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Wednesday, 21 September 2011

Meeting of the Council

Dear Member

I am pleased to invite you to attend a meeting of Torbay Council which will be held in **Ballroom, Oldway Mansion, Torquay Road, Paignton, TQ3 2TE** on **Thursday, 29 September 2011** commencing at **5.30 pm**

The items to be discussed at this meeting are attached.

Yours sincerely,

Elizabeth Raikes
Chief Executive

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

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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Meeting of the Council Agenda

1. **Opening of meeting**

2. **Apologies for absence**

3. **Minutes**

To confirm as a correct record the minutes of the meeting of the Council held on 13 July 2011 and the adjourned meeting held on 14 July 2011.

(Pages 1 - 34)

4. **Declarations of interests**

(a) To receive declarations of personal interests in respect of items on this agenda

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.)

5. **Communications**

To receive any communications or announcements from the Chairman, the Mayor, the Overview and Scrutiny Co-ordinator or the Chief Executive.

(Note: As part of this item the Council will receive the South West Charter Plus for Member Development award from Bryony Holden, Chief Executive of South West Councils.)

6. Members' questions

To answer any questions asked under Standing Order A13.

7. Notice of motions

To consider the following motions, notice of which has been given in accordance with Standing Order A14 by the members indicated:

(a) Motion - Safeguarding Young People in Torbay

That Torbay Council supports Barnado's campaign to cut children free from sexual exploitation and will work to ensure that the local authority takes the necessary steps to tackle the risk of this abuse. The Council will work with all parties to achieve this, particularly the Children's Society who have recently received funding to tackle this issue in Torbay.

Submitted by Councillors Lewis and Faulkner (J)

(b) Motion - Torbay Council Against the Government Inspired Badger Cull

That Torbay Council rejects totally the government's plans to implement a badger cull from 2012. In view of its stance, Torbay Council requires that the killing of badgers is prohibited on all land that is under the protection of the Torbay Coast and Countryside Trust. Furthermore, Torbay Council is completely opposed to any pilot cull taking place in the South West.

Torbay Council's position is supported by the overwhelming consensus that there is no scientific basis for the culling of badgers as planned, and, therefore, as required by the coalition's own undertaking to "introduce a carefully managed and science-led policy of badger control in areas with high and persistent levels of bovine tuberculosis". For example:

the government's own advisor, Natural England has stated that the cull will have a drastic effect on badger populations (up to 95% of badgers may be wiped out). Furthermore, Natural England has said that it has a 'low level of confidence' that the cull will be effective in reducing TB in cattle;

Lord Krebs, scientific advisor, has said that the latest round of randomised badger culling trials has provided evidence that 'if you cull intensively for at least four years, you will have a net benefit of reducing TB in cattle of between 12 to 16 per cent. So you leave 85 per cent of the problem still there...It does not seem an effective way of controlling the disease', and

the RSPB has said that 'Allowing the shooting of free-ranging badgers is an untested and dangerous move. It has no place in a science-led policy. Rather than solving the problem, it risks making matters worse by disrupting (badgers') social structures leading them to spread to new areas. We will not be culling badgers on our nature reserves. Licensing the shooting of one of our best loved native species is likely to generate considerable public opposition'.

In taking this step, Torbay Council is supporting the anti-cull stance of our MP, Adrian Sanders.

Submitted by Councillors Parrott and Doggett

(c) Motion - Cutting Tourism VAT

That the Council notes that the Irish government has moved to reduce VAT on hotel accommodation and food to 9% for at least 18 months from 1 July 2011; recognises that EU rules allow such a sectorally-targeted VAT reduction to support tourism; observes that Germany reduced VAT in hotels from 19% to 7% in January 2010 with successful results; recalls that France reduced VAT on restaurant meals from 19.6% to 5.5% from July 2009 saving businesses and creating jobs; further recognises that such targeted VAT reductions to help employment and private sector growth are also compatible with the deficit reduction programmes being pursued by the governments who have introduced them; calls on the Government to introduce such a measure to help the tourism sector and consumers in the UK; and points out that the International Monetary Fund has said that the Government should consider some tax cuts to stimulate economic activity.

Such tax break could significantly boost Torbay's tourism industry and help 2012 be a 'year of tourism'.

Submitted by Councillors Richards and Stringer

(d) Motion - Elected Police Commissioner

This Council wishes to express deep concerns about the possibility of an Elected Police Commissioner having control over policing in Torbay.

These include the change in responsibility for policing from the current 'board' to a single person, and the loss of accountability that would accompany that change, and the financial costs involved with making such a change at a time of great economic hardship where the money would be far better spent keeping some existing services such as front-line policing. Indeed current figures indicate an unnecessary expenditure of at least £100 Million which could be better used to employ over 2,000 police officers. And in light of the above concerns this Council resolves to instruct the Chief Executive to write to the Home Secretary highlighting this Authority's concerns.

Submitted by Councillors Baldrey and Faulkner (A)

8. Mayoral Decisions

**(a) Torbay Economic Development Company Business Plan 2011/12 - (Pages 35 - 76)
Subject to Call-In**

To consider the attached report setting out the Business Plan for the Torbay Economic Development Agency for 2011/12.

- (b) **Creation of an Artificial Reef off Torbay - Subject to Call-in** (Pages 77 - 100)
To consider the attached report and any recommendations from the Harbour Committee on a proposal to lease part of the sea bed off Tor Bay to enable the sinking of a ship to become a local tourist attraction.
- (c) **Annual Parking Report** (Pages 101 - 148)
To note the attached 2010/2011 Annual Parking Report in line with governance arrangements.
- (d) **Revenue Budget Monitoring 2011/12 Quarter 1** (Pages 149 - 168)
To note the attached report* on the revenue budget monitoring for 2011/12.
9. **Options for future delivery of tourism, marketing and events support - Call-In** (Pages 169 - 176)
To consider the recommendations of the Overview and Scrutiny Board on the call-in of the above decision taken by the Mayor on 13 July 2011 and to consider making recommendations to the Mayor.
10. **Tourism, Inward Investment and Maritime Marketing Support** (Pages 177 - 184)
To consider the submitted report on the above.
11. **Princess Promenade Refurbishment** (Pages 185 - 190)
To consider the submitted report on options regarding the refurbishment of Princess Promenade.
12. **Brixham Town Centre and Babbacombe with St Marychurch Business Improvement District (BID)** (Pages 191 - 198)
To consider the attached report on the creation of the above Business Improvement District.
13. **Revenue Income Optimisation (RIO) - Generating Income From Charging For Planning Pre-application Advice** (Pages 199 - 220)
To consider the submitted report on the above.
14. **Household Waste Recycling Centre (HWRC) Charging for Waste Rubble or Similar Material that was Previously Free of Charge** (Pages 221 - 226)
To consider the submitted report on the above.
15. **Stop Textile Recycling Credit Payments to Charities and Community Groups** (Pages 227 - 232)
To consider the submitted report on the above.
16. **Annual Statement of Accounts 2010/2011** (Pages 233 - 390)
To consider the submitted report and any recommendations from the Audit Committee on the Annual Statement of Accounts for 2010/2011.

17. **Capital Budget Monitoring 2011/12 (1st Quarter)** (Pages 391 - 410)
To consider the submitted report on the capital plan monitoring and variations for Quarter 1.
18. **Annual Report 2010/2011 and Council Wide Priorities 2011+ - Policy Framework** (Pages 411 - 450)
To consider the attached report on the Council's Annual Report for 2010/2011 and Council wide priorities for 2011 onwards.
19. **Office Rationalisation Project**
To consider any recommendations from the Overview and Scrutiny Board regarding the Office Rationalisation Project.
20. **Top Team Restructuring** (Pages 451 - 462)
To consider the submitted report on the restructuring of Council's Commissioner and Chief Executive structure to ensure Torbay Council has highly skilled political and managerial leaders to lead Torbay Council through the public sector recession and respond to the Government's localism agenda with innovative, lower cost solutions.
21. **Composition and Constitution of the Executive and Record of Delegations of Executive Functions** (Pages 463 - 466)
To receive details on the composition and constitution of the Mayor's Executive, together with the record of delegations of Executive functions.

