	No Yes
<ul style="list-style-type: none"> To ensure the Revenue costs of Capital are within budget 	<ul style="list-style-type: none"> ➤ Financing costs excluding RCCO as a % of Net Revenue Budget 	7.7%	No
<ul style="list-style-type: none"> To generate sufficient Capital Receipts to fund the Plan Budget 	<ul style="list-style-type: none"> ➤ Receipts in year as a % of receipts anticipated in year 	38%	Yes
<ul style="list-style-type: none"> To maximise the amount of Government Grants and External Funding available to support Council service objectives 	<ul style="list-style-type: none"> ➤ Percentage of Outturn funded from External Funding 	66%	No
<ul style="list-style-type: none"> To ensure that sufficient funding is available to finance the Approved 4-year Capital Plan 	<ul style="list-style-type: none"> ➤ Capital Receipts to be Generated over remainder of Plan period 	£3.1m	Yes

D1.5 The Local Performance Indicators are in the main within expected tolerances. The main concern is the level of capital receipts generated in 2010/11 of £0.5 million compared to the four year target over the life of the capital plan of £3.1 million.

E. Summary

E1.1 In overall terms financial performance and risk management of the Capital Budget has been acceptable and consistent with previous years. The budget has been effectively monitored throughout the year. Any increased cost arising on individual schemes has been funded from existing Council resources or additional external funding secured.

- E1.2 The spend of £43.8 million is 12% lower than the 2009/10 spend of £49.8m which reflects the near completion of a number of major projects.
- E1.3 A number of projects have been completed during the year and are now delivering improved services to users. The Council produces a regular “capital success” leaflet which highlights the benefits of a number of schemes on the capital plan. These can be accessed on the Council’s website on this link:
- http://www.torbay.gov.uk/index/council/financial_services/capitalprogramme.htm
- E1.4 The general capital contingency of £1.1 million during the annual budget review, is still in place to provide for unforeseen emergencies or shortfall in projected income over the 4-year Plan period.
- E1.5 Capital receipts in the year were disappointing but, in part, probably a reflection of current economic conditions. The aim is that generation of sufficient receipts from the remaining assets on the Disposal List and from other earmarked assets to fund the ongoing Plan Budget remains a priority. This will continue to be monitored through quarterly reports to the Overview and Scrutiny Board.
- E1.6 There are however, with the exception of the Tesco development in Brixham and the disposal of the old Paignton Library, no significant capital receipts expected in the short term.

Torbay Council Prudential Indicators Outturn 2010/11

The Prudential Indicators for 2010/11 were set by Council in March 2010 and were reviewed in the Capital Budget Report presented in February 2011. The Outturn Indicators compared with that revision are as follows-

Prudential Indicators for Affordability

Ratio of Financing Costs to Net Revenue stream

This indicator shows how much of the net Revenue Budget is used to pay the costs of borrowing and other credit. It includes the costs of interest on borrowing and for setting aside provision for the repayment of principal, offset by investment income. These costs are then shown as a percentage of the net Revenue Budget (to be met from General Grants, including Area Based Grant, and Council Tax). The change year on year shows the effect that capital investment has upon the overall financial strategy of the Council.

As capital projects take time to complete the effect on the Revenue Budget builds up over time. i.e. the full year effect of spending in 2010/11 is not felt until 2011/12 and so on.

Revenue Costs of Capital Financing	Outturn 2009/10	Estimate 2010/11	Outturn 2010/11
	£m	£m	£m
Interest on Borrowing & Other Finance	5.2	5.5	6.3
Debt Rescheduling	0	0	0
Finance Costs re PFI	0.6	0.6	0.6
Investment Income	(2.7)	(1.5)	(1.6)
Cost of Transferred Debt & other deferred liabilities	2.0	2.0	1.0
Minimum Revenue Provision (MRP)	3.7	3.6	3.6
MRP re PFI	0.4	0.4	0.4
Direct financing of capital from the revenue account	1.3	0	2.1
Total Financing Costs	10.5	10.6	12.4
Net Revenue Budget	123.3	134.0	133.0
Ratio - Including direct financing from Revenue	8.5%	7.9%	9.3%
Ratio - Excluding direct financing from Revenue	7.5%	7.9%	7.7%

In calculating this indicator the following assumptions are made –

- Payment to Devon County Council for debt administered by them but “transferred” to this Authority in 1998 is reflected in the calculation. During 2010/11 £20m of liability to DCC was transferred to PWLB borrowing.
- The calculation does not include Government support towards the costs of Borrowing paid through Revenue Support Grant or PFI Grant
- The calculation does not include any repayment by services of any service (saving) funded prudential borrowing.
- Direct Financing of Capital would have been funded from revenue budgets.

Prudential Indicators for Prudence

Net Borrowing and the Capital Financing Requirement

This indicator measures the Council's underlying need to borrow for a capital purpose over the medium term. It is derived from Balance Sheet values including Fixed Assets and increases as a result of Capital spending not financed immediately from capital receipts, grants, contributions and revenue.

	2009/10 Actual	2010/11 Estimate	2010/11 Actual	2011/12 Estimate
Borrowing as at 31/03/xx	£132m	£132m	£162m	£157m
Less Investments as at 31/03/xx	(£109m)	(£47m)	(£116m)	(£73m)
Net Borrowing	£23m	£85m	£46m	£84m
Long Term Liabilities as at 31/3/xx	£31m	£30m	£10m	£10m
Net Borrowing & Long Term Liabilities as at 31/3/xx	£54m	£115m	£56m	£94m
Capital Financing Requirement	£130m	£158m	£138m	£152m

In line with best practice, the Council has adopted the CIPFA Code of Practice for Treasury Management and has an integrated Treasury Management Policy and therefore does not associate borrowing with particular schemes or types of expenditure. External borrowing primarily arising as a direct result of the approved capital plan however in daily cash management no distinction can be made between revenue and capital cash, however over the medium term borrowing should only be undertaken for a capital purpose.

To demonstrate this Net Borrowing (except in the short-term) should not exceed the CFR.

Prudential Indicators for Capital Expenditure, External Debt & Treasury Management

Authorised Limit for External Debt

This is the Statutory "affordable borrowing limit" required under section 3(1) of the Local Government Act 2003. Impending breach would require the Council to take avoiding action. The Limit approved for 2010/11 was £224m. Within that limit the part relating to borrowing was £203m and the level of external debt during the year of £162m was within this limit.

Included in this limit is any long term liability the Council has such as the PFI scheme for two schools. With the introduction of International Financial Reporting Standards the Council is likely to have more long term liabilities as the tests for liabilities such as a finance lease are more likely to result in this lease classification.

	2010/11	2011/12
Borrowing	£203m	£207m
Other Long-term Liabilities	£21m	£21m
Total Authorised limit	£224m	£228m

The proposed limits are calculated having regard to the Council's existing commitments, approved Capital Budget and the proposals for new spending contained in the Capital Budget Report. In addition to the Basic assumptions above, the Limits allow for the following –

- consistency with the Council's Treasury Management & Annual Investment Strategy
- an anticipation of the "worst case scenario" for daily cashflow providing headroom over the Operational Boundary and incorporating risk analysis of slippage in spending and income receipts
- the option to borrow funds to finance the Capital Plan budget in advance of projected spending if market forces indicate this is financially advantageous
- provision to allow Prudential Borrowing for new "spend-to-save" schemes or to consider alternative financing options
- the projected Capital Financing Requirement above

Operational Boundary for External Debt

This is the most likely, but not worst case scenario for day-to-day cash management purposes. This indicator provides an early warning for a potential breach in the Authorised Limit. The CIPFA Prudential Code recognises that this Indicator needs to provide a realistic pointer that treasury operations are within affordable and statutory limits. Occasional breach of this limit is not serious but sustained breach would indicate that prudential boundaries the Council has set may be exceeded, requiring immediate Council action.

	2010/11	2010/11 Revised	2011/12 Estimate
Borrowing	£153m	£174m	£180m
Other Long-term Liabilities	£21m	£21m	£21m
Total Operational Boundary	£174m	£195m	£201m

The Limit is based upon the same assumptions used for the Authorised Limit but assumes a more likely scenario for slippage in spending and income receipts than taken for the Authorised Limit. It does not have the additional headroom for unusual cash movements and is more consistent with the cost of financing estimates used for the purpose of setting the Revenue Budget.

Capital Financing Requirement at 31 March 2011

This indicator measures the Council's underlying need to borrow to fund capital projects and dictates the amount of money the Council has to set aside from its Revenue Budget (Minimum Revenue Provision) as provision for repayment of any

actual debt it incurs. It increases as a result of Capital spending where resources are not set aside immediately from capital receipts, grants, contributions and revenue – i.e funded from borrowing.

The outturn figures are derived from the Balance Sheet by consolidating Fixed Assets, Capital Financing, Revaluation Reserve and the Capital Adjustment Account.