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Minutes of the Council

13 July 2011 and adjourned meeting 14 July 2011

-: Present :-

Chairman of the Council (Councillor Mills) (In the Chair)
Vice-Chairman of the Council (Councillor Stringer)

The Mayor of Torbay (Mayor Oliver)

Councillors Addis, Amil, Baldrey, Barnby, Bent, Brooksbank, Cowell, Darling, Davies, Doggett, Ellery, Excell, Faulkner (A), Faulkner (J), Hernandez, Hill, Hytche, James, Kingscote, Lewis, McPhail, Morey, Parrott, Pentney, Pountney, Pritchard, Richards, Scouler, Stockman, Thomas (D), Thomas (J) and Tyerman

141 Opening of meeting

The Chairman welcomed Councillor Pountney to his first Council meeting following his successful election at the recent Cockington-with-Chelston By-election. The meeting was then opened with a prayer.

142 Apologies for absence

Apologies for absence were received from Councillors Butt and Stocks. Councillor Hytche joined the meeting during consideration Minute 152b and Councillor Faulkner (A) joined the meeting during consideration of Minute 152c.

Apologies for absence were received from Councillors Barnby, Butt, Stocks and Thomas (D) for the adjourned meeting.

143 Minutes

The Minutes of the annual meeting of the Council held on 24 May 2011 were confirmed as a correct record and signed by the Chairman.

144 Declarations of interests

The following personal interests were declared:

Councillor	Minute Number	Nature of interest
Ellery	152b	Grandchildren attend a nearby primary school (St Margaret Clitherow Primary School)

Baldrey, Cowell and Excell	152d	Council representatives on Torbay Sports Council
Excell	152e	Council representative on the Riviera International Conference Centre Board of Directors
Richards and Stringer	152e	Council representatives on the English Riviera Tourism Company
Tyerman	152d, 152e and 152f	Council appointed Director on Torbay Economic Development Company Ltd.
Doggett	158	Corporate Member of the Torbay Line Rail Users Group

Councillors Richards and Thomas (D) declared a personal and prejudicial interest in respect of Minute 160.

145 Communications

The Chairman:

- (a) advised that since May 2011, the Chairman, the Vice-Chairman and the Mayor had attended over 80 civic events and they had championed and promoted Torbay at these events;
- (b) reminded members that there would be a civic church service on Sunday 9 October 2011 at 11.00 a.m. to be held at Churston Parish Church; and
- (c) informed members that the Robert Lenkiewicz art exhibition was due to open at Torre Abbey on 15 July 2011.

146 Order of Business

In accordance with Standing Order 7.2 in relation to Council meetings, the order of business was varied to enable item 14 on the agenda (Review of Guidance on Principal Holiday Accommodation Areas) to be considered after Item 6 (Public Question Time Session) and Item 7 (Members Questions) to be considered at the end of the agenda.

147 Public questions

In accordance with Standing Order A24, the Council received questions and statements from Carolyn Custerson, John Simmonds, Nigel Cobbold and Pat Butcher in relation to the Review of Guidance on Principal Holiday Accommodation Areas. Carolyn Custerson and Nigel Cobbold attended the meeting to present their statements. The Deputy Mayor responded to the questions and statements that had been put forward.

148 Review of Guidance on Principal Holiday Accommodation Areas

The submitted report set out details of a review of the operation of the Revised Guidance on Principal Holiday Accommodation Areas, following its adoption by the Council on 24 March 2010. It was noted that concerns had been expressed that the Revised Guidance may go too far in designating 'green' areas where the change of use of holiday accommodation was deemed acceptable. The review aimed to ensure that planning policies on the protection of holiday accommodation were appropriate and balanced a flexible approach to loss of accommodation to make sure that Torbay had a sustainable base of high quality accommodation.

It was proposed by Councillor Thomas (D) and seconded by Councillor McPhail:

- (i) that the "Revised Guidance on the Interpretation of Policy TU6 (Principal Holiday Accommodation Areas)" (March 2010) be withdrawn pending review as part of the emerging Local Development Framework (LDF) Core Strategy, such review to be undertaken as soon as possible; and
- (ii) that pending the evolution of revised policy as part of the LDF Core Strategy, that the Council relies on Policy TU6 of the Saved Adopted Torbay Local Plan for the determination of applications in PHAAs.

In accordance with Standing Order A19.4, a recorded vote was taken on the motion. The voting was taken by roll call as follows: **For:** The Mayor, Councillors Amil, Barnby, Brooksbank, Excell, Hill, Kingscote, McPhail, Pritchard, Richards, Scouler, Thomas (D), Thomas (J) and Tyerman (14); **Against:** Councillors Baldrey, Bent, Cowell, Darling, Davies, Doggett, Ellery, Faulkner (J), Hernandez, James, Lewis, Morey, Parrott, Pentney, Pountney and Stockman (16); **Abstain:** Councillors Addis, Mills and Stringer (3) and **Absent:** Councillors Butt, Faulkner (A), Hytche and Stocks (4). Therefore, the motion was declared lost.

149 Notice of Motion - Palm Court Hotel

Members considered a motion in relation to Palm Court Hotel, Torquay, notice of which was given in accordance with Standing Order A14. Following notice of the motion, which was set out on the agenda, an updated version was tabled at the meeting.

It was proposed by Councillor Darling and seconded by Councillor Baldrey:

this Council notes that the Palm Court Hotel site is an eyesore and, should the current purchase offer be withdrawn, agrees to request officers to proceed with negotiations to purchase the site with a view to developing it jointly with our LABVI partner. The development will be essentially leisure business orientated, and the Council understands that officer costs incurred in the process will be recouped from the development thus not adversely affecting Torbay taxpayers.

In accordance with Standing Order A14.3(b), the Chairman advised that the motion stood referred to the Mayor. The Mayor informed the Council that he would defer his decision on the motion to allow the matter to be examined further.

150 Notice of Motion - School Transport

Members considered a motion in relation to school transport, notice of which was given in accordance with Standing Order A14.

It was proposed by Councillor Pentney and seconded by Councillor Faulkner (J):

we call upon the Mayor and Council to stagger the rise in the cost in school transport by instigating gradual increase over a 5 year period. The costs of this should be met by use of the Council reserves. This will help families by:

- Reducing the increase to families at a time when many are suffering from higher utility and other charges.
- Allow parents to consider their budgets and make extra provision when deciding the options for education of their children.

In accordance with Standing Order A14.3(b), the Chairman advised that the motion stood referred to the Mayor. The Mayor informed the Council that he would defer his decision on the motion to allow the matter to be examined further.

151 Adoption Activity Report

The Council noted the activities of the Torbay Children's Services Adoption Agency for the period 1 April 2010 to 31 March 2011 as set out in the submitted report.

152 Mayoral Decisions

The Council made the following recommendations to the Mayor, which he considered at the meeting. The Mayor's Record of Decisions, which also includes further information on each decision, are attached to these minutes.

152a Adoption Activity Statement of Purpose

It was proposed by Councillor Lewis and seconded by Councillor Thomas (J):

that the Mayor be recommended to agree that the Statement of Purpose set out in Appendix 1 to the submitted Report covers the required information and accurately reflects the services provided.

On being put to the vote, the motion was declared carried (unanimous).

152b Proposal to Close Chestnut Primary School

It was proposed by Councillor Lewis and seconded by Councillor Brooksbank:

- (i) that the Mayor be recommended on behalf of the Council to cease to maintain Chestnut Primary school from 31 August 2011; and
- (ii) that the Mayor be recommended to authorise the Executive Head for Children, Schools and Families to proceed with closing Chestnut Primary School with effect from 31 August 2011.