Capital Financing Requirement	2010/11 Revised	Outturn 2010/11
	£m	£m
Opening Balance	129.7	129.7
Capital Expenditure in Year to be funded from Borrowing	13.0	12.3
Minimum Revenue Provision	(4.0)	(4.0)
Repayment of Long Term Liabilities	(0.4)	(0.4)
Capital Financing Requirement at Year End	138.4	137.6

Additional Prudential Indicators in respect of Treasury Management, including the limits for Fixed and Variable interest rate exposure, are presented in the Treasury Management Outturn Report to Audit Committee in June 2011 and Council in July 2011.

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	Financial Year 2010/11					
	Original Budget 2010/11 £000 (1)	Net changes in the Year 2010/11 £000 (2)	Latest Budget (Qtr 3) 2010/11 £000 (3)	Outturn 2010/11 £000 (4)	Variance 2010/11 £000 (5)	Carry Forward to 2011/12 £000 (6)
PRIDE IN THE BAY						
COMMUNITY (ENVIRONMENT) SERVICES						
HIGHWAYS & TRANSPORTATION						
Structural Maintenance						
Highways Maintenance programme	737	(95)	642	801	159	159
Blackball Lane, Bxm-Vehicular Containment	0	55	55	69	14	14
Integrated Transport						
Annual programme	2,276	(238)	2,038	2,194	156	156
On Street Parking meters	0	35	35	35	0	0
TRIPS provision	0	15	15	16	1	1
Public Passenger Transport - Bus	0	275	275	275	0	0
South Devon Link Rd - Council contribution	0	231	231	191	(40)	(40)
RFA Tweenaway Cross Junction	1,500	1,406	2,906	2,494	(412)	(412)
NGP - Sth of Tweenaway, Lane imprvmt	591	(591)	(0)	0	0	0
NGP - Windy Corner Junction	200	(194)	6	1	(5)	(5)
NGP - Strategic Cycleway	200	(116)	84	113	29	29
NGP - Great Parks access	392	(392)	(0)	0	0	0
Other Infrastructure						
Whiterock (Long Rd South) Infrastructure	181	(297)	(117)	(117)	0	0
Babbacombe Beach Road	70	(70)	0	0	0	0
	6,147	24	6,170	6,072	(98)	(98)
OTHER ENVIRONMENT SERVICES						
Barton Gas Safety Works	18	0	18	17	(1)	(1)
Direct Services						
Fleet & Equipment Purchases	1,910	(1,910)	0	0	0	0
Wheeled Bin Purchases	50	(50)	0	0	0	0
Other Services						
Waste Infrastructure Capital Fund	508	792	1,300	1,100	(200)	(200)
Princess Promenade (Western Section)	0	(0)	(0)	3	3	0
Toilet improvement programme	0	80	80	80	0	0
MSCP Refurbishment Programme	0	24	24	24	(1)	(1)
Tqy Townscape Heritage Initiative	36	57	93	94	1	0
	2,523	(1,006)	1,516	1,319	(197)	(202)
CULTURE						
Libraries						
Paignton Library Rebuild	1,889	674	2,563	2,526	(37)	(37)
Museums						
Torre Abbey Renovation - Phase 2 Design Costs	234	(13)	221	204	(17)	(17)
Sports & Leisure						
Illuminations Replacement	100	(58)	42	38	(4)	(4)
Barton Playing Fields	0	60	60	38	(22)	(22)
Children's Playgrounds Refurb (50% of Borough Rd receipt)	0	7	7	54	47	32
Oddicombe Cliffs stabilisation	0	50	50	1	(49)	(49)
Other						
Brixham Pool - Grant towards capital repairs	0	1	1	1	0	0
Rock Walk Stabilisation	1,000	560	1,560	1,880	320	0
Sea Change - Berry Head	140	(140)	0	0	0	0
Fitbay projects	0	56	56	29	(27)	(27)
	3,363	1,198	4,560	4,770	210	(124)
Total PRIDE IN THE BAY programme	12,032	215	12,247	12,161	(85)	(424)
NEW ECONOMY						
TORBAY DEVELOPMENT AGENCY						
ECONOMIC REGENERATION						
Brixham Regen - Harbour Development Ph 2 (Buildings)	2,938	1,158	4,096	3,826	(269)	(269)
Brixham Regen - Harbour Development Ph 3	640	(258)	382	338	(44)	(44)
NGP Torbay Innovation Centre Ph 3	558	(488)	70	69	(1)	(1)
LABV Delivery of Mayoral Vision projects	70	(70)	0	0	0	0
Sea Change - Cockington Court	1,000	1,313	2,313	2,033	(280)	(280)
	5,206	1,655	6,861	6,265	(595)	(595)
Marine Services						
Torquay Harbour						
Torquay Town Dock	0	13	13	26	13	0
Haldon/Princess Piers - Structural Repairs Ph 1	0	203	203	197	(6)	(6)
	0	216	216	223	7	(6)
Total NEW ECONOMY programme	5,206	1,871	7,077	6,488	(589)	(601)
LEARNING & SKILLS						
CHILDREN SERVICES						
Pre-Primary & Primary						
Brixham CofE - Phase 2	0	7	7	21	14	14
Sherwell Valley - Phase 3	0	78	78	8	(70)	(70)
Foxhole Amalgamation (former Tqy/Pgn Prim review)	0	121	125	130	5	5
Foxhole Community Campus - contribution	0	72	72	69	(3)	(3)
Foxhole Community MUGA	0	180	180	157	(23)	(23)
Curledge St Remodelling	1,980	(1,299)	681	405	(276)	(276)
Roselands Remodelling	1,430	(488)	942	1,171	229	229

TORBAY COUNCIL - CAPITAL PLAN BUDGET OUTTURN 2010/11

	Financial Year 2010/11					
	Original Budget	Net changes in the	Latest Budget (Qtr	Outturn	Variance	Carry Forward
	2010/11 £000 (1)	Year 2010/11 £000 (2)	3) 2010/11 £000 (3)	2010/11 £000 (4)	2010/11 £000 (5)	to 2011/12 £000 (6)
Ellacombe Remodelling	150	202	352	336	(17)	(17)
Shiphay SEN & Mobiles	0	9	9	2	(7)	(7)
Cockington - CC & Mobiles	0	0	0	(5)	(5)	(5)
Barton Primary PrimCapProg Project	2,450	(2,277)	173	80	(92)	(92)
Preston Primary - ASD Unit	580	(523)	57	46	(10)	(10)
Queensway RC PrimCapProg Project	1,350	(125)	1,225	1,225	0	0
Hayes Prim - Kitchens/Dining Hall (TC contrib)	0	76	76	76	0	0
Oldway Primary Disabled Changing Rooms	62	45	107	91	(16)	(16)
Oldway Primary Hall	0	371	371	280	(90)	(90)
SureStart/Early Yrs 2008/09 - 10/11(ChCtr Unalloc)	1,406	(1,366)	40	19	(21)	(21)
Early Years Capital Grants	0	596	596	613	17	17
Centenary Way Childrens Centre	0	165	165	18	(147)	(147)
Extended Schools	102	(102)	0	0	0	0
Secondary Schools						
Churston - Regen of Pitches	30	(30)	0	0	0	0
TGGS - Music & Drama	0	15	15	16	1	1
TGGS - 6th Form Block	0	2	2	1	(1)	(1)
TGGS - ATP Fencing	5	6	11	0	(11)	(11)
PCSC - ATP Project	160	153	313	244	(69)	(69)
PCSC mobile replce 14-19 proj	1,000	(1,000)	0	0	0	0
Cuthbert Mayne 14-19 proj	1,000	16	1,016	1,180	164	164
Westlands 14-19 project	750	(650)	100	34	(66)	(66)
TBGS - Food Technology Room	300	0	300	300	0	0
PCSC - Sports Hub	966	726	1,692	1,720	28	28
TGGS - Specialist School status	0	25	25	25	0	0
TCC - Building Schools for the Future Pathfinder	7,271	(370)	6,901	7,372	470	470
Education Review Projects - budget to be allocated	142	16	158	0	(158)	(158)
Special Schools						
Coombe Pafford - Business & Enterprise	0	6	6	0	(6)	(6)
Coombe Pafford Construction Workshop	350	46	396	393	(3)	(3)
Mayfield - Specialist school status	0	20	20	20	0	0
"All School" Initiatives						
Capital R&M 2010/11	600	(270)	330	183	(147)	(147)
Capital R&M 2009/10	0	92	92	67	(24)	(24)
Modernisation 2009/10	355	(292)	63	0	(63)	(63)
Capital R&M 0809	0	2	2	0	(2)	(2)
Feasibility & Surveys06/07 onwards	40	11	51	21	(31)	(31)
New Deal for Schools Condition 05/06	0	3	3	2	(1)	(1)
Special Education Needs - reactive works	30	11	41	37	(4)	(4)
School Security Projects	150	3	153	142	(11)	(11)
Asbestos Removal	0	18	18	4	(14)	(14)
14-19 Diploma Delivery	820	(761)	59	10	(49)	(49)
Harnessing Technology	411	(138)	273	273	0	0
Devolved Formula Capital Funding	1,575	932	2,508	1,232	(1,276)	(1,276)
School Access	238	103	341	318	(23)	(23)
Aiming High for Disabled Children	96	6	102	102	0	0
PlayBuilder (DCSF grant)	563	(187)	376	494	118	118
NON SCHOOL PROJECTS						
Youth Service Schemes	0	55	55	(3)	(58)	(58)
Other Non-school projects	350	(350)	(0)	0	0	0
Youth Capital Fund projects	65	(32)	33	33	0	0
Youth Modular Projects	200	(140)	60	47	(13)	(13)
Care Home and Facilities - Childrens	22	(22)	0	0	0	0
Minor adaptations - Children	0	77	77	15	(62)	(62)
My Place Parkfield	0	1,488	1,488	1,936	449	449
Total LEARNING & SKILLS programme	26,998	(4,664)	22,334	20,962	(1,372)	(1,372)
STRONGER COMMUNITIES						
HOUSING						
Private Sector Support						
Private Sector Renewal - Annual provision	362	(102)	260	258	(2)	(2)
Security for Vulnerable (Safe & Secure Communities)	0	3	3	2	(1)	(1)
Insulation Scheme	0	20	20	40	20	20
Disabled Facilities Grants	550	220	770	638	(131)	(131)
Grants to Housing Providers						
Sanctuary - Dunboyne 39 Extra Care Units (DoH grt)	620	(620)	0	0	0	0
Chapter One HA - SP Dispersed Units (25 units)	100	(100)	0	0	0	0
WCHA - Borough Road site (19 units)	15	0	15	15	0	0
WCHA - Foxhole School site (30 units)	15	(15)	0	0	0	0
Sovereign HA - Beechfield (102 units)	135	5	140	140	0	0
Hayes Road	0	250	250	250	0	0
HA Schemes alloc pending authorisation:-						
Signpost HA - Rock Road (30 units)	100	(100)	0	0	0	0
Torbay Enterprise Project	500	(400)	100	135	35	35
NGP - HCA Match Land Acquisitions	1,488	(1,408)	80	84	4	4
New Advances budget to be allocated	499	(464)	35	0	(35)	(35)
	4,384	(2,712)	1,673	1,562	(110)	(110)
TORBAY CARE TRUST (ADULTS)						
Council Facilities						
Care Home and Facilities - Adults	76	(36)	40	91	51	51
Mental Health Initiatives	264	22	286	98	(188)	(188)
Other						
Adult Social Care IT infrastructure	63	62	125	101	(24)	(24)
NGP - Educ, Innov & Research Centre (Tby Hosp)	0	100	100	0	(100)	(100)
	403	147	550	289	(260)	(260)
Total STRONGER COMMUNITIES programme	4,787	(2,565)	2,222	1,852	(371)	(371)
CORPORATE HEALTH (ALL - SERVICE)						