An amendment was proposed by Councillor Ellery and seconded by Councillor Morey:

- (iii) that the Mayor be recommended to retain the land for educational and community uses where possible.

On being put to the vote, the amendment was declared carried.

The substantive motion (the original motion with the addition of the amendment) was then before Members for consideration.

On being put to the vote, the substantive motion was declared carried.

152c Reducing Teenage Conceptions Strategy - Refreshed 2010

It was proposed by Councillor Lewis and seconded by Councillor Addis:

that the Mayor be recommended to approve the Reducing Teenage Conceptions Strategy Refreshed December 2010 set out at Appendix 1 to the submitted report.

On being put to the vote, the motion was declared carried.

152d Granting of Long Leases to Sports Clubs

It was proposed by Councillor Thomas (D) and seconded by Councillor Cowell:

that the Mayor be recommended to authorise the Executive Head of Commercial Services, in consultation with the Chief Executive of the Torbay Development Agency, to grant leases for up to 40 years to sports clubs on acceptable terms with each case being considered on its merits.

On being put to the vote, the motion was declared carried (unanimous).

152e Options for future delivery of tourism, marketing and events support

It was proposed by Councillor McPhail and seconded by Councillor Richards:

that the Mayor be recommended to instruct Torbay Development Agency, as part of its strategic economic development function, to identify the strategic delivery options (assuming the retention of the Riviera International Conference Centre) and report back to Full Council within four months.

The high level options identified to date include:

- Consolidation of English Riviera Tourism Company (ERTC), RICC Ltd and Residents & Visitor Services (R&VS) Events Team functions into a single entity or a combination thereof.
- Establishment of a new Company controlled by Torbay Council, or seek a Private Sector Partnership (PSP) via a formal procurement, or transfer ERTC and certain RICC Ltd operations to direct council ownership and control.
- Maintain status quo but establish more stringent processes that promote greater efficiency and co-ordination.

An amendment was proposed by Councillor Darling and seconded by Councillor Baldrey:

that officers take no action on this proposal and a report be prepared on the long term viability of the Riviera International Conference Centre to establish a clear financial way forward.

In accordance with Standing Order A19.4 a recorded vote was taken on the amendment. The voting was taken by roll call as follows: **For:** Councillors Baldrey, Cowell, Darling, Davies, Doggett, Ellery, Faulkner (A), Faulkner (J), Morey, Parrott, Pentney, Pountney, Stockman and Stringer (14); **Against:** The Mayor, Councillors Addis, Amil, Barnby, Bent, Brooksbank, Excell, Hernandez, Hill, Hytche, James, Kingscote, Lewis, McPhail, Pritchard, Richards, Scouler, Thomas (D), Thomas (J) and Tyerman (20); **Abstain:** Councillor Mills (1); and **Absent:** Councillors Butt and Stocks (2). Therefore, the amendment was declared lost.

The original motion was then put to the vote and declared carried.

152f Repairs to the Banjo and Eastern Section of Princess Parade

It was proposed by Councillor Excell and seconded by Councillor Morey:

- (i) that the Mayor be recommended to authorise the Street Scene and Place Group Services Manager to incur investigative and design costs of up to £100,000, from the Council's reserves to:
 - a) assess the full extent of the repairs needed to the eastern section of Princess Parade and the 'banjo';
 - b) outline some repair solutions which maximise the Council's investment; and
 - c) to better assess the likely risks, cost and timescales involved in carrying out such works prior to procurement

- (ii) that concurrent with the above, the Mayor be recommended to authorise the Torbay Development Agency to invite proposals from the private sector to help fund the repair or replacement of the existing structures. This invitation will exclude development between the Pavilion and Theatre but might include enabling development adjacent to Palk Street and on the site the MDL Car Park. Such proposals are not to delay the implementation of any repairs; and
- (iii) that a further report be presented to a future Council meeting on final instructions to proceed.

In accordance with Standing Order A19.4, a recorded vote was taken on the motion. The voting was taken by roll call as follows: **For:** The Mayor, Councillors Addis, Amil, Barnby, Bent, Brooksbank, Cowell, Davies, Ellery, Excell, Hernandez, Hill, Hytche, James, Kingscote, Lewis, McPhail, Morey, Parrott, Pritchard, Richards, Scouler, Stockman, Thomas (D), Thomas (J) and Tyerman (26); **Abstain:** Councillors Baldrey, Darling, Doggett, Faulkner (A), Faulkner (J), Mills, Pentney, Pountney and Stringer (9) and **Absent:** Councillors Butt and Stocks (2). Therefore, the motion was declared carried.

153 Adjournment

At this juncture the meeting was adjourned until 9.30 a.m. on Thursday, 14 July 2011.

154 Revenue Outturn 2010/11 - Subject to Audit

The Council considered the submitted report on the final revenue outturn position for the Council for the financial year 2010/11 and the recommendations with respect to the use of the declared surplus. The Overview and Scrutiny Board had reviewed the report on 29 June 2011 and made no recommendations.

It was proposed by Councillor Tyerman and seconded by Councillor Hill:

- (i) that the revenue outturn position for 2010/11 be noted;
- (ii) that the transfer of £0.500m to the Comprehensive Spending Review reserve be approved (paragraph A5.1 of the submitted report);
- (iii) that the transfer of £0.576m to the budget pressures reserve be approved (paragraph A5.1 of the submitted report);
- (iv) that the transfer of £0.275m of the revenue underspend to the General Fund Balance (paragraph A5.5 of the submitted report) be approved; and
- (v) 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 of the submitted report).

An amendment was proposed by Councillor Darling and seconded by Councillor Pentney:

- (iii) the transfer of £0.576m to the budget pressures reserve be approved (paragraph A5.1) and that Executive Heads be requested to advise all members the plans already identified and emerging for the use of the budget pressure reserve during the current financial year (2011/12) and for this to be provided within four weeks;

On being put the vote, the amendment was declared lost.

The original motion was then before Members for consideration.

On being put to the vote, the original motion was declared carried.

155 Capital Plan Budget Outturn 2010/2011 (Subject to Audit)

The Council considered the submitted report on the outturn position in respect of capital expenditure and income for 2010/2011. The report also set out the Prudential Indicators for 2010/2011. The Overview and Scrutiny Board had reviewed the report on 29 June 2011 and made no recommendations.

It was proposed by Councillor Tyerman and seconded by Councillor Hill:

- (i) that the Council notes the outturn position for the Council's Capital expenditure and income for 2010/11 and notes 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;
- (ii) that the Council approves the funding of the capital plan for 2010/11 as outlined in paragraph C1.1 of the submitted report; and
- (iii) that the Council approves the Prudential Indicators for 2010/11 as shown in Annex 1 to the submitted report.

On being put to the vote, the motion was declared carried.

156 Treasury Management Outturn 2010/11

Members considered the submitted report on the performance of the Treasury Management Function in 2010/11 as recommended by the Audit Committee.

It was proposed by Councillor Tyerman and seconded by Councillor Hill:

that the submitted report be noted and the Treasury Management decisions made during 2010/11 as detailed in the submitted report be endorsed.

On being put to the vote, the motion was declared carried (unanimous).

157 Solar Photovoltaic on Public Buildings Project

The Council considered the submitted report which set out a proposal to install Solar Photovoltaic on a maximum of 45 Torbay Council owned and school buildings.

It was proposed by Councillor Baldrey and seconded by Councillor Excell:

- (i) that a revision to the 2011/12 Capital Plan by inclusion of the Solar Photovoltaic on Public Buildings Project to a maximum sum of £1.8m funded from prudential borrowing, be approved. The principle and interest repayment to be financed from revenue income generated from the project over 25 years;
- (ii) that the Mayor be recommended to approve an additional one-off use of reserves for revenue budget allocation of £165k in 2011/12 for the Solar Photovoltaic on Public Buildings Project programme development costs (professional fees etc) in order to bring the project to the procurement stage;
- (iii) that the Commissioner of Place and Environment, in consultation with the Deputy Mayor and Executive lead for Strategic Planning, Housing and Energy be given delegated authority to approve the final business plan; and
- (iv) that surplus revenue be re-invested in projects identified through the implementation of the Climate Change Strategy for Torbay 2008-2013 and Carbon Management Plan, to be agreed through the Councils Annual Budget process.