TORBAY COUNCIL - CAPITAL PLAN BUDGET OUTTURN 2010/11

	Financial Year 2010/11					
	Original Budget 2010/11 £000 (1)	Net changes in the Year 2010/11 £000 (2)	Latest Budget (Qtr 3) 2010/11 £000 (3)	Outturn 2010/11 £000 (4)	Variance 2010/11 £000 (5)	Carry Forward to 2011/12 £000 (6)
ALL-SERVICE						
CENTRAL SUPPORT						
IT Developments						
Single Person View (IT)	100	(100)	0	0	0	0
Central Property issues						
Castle Circus Regen Proj - Community Hub/THHph1	9,000	(6,300)	2,700	1,699	(1,001)	(1,001)
DDA adaptations to Council property	40	(1)	39	41	2	0
Land Acquisition- Kings Drive Gardens, Tqy	0	105	105	105	0	0
	9,140	(6,295)	2,845	1,845	(1,000)	(1,001)
OTHER CORPORATE ISSUES						
Major Repairs & Renewal to be allocated						
Comino DIPS system	0	54	54	53	(1)	(1)
Customer First Telephony	0	13	13	0	(13)	(13)
Libraries ICT renewal	0	3	3	0	(3)	(3)
Partnership shared capital	0	78	78	76	(2)	(2)
ICT Infrastructure	100	91	191	145	(46)	(46)
Performance Reward Grant unallocated	500	(500)	0	0	0	0
Capital Expenditure from Revenue	0	0	0	174	174	0
	600	(262)	338	448	110	(64)
Contingency & unallocated resources						
Contingency against Committed Schemes	200	85	285	0	(285)	(285)
Reduced Contingency for 4% loss Capital Receipts	(50)	(50)	(100)	0	100	100
Enhancement Prior to Sale	0	4	4	0	(4)	(4)
	150	40	190	0	(190)	(190)
Total CORPORATE HEALTH programme	9,890	(6,517)	3,373	2,293	(1,080)	(1,256)
SUMMARY :						
PRIDE IN THE BAY	12,032	215	12,247	12,161	(86)	(424)
NEW ECONOMY	5,206	1,871	7,077	6,488	(589)	(601)
LEARNING & SKILLS	26,998	(4,664)	22,334	20,962	(1,372)	(1,372)
STRONGER COMMUNITIES	4,787	(2,565)	2,222	1,852	(371)	(371)
CORPORATE HEALTH	9,890	(6,517)	3,373	2,293	(1,080)	(1,256)
TOTAL APPROVED PROGRAMME	58,913	(11,660)	47,253	43,756	(3,497)	(4,024)
FUNDING SOURCES :						
BORROWING						
Supported	6,279	(1,541)	4,738	4,193	(545)	
Unsupported (Prudential)	13,125	(5,557)	7,568	8,101	534	
GRANTS	33,941	(4,703)	29,238	28,011	(1,227)	
CONTRIBUTIONS	985	(2)	983	839	(144)	
RESERVES	180	1,481	1,661	1,402	(259)	
REVENUE CONTRIBUTIONS	300	102	402	767	365	
CAPITAL RECEIPTS						
EARMARKED ASSET SALES	2,793	(742)	2,051	0	(2,051)	
Corporate/General Asset Sales	1,311	(699)	612	443	(169)	
Total Funding	58,913	(11,660)	47,253	43,756	(3,497)	