On being put to the vote the motion was declared carried (unanimous).

The Mayor considered the recommendation of the Council in (ii) above at the meeting and the record of his decision is attached to these minutes.

(Note: Prior to consideration of Minute 157, Councillor Parrott declared a personal interest as a Governor of Ellacombe Primary School.)

158 Match Funding for South Devon Link Road

The Council considered the submitted report in respect of match funding for the South Devon Link Road. Revised Scheme Costs were circulated at the meeting.

It was proposed by the Mayor and seconded by Councillor Darling:

- (i) that the Executive Head of Finance, as Section 151 Officer, be authorised to commit Torbay Council to approximately £11.5 million of additional match funding required to deliver the South Devon Link Road scheme if the bid is successful. (Information in relation to the

potential spending programme is set out at Appendix 1 to the submitted report);

- (ii) that the additional £11.5 million be provided from prudential borrowing;
- (iii) that the potential sources of funding available to the Council to repay and service the interest on that borrowing, particularly in relation to New Homes Bonus (NHB) and Community Infrastructure Levy (CIL) be noted;
- (iv) that the risks associated with this borrowing and the potential impact on the delivery of other infrastructure and services be noted; and
- (v) that the Council authorises signature of a formal Agreement with Devon County Council committing to a 50/50 Cost Share arrangement for preparation of the bid and delivery of the scheme if the bid is successful.

On being put to the vote, the motion was declared carried.

(Note: Prior to consideration of Minute 158, Councillor Doggett declared his personal interest.)

159 Health and Safety Enforcement Service Plan 2011/12

The Council considered the submitted report on the draft Health and Safety Enforcement Service Plan for 2011/12.

It was proposed by Councillor Excell and seconded by Councillor Hernandez:

that the Health and Safety Service Plan attached in Appendix 1 to the submitted report be approved.

On being put to the vote, the motion was declared carried (unanimous).

160 Food Safety Service Plan 2011/12

Members considered the draft Food Safety Service Plan for 2011/12 as set out in the submitted report.

It was proposed by Councillor Excell and seconded by Councillor Hernandez:

that the Food Safety Service Plan set out in Appendix 1 to the submitted report be approved.

On being put to the vote, the motion was declared carried (unanimous).

(Note: Prior to consideration of Minute 160, Councillor Richards declared a personal prejudicial interest and withdrew from the meeting.)

161 Review of Political Balance

The Council considered the options for the overall political balance of the committees following the by-election in the Cockington with Chelston ward held on 23 June 2011, as set out in the submitted report.

It was proposed by Councillor McPhail and seconded by Councillor Addis:

that option 2 as set out in the submitted report – change to the Overview and Scrutiny Board be approved.

On being put to the vote, the motion was declared carried (unanimous).

162 Constitution Amendments

The Council considered a proposed amendment to the Constitution relating to the order of business within Standing Orders in relation to Council Meetings which could not be agreed by the Mayor and Group Leaders.

It was proposed by Councillor Pritchard and seconded by Councillor Hill:

that the Monitoring Officer be requested to amend the Constitution (as set out at Appendix 1 to the submitted report) so that standing order A7.1(ix) 'to answer any question under Standing Order A13' is moved to the end of the order of business at every ordinary and extraordinary meeting of the Council.

On being put to the vote, the motion was declared lost.

163 Ombudsman Report on an Investigation into Complaint No 10 002 564 against Torbay Council

The Council noted the submitted Ombudsman Report on an Investigation into Complaint No 10 002 564 against Torbay Council.

164 Members' questions

Members received a paper detailing the questions, as set out at Appendix 1 to these Minutes, notice of which had been given in accordance with Standing Order A13.

In accordance with Standing Order A13.2(ii), the Chairman advised that he had accepted an urgent question due to exceptional circumstances.

Supplementary questions were asked and answered by the Mayor (questions 4, 5, 6, 7 and the urgent question).

Chairman

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RECORD OF DECISIONS

**Decisions made in the week
commencing 11 July 2011**

Issue 219

**For information relating to the Record of Decisions or to request a copy in
another format or language please contact:**

Teresa Buckley (01803) 207013

Email: democratic.services@torbay.gov.uk

CONTENTS

Decisions taken by the Mayor

	Page
Adoption Activity Statement of Purpose	1
Proposal to Close Chestnut Primary School.....	2
Reducing Teenage Conceptions Strategy – Refreshed 2010.....	4
Granting of Long Leases to Sports Clubs.....	6
Options for Future Delivery of Tourism, Marketing and Events Support.....	8
Repairs to the Banjo and Easter Section of Princess Parade.....	10
Solar Photovoltaic on Public Buildings Project	12

Record of Decision

Adoption Activity Statement of Purpose

Decision Taker

The Mayor at the Council meeting held on 13 July 2011.

Decision

That it be agreed that the Statement of Purpose, set out in Appendix 1 to the submitted Report, covers the required information and accurately reflects the services provided.

Reason for Decision

Schedule 1 of the Local Authority Adoption Service (England) Regulations lists information to be included in the Statement of Purpose. The Statement of Purpose needs to be agreed and reviewed annually.

Implementation

This decision will come into force and may be implemented on Wednesday 27 July 2011 unless the call-in procedure is triggered (as set out in Standing Orders in relation to Overview and Scrutiny).

Information

The Statement of Purpose has been prepared in accordance with the requirements of the Local Authority Adoption Service (England) Regulations 2003 and it is reviewed annually. The Statement provides information about the aims and objectives of Torbay Council in relation to the adoption service, the staffing, structure and services provided. The Mayor supported the recommendation of the Council as set out in his decision above.

Alternative options considered and rejected at the time of the decision

There were no alternative options.

Is this a Key Decision? (Give reference number if applicable)

No

Does the call-in procedure apply? (If no, please give reason)

Yes

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

None

Published

Tuesday 19 July 2011

Record of Decision

Proposal to Close Chestnut Primary School

Decision Taker

The Mayor at the Council meeting held on 13 July 2011.

Decision

- (i) That the Council cease to maintain Chestnut Primary school from 31 August 2011;**
- (ii) that the Executive Head for Children, Schools and Families be authorised to proceed with closing Chestnut Primary School with effect from 31 August 2011; and**
- (iii) that the land be retained for educational and community uses where possible.**

Reason for Decision

To enable the Council to fulfil its duty with regard to school place planning and to ensure that funds are used for the direct educational benefit of pupils as far as possible.

Implementation

This decision will come into force and may be implemented on Wednesday 27 July 2011 unless the call-in procedure is triggered (as set out in Standing Orders in relation to Overview and Scrutiny).

Information

The Council has a statutory duty to keep under review the adequacy of provision of school places and a specific duty to reduce unfilled surplus capacity in schools. The submitted report set out details of a proposal to close Chestnut Primary School to reduce the number of surplus places within the Brixham area. By closing Chestnut Primary School and removing the number of surplus places would minimise the detrimental effects that may be posed for all schools across Brixham when faced with numbers of surplus places in primary schools. The Mayor supported the recommendation of the Council as set out in his decision above.

Alternative options considered and rejected at the time of the decision

The alternative options were set out in the submitted report and not discussed at the meeting.

Is this a Key Decision? (Give reference number if applicable)

Yes – Reference Number X14/2011

Does the call-in procedure apply? (If no, please give reason)

Yes

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

Councillor Ellery declared a personal interest as his grandchildren attend a nearby primary school (St Margaret Clitherow Primary School).