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Title: **Overview and Scrutiny Work Programme 2011/2012**

Public Agenda **Yes**

Item:

Wards **All**

Affected:

To: **Overview and Scrutiny Board** On: **29 June 2011**

Key Decision: **No**

Change to **No**
Budget:

Change to **No**
Policy
Framework:

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1. What we are trying to achieve and the impact on our customers

1.1 To ensure that the Overview and Scrutiny Work Programme for 2011/2012 is robust, realistic, but also flexible enough to enable emerging issues of concern to be addressed. This will help ensure that overview and scrutiny is driving service improvement and playing a key role in the policy development process. A successful scrutiny function would have a positive impact on our customers as the community would be involved in the work being undertaken and the outcomes of that work would be focused on the community's needs.

2. Recommendation(s) for decision

2.1 **That the draft Work Programme set out in Appendix 1 be considered, amended as necessary, and approved.**

2.2 **That any Overview and Scrutiny Review Panels required be established comprising 4 members of the Conservative Group, 2 members of the Liberal Democrat Group and either 1 member of the Non-Coalition Group or the Labour councillor.**

2.3 **That at least one topic for immediate investigation through an Overview and Scrutiny Review Panel be identified.**

3. Key points and reasons for recommendations

- 3.1 The Constitution requires that, early in each Municipal Year, the Overview and Scrutiny Board will co-ordinate the production of a Work Programme for the function as a whole.
- 3.2 The draft Work Programme attached at Appendix 1 has been prepared taking account of views expressed by councillors, commissioners, partner organisations, community groups, and members of the public.
- 3.3 An amount of the Work Programme is based around a limited number of in-depth reviews which will be undertaken by Review Panels, usually chaired by the appropriate Scrutiny Lead Member. The exact timings of these reviews have yet to be determined.
- 3.4 Alternatives to traditional Review Panels have been used by Overview and Scrutiny including undertaking initial research to determine if there is a need for a detailed review and shorter reviews using desk based research and briefings to Scrutiny Lead Members followed by consultation and report back to the Overview and Scrutiny Board.
- 3.5 The latter part of the Annual Programme is relatively free to enable councillors to respond in a timely manner to issues which arise during the course of the year. One of the principles of good scrutiny is that it is carried out by 'independent minded governors' who lead and own the scrutiny process. Therefore, throughout the year members will be encouraged to identify agenda items for the meetings of the Overview and Scrutiny Board and the Health Scrutiny Board. Sources for items could include the Forward Plan, ward matters, Community Partnerships, performance information, the news media, and the Council's research and consultation findings (for example, the Viewpoint survey). Scrutiny Leads will agree future agenda items at monthly briefing meetings.
- 3.6 A draft work programme for the Health Scrutiny Board has been developed having regard to the forthcoming possible substantial variations which officers are aware of. Torbay LINK also has the power to refer matters to the Health Scrutiny Board although no referrals have been received to date. Full details of the Health Scrutiny Work Programme will be agreed at the next meeting of the Health Scrutiny Board (scheduled for 7 July 2011). For information the Health Scrutiny Board's draft work programme is attached as Appendix 2.
- 3.7 In undertaking the Work Programme, Members are asked to reaffirm that Overview and Scrutiny meetings and events are held in alternative venues (to the Town Hall) whenever practicable.
- 3.8 In the 2010/11 municipal year Overview and Scrutiny aimed to complete its programme by the April 2011 meeting of the Board due to the local elections in May 2011. Consequently, a smaller number of issues than is usual have been carried over from last year's Work Programme.
- 3.9 Overview and scrutiny is member-led. Accordingly, members should add to, delete, or change any of the items within the draft Work Programme.