Published

Tuesday 19 July 2011

Record of Decision

Reducing Teenage Conceptions Strategy – Refreshed 2010

Decision Taker

The Mayor at the Council meeting held on 13 July 2011.

Decision

That the Reducing Teenage Conceptions Strategy Refreshed December 2010 set out at Appendix 1 to the submitted report be approved.

Reason for Decision

To continue to focus on the National Teenage Pregnancy Strategy Unit's 'Deep Dive' recommendations for an effective approach to reducing teenage conception rates.

Implementation

This decision will come into force and may be implemented on Wednesday 27 July 2011 unless the call-in procedure is triggered (as set out in Standing Orders in relation to Overview and Scrutiny).

Information

Reducing the number of young women under 18 who become pregnant in Torbay has been identified as a priority within the Council, Torbay Care Trust and partner organisations. The submitted report set out details of a refresh of the Reducing Teenage Conceptions Strategy which continued to focus on the four priority areas outlined in the original strategy which include:

1. Young people focused contraceptive/sexual health services: Trusted by teenagers and well known by professionals working with them.
2. Strong Delivery of Sex and Relationships Education (SRE)/Personal Social Health Education (PSHE) by schools.
3. Targeted work with 'at risk' groups of young people; in particular Looked After Children and Care Leavers.
4. Work with parents and carers.

The Mayor supported the recommendation of the Council as set out in his decision above.

Alternative options considered and rejected at the time of the decision

The alternative options were set out in the submitted report and not discussed at the meeting.

Is this a Key Decision? (Give reference number if applicable)

No

Does the call-in procedure apply? (If no, please give reason)

Yes

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

None

Published

Tuesday 19 July 2011

Record of Decision

Granting of Long Leases to Sports Clubs

Decision Taker

The Mayor at the Council meeting held on 13 July 2011.

Decision

That the Executive Head of Commercial Services be authorised, in consultation with the Chief Executive of the Torbay Development Agency, to grant leases for up to 40 years to sports clubs on acceptable terms with each case being considered on its merits.

Reason for Decision

To enable the Council to grant leases to Clubs so that they have the confidence that if they need a longer term lease to assist with grant applications, then the Council would be supportive.

Implementation

This decision will come into force and may be implemented on Wednesday 27 July 2011 unless the call-in procedure is triggered (as set out in Standing Orders in relation to Overview and Scrutiny).

Information

The submitted report set out proposals to enable the Council to grant long term leases to sports clubs. Longer term leases would enable and encourage sports clubs to develop longer term strategies for the provision of sports facilities and allow clubs to apply for grants to improve their facilities. The Mayor supported the recommendation of the Council as set out in his decision above.

Alternative options considered and rejected at the time of the decision

The alternative options were set out in submitted report and not discussed at the meeting.

Is this a Key Decision? (Give reference number if applicable)

No

Does the call-in procedure apply? (If no, please give reason)

Yes

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

The following Councillors declared personal interests as they were members of various sports clubs:

Councillor Addis – Babbacombe Bowling Club and Plainmoor Pool

Councillor Darling – Babbacombe Corinthian Sailing Club and Paignton Canoe Club

Councillor Faulkner (A) – Torquay Golf Club

Councillor Pountney – Chairman of Torquay United Football in the Community Sports and Education Trust

Councillors Baldrey, Cowell and Excell declared personal interests as they were the Council's representatives on Torbay Sports Council.

Councillor Tyerman declared a personal interest as he was the Council's appointed Director on Torbay Economic Development Company Ltd.

Published

Tuesday 19 July 2011

Record of Decision

Options for Future Delivery of Tourism, Marketing and Events Support

Decision Taker

The Mayor at the Council meeting held on 13 July 2011.

Decision

That Torbay Development Agency be instructed, as part of its strategic economic development function, to identify the strategic delivery options (assuming the retention of the Riviera International Conference Centre) and report back to Full Council within four months.

The high level options identified to date include:

- **Consolidation of English Riviera Tourism Company (ERTC), Riviera International Conference Centre (RICC) Ltd and Residents & Visitor Services (R&VS) Events Team functions into a single entity or a combination thereof.**
- **Establishment of a new Company controlled by Torbay Council, or seek a Private Sector Partnership (PSP) via a formal procurement, or transfer ERTC and certain RICC Ltd operations to direct council ownership and control.**
- **Maintain status quo but establish more stringent processes that promote greater efficiency and co-ordination.**

Reason for Decision

To undertake an options appraisal for reconfiguring the Council's investment in tourism, marketing and events management in order to identify further efficiencies and to ensure that its investment into the tourism economy is providing an appropriate return to Torbay.

Implementation

This decision will come into force and may be implemented on Wednesday 27 July 2011 unless the call-in procedure is triggered (as set out in Standing Orders in relation to Overview and Scrutiny).

Information

The submitted report set out details for an options appraisal to be undertaken to identify an improved delivery model that generates a sustained increase in visitor numbers and bed nights (both tourism and business related). The options appraisal would also examine the potential to promote higher profile events and ensure that event planning is comprehensive and co-ordinated. The Mayor supported the recommendation of the Council as set out in his decision above.

Alternative options considered and rejected at the time of the decision

The alternative options were set out in the submitted report.

Councillor Darling proposed an amendment which was rejected by the Council – full details are provided in the minutes of the Council meeting held on 13 July 2011.

Is this a Key Decision? (Give reference number if applicable)

No

Does the call-in procedure apply? (If no, please give reason)

Yes

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

Councillors Faulkner (A), Thomas (D) and Tyerman declared personal interests as they were the Council's appointed Directors on Torbay Economic Development Company Ltd.

Councillors Richards and Stringer declared personal interests as they were the Council's nominated members on the English Riviera Tourism Company.

Councillor Excell declared a personal interest as he was the Council's nominee on the Riviera International Conference Centre Board of Directors.

Published

Tuesday 19 July 2011

Record of Decision

Repairs to the Banjo and Eastern Section of Princess Parade

Decision Taker

The Mayor at the Council meeting held on 13 July 2011.

Decision

- (i) That the Street Scene and Place Group Services Manager be authorised to incur investigative and design costs of up to £100,000, from the Council's reserves to:**
 - a) assess the full extent of the repairs needed to the eastern section of Princess Parade and the 'banjo';**
 - b) outline some repair solutions which maximise the Council's investment; and**
 - c) to better assess the likely risks, cost and timescales involved in carrying out such works prior to procurement;**
- (ii) that concurrent with the above, the Torbay Development Agency be authorised to invite proposals from the private sector to help fund the repair or replacement of the existing structures. This invitation will exclude development between the Pavilion and Theatre but might include enabling development adjacent to Palk Street and on the site of the MDL Car Park. Such proposals are not to delay the implementation of any repairs; and**
- (iii) That a further report be presented to a future Council meeting on final instructions to proceed.**

Reason for Decision

To provide a solution to the repairing liability at the 'banjo' and the eastern section of Princess Parade, Torquay, which enables the closed sections to be re-opened as soon as possible.

Implementation

This decision will come into force and may be implemented on Wednesday 27 July 2011 unless the call-in procedure is triggered (as set out in Standing Orders in relation to Overview and Scrutiny).

Information

The eastern section of Princess Parade and the 'banjo' have been closed to the public since 2006. This is a prime section of Torquay's waterside and the continued closure has provoked widespread criticism. The submitted report sought to carry out surveys and preliminary design work and highlighted a number of issues that would need to be addressed before proceeding with a repair. The report also sought to identify a strategy that represented best value, taking into account the likely expenditure, the opportunity cost and the anticipated life expectancy and importance of the area to tourism. The Mayor supported the recommendation of the Council as set out in his decision above.

Alternative options considered and rejected at the time of the decision

The alternative options were set out in the submitted report.

Is this a Key Decision? (Give reference number if applicable)

No

Does the call-in procedure apply? (If no, please give reason)

Yes

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

Councillor Tyerman declared a personal interest as he was the Council's appointed Director on Torbay Economic Development Company Ltd.