For more detailed information on this proposal please refer to the supporting information attached.

**Mark Bennett
Executive Head (Business Services)**

Supporting information

A1. Introduction and history

A1.1 The draft Work Programme set out in Appendix 1 has been prepared taking account of the views expressed by the Overview and Scrutiny Co-ordinator, Scrutiny Lead Members, the Mayor and all other Members of the Council, the co-opted members of the Overview and Scrutiny Board, senior Council officers, and members of the public.

A2. Risk assessment of preferred option

A2.1 Outline of significant key risks

A2.1.1 The exact nature and timing of the Reviews that have been identified will need to be agreed by members through the scoping process. In order to deliver successful reviews, members will need to ensure that they are clear about what they wish to review (and indeed what they will be excluding from the review). The timings of each review will also be critical to ensure that as little 'bunching' as possible occurs. The timeline for each individual review should be adhered to – this will help ensure that all the reviews can be delivered within the resources available.

A2.1.2 A critical success factor will be members' commitment to these reviews – members need to be sure that these issues are matters which can make a difference to the community of Torbay and that they are willing to commit time and energy into identifying consultees and key questions, meeting and discussing issues with other members, officers and consultees, reading and challenging the information presented to them and, finally, drawing conclusions, considering options appraisals and risk assessments, and formulating evidence-based recommendations.

A2.1.3 Members also need to receive support from officers within service departments and within relevant partners. Whilst the Scrutiny Support Team can provide day-to-day support (including research, consultation and analysis), detailed information will need to be provided through Executive Heads especially at the scoping, options appraisal, and risk assessment stages.

A2.1.4 If members are not committed to the topics within the proposed Work Programme and to making overview and scrutiny a worthwhile mechanism to improve the lives of the community of Torbay (and if they do not receive adequate support from service departments), then there is a risk that no or few positive outcomes can be shown to have been achieved by Overview and Scrutiny.

A2.1.5 Co-ordination with the various work programmes of the Council's Policy Development Groups is necessary to ensure there is not duplication of Overview and Scrutiny's role and workstreams and vice versa.

A2.2 Remaining risks

A2.2.1 Further reductions in the Council's Overview and Scrutiny Support Team.

A3. Other Options

A3.1 Members may wish to add to, delete, substitute, or change any of the items within the draft Work Programme.

A4. Summary of resource implications

A4.1 The proposed draft Work Programme can be delivered within the resources available provided that members are willing to give their time and energy.

A5. What impact will there be on equalities, environmental sustainability and crime and disorder?

A5.1 Each review will take account of these issues.

A6. Consultation and Customer Focus

A6.1 The draft Work Programme has been prepared taking account of the views expressed by the Overview and Scrutiny Co-ordinator, Scrutiny Lead Members, the Mayor and all other Members of the Council, senior Council officers, and members of the public.

A6.2 Suggested topics for review include those derived from consultation results with members of the public.

A6.3 Each review will aim to involve the community through consultation and possible co-option.

A7. Are there any implications for other Business Units?

A7.1 The Council's Commissioners have indicated previously that relevant Executive Heads should be more involved in review work especially at the scoping, options appraisal, and risk assessment stages. This approach will be continued. Previously, in-depth reviews identified within the Overview and Scrutiny Work Programme have been specified as the only workstream within the Authority for these topics.