Published

Tuesday 19 July 2011

Record of Decision

Solar Photovoltaic on Public Buildings Project

Decision Taker

The Mayor at the adjourned Council meeting held on 14 July 2011.

Decision

That an additional one-off use of reserves for revenue budget allocation of £165k in 2011/12 for the Solar Photovoltaic on Public Buildings Project programme development costs (professional fees etc), in order to bring the project to the procurement stage, be approved.

Reason for Decision

To enable the project to be progressed.

Implementation

This decision will come into force and may be implemented on Wednesday 27 July 2011 unless the call-in procedure is triggered (as set out in Standing Orders in relation to Overview and Scrutiny).

Information

The Council considered a report on a proposal to install Solar Photovoltaic Panels on a maximum of 45 Torbay Council owned and school buildings at its adjourned meeting held on 14 July 2011. The Council agreed the following recommendations and the Mayor was therefore required to make a formal decision in respect of (ii) below:

- (i) that a revision to the 2011/12 Capital Plan by inclusion of the Solar Photovoltaic on Public Buildings Project to a maximum sum of £1.8m funded from prudential borrowing, be approved. The principle and interest repayment to be financed from revenue income generated from the project over 25 years;
- (ii) that the Mayor be recommended to approve an additional one-off use of reserves for revenue budget allocation of £165k in 2011/12 for the Solar Photovoltaic on Public Buildings Project programme development costs (professional fees etc) in order to bring the project to the procurement stage;**
- (iii) that the Commissioner of Place and Environment, in consultation with the Deputy Mayor and Executive lead for Strategic Planning, Housing and Energy be given delegated authority to approve the final business plan; and
- (iv) that surplus revenue be re-invested in projects identified through the implementation of the Climate Change Strategy for Torbay 2008-2013 and Carbon Management Plan, to be agreed through the Councils Annual Budget process.

The Mayor supported the recommendation of the Council as set out in his decision above.

Alternative options considered and rejected at the time of the decision

The alternative options were set out in the submitted report and not discussed at the meeting.

Is this a Key Decision? (Give reference number if applicable)

Yes – Reference Number X12/2011

Does the call-in procedure apply? (If no, please give reason)

Yes

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

Councillor Parrott declared a personal interest as a Governor of Ellacombe Primary School.

Published

Tuesday 19 July 2011

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Meeting of the Council

Wednesday, 13 July 2011

Questions Under Standing Order A13

<p>Question (1) by Councillor Stringer to the Executive Lead for Safer Communities and Transport – Councillor Excell</p>	<p>Can you please advise over the past 5 Years how many prosecutions have been taken by the local authority of utility companies who have failed to reinstate the highway appropriately? I would welcome this information on a year by year basis.</p>
<p>Councillor Excell</p>	<p>Torbay Council has not taken any Statutory Undertaker to court for failing to comply with the New Roads and Street Works Act 1991 (NRSWA) or its associated codes of practice within the last 5 years.</p> <p>There are inspection and default procedures integral to legislation which Torbay Council has utilised since the introduction of the New Road and Street Works Act. As an example of the number of inspections undertaken in Torbay, we receive payment for undertaking approximately 1200 Random Sample Inspections each year. Last year we actually undertook 4700 inspections with 95 of the inspections revealing Undertakers works failed to meet the required standards. The 95 failures required remedial action by Undertakers which were completed to our satisfaction.</p> <p>Legislation covering street works is constantly being updated to both increase the success of reinstating the highway and to expedite procedures should Undertakers fail to meet specifications. The latest incarnation of the Traffic Management Act has introduced Fixed Penalty Notices (FPN) for breach of Regulation in regards the issuing of street works notices. The Undertaker can now pay an £80 FPN in acceptance of breach of Regulation and the Street Authority no longer takes the breach to court. As an Example of this new procedure, Torbay Council has issued 16 FPN's to Statutory Undertakers in the first 3 months of this financial year.</p>
<p>Question (2) by Councillor Parrott to the Executive Lead for Adult Social Care and Older People – Councillor Scouler</p>	<p>Given that Cllr Scouler chose not to answer my questions during the debate on the approval of the draft Annual Strategic Agreement between the council and the Care Trust (24 May 2011), will she now tell us how it came about that she changed her position from voting against the draft Agreement on 23 March to promoting approval on 24 May – this despite the fact that the draft under consideration was line for line the same?</p>
<p>Councillor Scouler</p>	<p>The reason I voted against the draft Annual Strategic Agreement between the Council and the Care Trust on 23 March was I felt it had not been through Scrutiny, and felt it would be wise to take time in considering the reduced Budget of the Care Trust.</p>

	Therefore all things considered I voted FOR the Annual Strategic Agreement in May 2011.
Question (3) by Councillor Parrott to the Executive Lead for Adult Social Care and Older People – Councillor Scouler	Given that Councillor Scouler chose not to answer my questions during the debate on the approval of the draft Annual Strategic Agreement between the council and the Care Trust (24 May 2011), will she now tell us what extra and particular measures she has put in place to minimise the risk of a budget overspend by the Care Trust during 2011/12 and thereby minimise any consequent impact on Torbay Council's budgets and reserves? And can she confirm whether she agrees that this is particularly necessary in the light of the Care Trust's record of overspend in previous years?
Councillor Scouler	Given that Adult Social Care is a complex area and making budget reductions will require both consultation and clear decision making. An action plan is in place to deal with both short and long term issues; this will be monitored and discussed at the Policy Development Group meetings and regular meetings with the Director of Adult Social Services and Commissioner.
Question (4) by Councillor Parrott to the Mayor	Is the Mayor aware that coalition plans to close coastguard stations, including the station at Brixham, may well be linked to the EU proposals for a pan-European coastguard service? And will he confirm that, whatever the motives of the coalition government, he will continue to use all his authority to fight the closure of the Brixham coastguard station?
Mayor Oliver	Yes
Question (5) by Councillor Cowell to the Mayor	Since your election as Mayor, what have you done, or plan to do, to achieve your pledge to give the residents of Torbay the opportunity to determine the future of an elected Mayor for Torbay?
Mayor Oliver	Under the current legislation a referendum to change the system of governance from an Elected Mayor cannot be held for ten years after the last referendum i.e. 2015. Furthermore following such a referendum any change to the governance of the Council cannot be implemented until 2019, when the next Local Election would be due. Therefore I will pursue this when any change to legislation will allow.

<p>Question (6) by Councillor Cowell to the Mayor</p>	<p>Does the Mayor agree that the timing of several meetings of committees and the Policy Development Groups means several councillors and members of the public cannot easily attend?</p>
<p>Mayor Oliver</p>	<p>The annual programme of meetings is agreed at the Annual Council meeting. The timings of Committees and Policy Development Groups can then be varied by the members of those bodies. The times reflect the best times for the majority of members on those bodies and members of the public who wish to attend e.g. Licensing Sub-Committees are held in the morning when the majority of licensees and partners are able to attend. Therefore, if the timings are not suitable it is for the body to determine the timings of their meetings.</p>
<p>Question (7) by Councillor Cowell to the Mayor</p>	<p>Following the Mayor’s announcement in the Herald Express about a policy change to support the Riviera International Conference Centre for a further 20 years with £2m capital support:</p> <ul style="list-style-type: none"> a) Are there any impacts upon existing Capital programmes and how has this funding been sourced? b) What impact will this policy have on future revenue subsidies to the RICC, currently budgeted at almost £2m over the next three years, at a time of cuts in other services? c) Will the change in Board structures resulting from the proposed amalgamation with the English Riviera Tourism Company have any impact on the remaining eight years of the RICC lease? d) Will the Mayor’s proposals ensure that after this £2m capital funding, the Conference Centre will in future not cost a penny to the local taxpayer as pledged by a predecessor at the time of its’ opening?
<p>Mayor Oliver</p>	<p>Response to a):</p> <p>The Council considers its capital programme each year as part of the annual review of all budgets. All options for funding new capital projects will be considered in consultation with officers and will form part of the proposed capital plan later in the year.</p> <p>Response to b):</p> <p>The Council has included funding for the RICC within its Medium Term Resource Plan as set out in the Budget Digest. As part of the Council’s annual review of al budgets the level of subsidy provided to the RICC will be considered and Members of the Council will have an opportunity to discuss and debate the level of subsidy provided in the context of the financial challenges faced by the Council for all other services.</p>