Appendices

Appendix 1 Draft Work Programme for 2011/12

Documents available in members' rooms

None

Background Papers:

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

Viewpoint, Resident Panel Survey Results (Consultation and Research Team, Torbay Council)

APPENDIX ONE: OVERVIEW AND SCRUTINY WORK PROGRAMME 2011/12

Purpose of meetings of the Overview and Scrutiny Board

- To manage the business of overview and scrutiny
- To review the performance (including financial performance) of the Authority and make recommendations accordingly
- To consider reports from the Review Panels, adopt them (with or without amendments) and to forward them to the appropriate decision maker
- To monitor the progress made in implementing recommendations from overview and scrutiny

Date of Meeting	29 June	28 July	21 Sept	26 Oct	16 Nov	25 Jan	15 Feb	11 Apr	23 May
Time of Meeting	5.30 p.m.	5.30 p.m.	5.30 p.m.	5.30 p.m.	5.30 p.m.	5.30 p.m.	5.30 p.m.	5.30 p.m.	5.30 p.m.
Agenda Items	Bathing Water Quality, and the revised Bathing Water Directives – update Revenue Outturn 2010/11 and the Capital Plan Outturn 2010/11 Work Programme 2011/12	Active Ageing Strategy Torbay Economic Development Company Business Plan 2011/12 Performance Overview and Monitoring (Q1 11/12)	Affordable Housing Review – Update on agreed actions	Annual Review of the Corporate Capital Strategy and Asset Management Plan tbc Medium Term Resources Plan tbc Review of Reserves 2012/2013 tbc Priorities and Resources Review – Interim Report tbc	Performance Overview and Monitoring (Q2 11/12)] Key Stage 2 Review – Progress Monitoring	Priorities and Resources Review – Final Report	Performance Overview and Monitoring (Q3 11/12)	Overview and Scrutiny Annual Report	

POTENTIAL REVIEW PANELS

Purpose of Review Panels

- To undertake in-depth policy development reviews (in relation to strategic matters of importance) on behalf of the Council as a whole

Timescale	Topic	Provisional Objective of Review	Scrutiny Lead Member	Sign-off by parent body	Deadline for response from decision makers
tbc	Anti Social Behaviour	To review anti-social behaviour issues, particularly in relation to housing, private sector landlords, and Houses in Multiple Occupation (HMOs)	Scrutiny Lead tbc	tbc	tbc
tbc	Priorities and Resources	To review the emerging priorities of the Council for 2012/2013 and the associated resource implications	Overview and Scrutiny Co-ordinator	tbc October 2011 (Possible Interim Report)	tbc December 2010
				25 January 2012 (Final Report)	tbc March 2012
tbc	Residential Care	To review the supply and sustainability of residential care in the Bay	Scrutiny Lead tbc	tbc	tbc
Autumn	Changes to CCTV/Street Lighting Provision	To review the impact of the budget savings identified in respect of street lighting and CCTV as agreed for the 2011/12 Revenue Budget	Place Scrutiny Lead	tbc	tbc

POTENTIAL ISSUES TO BE ASSESSED FOR REVIEW

Purpose

- The following topics have been identified by councillors as issues that they would like to review. The relevant Scrutiny Lead Member, in consultation with the Overview and Scrutiny Co-ordinator, will determine how the review will be progressed (either at a meeting of the Overview and Scrutiny Board, by establishing a review panel, by fast-track review, or an alternative method).

<p>Page 52</p> <ul style="list-style-type: none">▪ Job Creation /Youth Unemployment▪ 'Closing the Gap' [project to tackle inequalities within Torbay]▪ Castle Circus Regeneration Project▪ Income possibilities for Torbay Council [Productivity Improvement Programme (PIP)]▪ NHS Reforms – impact on the Bay▪ Police Blueprint [the police change programme and resulting model of services in Torbay]	<ul style="list-style-type: none">▪ Child protection/safeguarding▪ Day Care & Bed Blocking▪ TOR2 performance▪ English Riviera Tourism Company▪ Opportunities arising from Localism Bill▪ Management of Buildings at Risk Register and Pavor House Update▪ Local Democracy Week [maximising involvement of Councillors]▪ Closure of Community Pubs
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APPENDIX TWO: HEALTH SCRUTINY BOARD WORK PROGRAMME 2011/12

Meeting Date (Town Hall, Torquay)	Thursday 7 July '11 (2.30 pm)	Thursday 22 Sept '11 (2.30 pm)	Thursday 15 Dec '11 (2.30 pm)	Thursday 22 March '12 (2.30 pm)
Agenda Items	<p>Health Overview and Scrutiny Work Programme 2011/12</p> <p>Personalisation of Care Update</p> <p>Commissioning Short Breaks for Children and Young People with Physical and Learning Disabilities</p> <p>Occombe House</p>	<p>Personalised Community Based Services – proposals [Domiciliary Care] tbc</p> <p>Brixham Hospital Site Development – Proposals</p>	<p>Torbay Care Trust: Consultation on Foundation Trust application tbc</p>	<p>Quality Account commentaries tbc</p>
<p style="text-align: center;">In addition, it is expected that there will be agenda items considering changes proposed for Specialised Services and appropriate visits undertaken by Health Scrutiny Board members to local NHS bodies</p>				

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