	<p>Response to c):</p> <p>At this meeting the Council is considering a report to decide on the scope of the investigations relating to the structural options for RICC, ERTC and other potentially related services.</p> <p>Response to d):</p> <p>It is the Council that approves both the revenue and capital budget each year and will decide the level of support provided to the RICC and the impact this will have upon local residents.</p>
<p>Urgent Question, allowed by the Chairman in accordance with Standing Order A13.2 (ii), by Councillor Baldry to the Mayor.</p>	<p>What are you doing as the Council's First Citizen to promote the project by 'Wreck the World' to obtain the Ark Royal [or other de-commissioned vessel] to form an artificial reef in on the sea bed within reach of Torbay towns, bearing in mind the experience of Plymouth which has attracted in excess of £45M over the five years since the 'Scylla' was sunk and that if achieved the Ark Royal would form <u>the largest but one artificial reef in the world.</u></p>
<p>Mayor Oliver</p>	<p>At the Harbour Committee meeting on 13th June 2011, I helped initiate a discussion on the proposals to sink the 'Ark Royal' off Tor Bay to form a manmade reef and creating a diving site. I was aware that those behind the project were already consulting with the Executive Head of Tor Bay Harbour Authority, at a conceptual level, on various technical issues surrounding navigation, statutory consents and environment impacts.</p> <p>In my capacity as Vice-Chairman of the Harbour Committee I took advice from the Executive Head of Tor Bay Harbour Authority and, along with other members of the Committee, we resolved to support the principle of the strategic placement of man-made wrecks and/or artificial reefs, in line with the Tor Bay Harbour and Maritime Strategy, and to provide assistance to those proposing to do this.</p> <p>Due to the Navy's disposal process the bid for the 'Ark Royal' remains speculative and at this stage the level of Council assistance reflects this.</p>



Title: **Torbay Economic Development Company Ltd (TDA) Business Plan 2011/12**

Public Agenda Item: **Yes**

Wards Affected: **All Wards in Torbay**

To: **Council** On: **29 September 2011**

Key Decision: **Yes – Ref. 1003938**

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

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

1.1 The primary role of the Torbay Economic Development Company Ltd (TDA) is to deliver on behalf of Torbay Council and the Torbay Strategic Partnership a range of economic development and regeneration objectives principally aimed at creating new jobs and maintaining existing businesses, promoting strategic tourism and other key business sectors, delivering economic growth and physical regeneration.

1.2 The TDA works alongside the Local Authority and other partners to deliver a range of initiatives to bring about improved employment prospects and inward investment. Sensitive regeneration continues to help facilitate these outcomes whilst renewing the Bay's infrastructure thereby reducing the burden upon the local taxpayer. The appended Business Plan, recommended by the Company's Board of Directors, confirms the planned activities and envisaged outcomes for the coming year.

2. **Recommendation(s) for decision**

2.1 That the Mayor be recommended that, subject to the Chief Executive of the Torbay Development Agency being given delegated authority to approve any minor amendments in consultation with the Mayor, the Torbay Economic Development Company Ltd (TDA) Business Plan 2011-2012, set out at Appendix 1 to this report be approved.

3. **Key points and reasons for recommendations**

3.1 The transformation of the TDA to a wholly owned 'not for profit' company of the Council was approved by Full Council in 2009 (Report 198/2009). In accordance with that decision and subsequent development of the Company's memorandum

and articles of association the Council maintains control over 42 key decisions, known as reserved matters.

- 3.2 The memorandum and articles stipulate that the Mayor and the Mayor be asked to approve the Company's Business Plan as recommended by the Board of Directors.
- 3.3 The TDA Board has considered and consulted over the detail and approach that should be set out in the Plan.
- 3.4 The TDA has consulted with the Elected Mayor of Torbay, the Executive Lead for Assets and the Council's Place & Environment Commissioner. Their feedback has been incorporated.
- 3.5 Further guidance was received from Torbay Council's Overview and Scrutiny Board which met on the 28th July to consider the final draft. The Board made a number of resolutions with regard to the business plan, in particular to ensure that the TDA promotes its role in ensuring that there are pathways to employment for people living in Torbay's deprived areas.
- 3.6 Government policy provides the TDA with a limited role in delivering pathways to employment services but over the past year the TDA has procured or funded a number of activities, such as:
 - Enterprise Coaching & Intensive Start Up Support; part funded by the EU the TDA has commissioned Outset Torbay to provide these services leading to 383 individuals being supported in considering self employment. 55% from the deprived wards in Torbay.
 - The TDA is part of a consortium delivering the New Enterprise Allowance programme for Jobcentre Plus customers unemployed over 6 months.
 - The TDA has commissioned a number of employment and skills projects supported by the former Learning & Skills Council.
 - Organised a 'jobsfair' and other employment events with Jobcentre Plus.
 - Working with the Princes Trust to expand its provision in Torbay which will help a further 48 young people from the disadvantaged Wards find employment or establish a business.
- 3.7 The Overview and Scrutiny Board enquired whether the TDA should have a third sector representative on its own board. The TDA Board has considered this but feels that it already has individuals on its Board who can articulate the views of the third sector. For example, one of the board members is a graduate of the Devon School of Social Entrepreneurs and works closely with a variety of third sector organisations.

3.8 The Overview and Scrutiny Board enquired how the TDA calculated the number of jobs it has safeguarded at 500. This figure is estimated from the major physical regeneration projects completed to date e.g. Torquay Waterfront Phase 3, the Brixham Regeneration Programme and the Innovation Centre programme.

Steve Parrock, Chief Executive of Torbay Economic Development Company Ltd

Supporting information

A1. Introduction and history

A1.1 Torbay Council has established and commissioned the Torbay Economic Development Company Ltd (TDA) to promote the physical and economic development of Torbay and deliver the benefits to the local community.

Torbay Council (TDA) staff transferred to TEDC Ltd on the 1st May 2011 under the Transfer of Undertakings (Protection of Employment) Regulations (TUPE) and a number of assets were also transferred to TEDC in accordance with the original Council approval.

Following the May 2011 Local Election the executive team has worked alongside the new Mayor and Council to understand its aspirations and to identify any changes that might be required to the work programme.

The Business Plan, appended to the report, is focused on the mission of achieving economic prosperity for Torbay, with TDA over this financial year and into the medium term.

The Business Plan, appended to this report, is focused on the mission of achieving economic prosperity for Torbay, with the TDA delivering employment and regeneration through inward investment, physical regeneration, business support and improved asset management services.

The Plan addresses Torbay Council's stated objectives, more fully articulated in Torbay's Economic Strategy and emerging Community Plan. It summarises the high level challenges that TDA will respond to over the coming year, and outlines probable challenges to be faced in the medium term.

It sets out the Key Performance Indicators that Torbay Council and Torbay Strategic Partnership has asked TDA to report against together with local indicators that TDA will use to monitor its own operational performance. The Workplans contained in the Appendices set out the on-going and future activities that TDA will be engaged in.

For the coming year the key challenges relate to the identification of employment related programmes to reflect Torbay Council's emphasis on job creation, and adjusting to the impact of a significant reduction in public and private sector funding, whilst continuing to deliver a varied and demanding asset management and capital works programme.

As well as managing these challenges, the TDA needs to harness the opportunities presented by the changing economic environment and new initiatives such as the Local Economic Partnership.

The TDA will continue to lobby national opinion formers to make the right decisions about the Bay that could affect our future prosperity, such as the establishment of Enterprise Areas and delivery of the South Devon Link Road. It will continue to seek new Grant opportunities in the UK and the European Union.

Historically TDA has achieved for Torbay:

- In excess of £30 million of external funding received for delivery of economic development projects, plus funds for other projects such as the restoration of Torre Abbey and Paignton Library and Information Centre
- Safeguarded over 500 jobs
- Created over 150 jobs through the Innovation Centre project alone generating over £4.5 million in value added for the Torbay economy
- Assisted over 200 businesses
- Delivered an improved asset base for Torbay Council
- Delivered a substantial capital works programme
- Taken an 'asset backed' joint venture proposal to the market which has the capability to lever in significant private sector funding

A2. Risk assessment of preferred option

A2.1 If the Business Plan is not approved the TDA will need to consult further and revise the plan. This might delay some planned activities, which in turn might lead to a loss in performance and expected outcomes. The principal risk however relates to the TDA ability to deliver initiatives intended to bring about economic growth and prosperity within Torbay, and the resulting negative outcomes this will have.

A3. Summary of resource implications

A3.1 Delivery of the activities set out in the Business Plan will be through the TDA and approved budgets.

A4. Summary of resource implications

A4.1 Delivery of the business plan will support Council objectives in reducing inequality in Torbay with services aimed at increasing demand for and access to employment. The TDA is working with a number of partners to improve awareness of environmental sustainability measures by business with the aim of reducing the cost of energy to businesses and identifying how the green economy can be developed in Torbay.

A5. Consultation and Customer Focus

A5.1 The Business Plan has been developed against a considerable evidence base and analysis. The adopted economic strategy was consulted upon with Councillors alongside consultation with the Business Forum, the Chamber of Commerce and has held an economic forum to consult on the overarching economic strategy. The TDA has used its business barometer survey and face to face meetings with business community and economic partnership to ensure that the Workplans set out in the Business Plan are relevant.

A6. Consultation and Customer Focus

A6.1 No new implications.

A7.1 None

Appendices

Appendix 1 Torbay Economic Development Company Business Plan

Background Papers:

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

- Report To Torbay Council 198/2009
- Torbay Economic Strategy 2010-2015
- Torbay Economic Assessment
- Torbay Economic Development Company Business Plan 2011-12
- Memorandum & Articles Of Association Of The Torbay Economic Development Company



Torbay Economic Development Company
Business Plan
2011 - 2012



This document can be made available in other languages and formats. For more information please telephone 01803 208973

CONTENTS

CONTENTS	2
EXECUTIVE SUMMARY	3
BUSINESS OVERVIEW & STRATEGY	5
Introduction	5
Current position & objectives	6
Growth plan & competitive advantage	7
MARKETING OF TEDC AND TORBAY	10
FINANCIAL BUDGETS AND FORECASTS	12
TEDC Budget for fy11/12.....	12
Torbay Council 'Client Side' Budget for fy11/12.....	12
PERFORMANCE MANAGEMENT	14
Appendix 1 – Workplans	15
Economy, Investment & Enterprise Development.....	15
Corporate Asset Management Function	17
Facilities Management Workplan.....	19
Business Services	21
Business Services	21
Physical Regeneration.....	22
Appendix 2 Risks & Controls	25
Appendix 3 Equalities	30
Appendix 4 Workforce Plan 2011/12	31

EXECUTIVE SUMMARY

The Directors and Executive of Torbay Economic Development Company Limited (TEDC) are pleased to present their business plan covering the period from summer 2011 to March 2012.

Torbay Council has established and commissioned Torbay Economic Development Company to promote the physical and economic development of Torbay and deliver the benefits to the local community. This business plan is focused on the mission of achieving economic prosperity for Torbay, with TEDC charged with delivering employment and regeneration through inward investment, physical regeneration, business support, improved asset management services which in turn generate improved public finances.

This business plan addresses Torbay Council's objectives, more fully articulated in Torbay's Economic Strategy. It summarises the high level challenges that TEDC will respond to over the coming year, and outlines probable challenges to be faced in the medium term.

It sets out the Key Performance Indicators that Torbay Council has asked TEDC to report against and the indicators that TEDC will use to monitor our own performance. The workplans contained in the Appendices set out the on-going and future activities that TEDC will be engaged in.

Torbay's economy remains extremely weak and the activities of TEDC alone are unlikely to lead to a significant or immediate improvement in economic performance. However, TEDC can be very effective in bringing about change, improving skills and influencing others.

For the coming year the key challenges relate to the identification of employment related programmes to reflect Torbay Council's emphasis on job creation, and adjusting to the impact of a significant reduction in public and private sector funding, whilst continuing to deliver a varied and demanding asset management and capital works programme.

As well as managing these challenges, TEDC needs to harness the opportunities presented by the changing economic environment and new initiatives such as the Local Economic Partnership. TEDC must lobby national opinion formers to make the right decisions about the Bay that could affect our future prosperity, such as the establishment of Enterprise Zones and the South Devon Link Road.

Historically TEDC has achieved for Torbay:

- In excess of £30 million of external funding received for delivery of economic development projects, plus funds for other projects such as the restoration of Torre Abbey
- Safeguarded over 500 jobs
- Created over 150 jobs through the Innovation Centre project generating over £4.5 million in value added for the Torbay economy
- Assisted over 200 businesses
- Delivered an improved asset base for Torbay Council
- Delivered a substantial capital works programme
- Taken an 'asset backed' joint venture proposal to the market which has the capability to lever in significant private sector funding

Moving forward, TEDC can offer its expertise in property services, asset management and economic development to other partners, and because TEDC is a 'not for profit' company it can re-invest income into the delivery of its strategic plans for regeneration, that will further benefit the prosperity of the local community.

BUSINESS OVERVIEW & STRATEGY

Introduction

Torbay Economic Development Company (TEDC) was incorporated in February 2010. It is wholly owned by Torbay Council and established for the purposes of leading economic development and regeneration for the Torbay area. This includes the promotion of economic development, physical regeneration, the renewal of infrastructure, socio-economic improvements and business growth. Torbay Council has also asked through the Commissioning Agreement that TEDC identifies ways of generating new income or efficiencies.

TEDC is known locally and trades as Torbay Development Agency (TDA).

TEDC has a board of twelve directors and is chaired by John Richards. There are seven private sector board members and three elected councillors on the board alongside TEDC's Chief Executive¹. The TEDC Board meets quarterly and it is proposed to hold an Annual General Meeting in March 2012.

Torbay Council (TDA) staff transferred to TEDC on the 1st May 2011 under the Transfer of Undertakings (Protection of Employment) Regulations (TUPE) and a number of assets were also transferred to TEDC. Following the May 2011 Local Election the executive team has worked alongside the new Mayor and Council to understand their aspirations and to identify any changes that might be required to the work programme.

TEDC as a separate body commissioned by Torbay Council is now coming out of its 'set up' up phase; however the services which it provides are well established. This provides an opportunity for the business to develop within Torbay and to build on its reputation outside of Torbay very quickly.

¹ <http://www.torbaydevelopmentagency.co.uk/tda-index/tda-aboutus/tda-edc.htm>

This Business Plan is developed against a backdrop of considerable change to the public sector framework for the delivery of economic development and regeneration and against financial restrictions which are likely to face the public sector in the medium to long term. The impact of these issues, such as the closure of Business Link and Regional Development Agencies, is likely to present opportunities for TEDC over this financial year and into the medium term.

This Plan includes details on the individual service areas which TEDC is responsible for, the performance indicators which TEDC has been requested to deliver against planned actions for the year alongside further detail on the budget and structure. The Business Plan is based upon the following documents, which have already been consulted on, approved and adopted:

- Torbay Community Plan
- Torbay Economic Strategy
- Torbay Council & TEDC Ltd Commissioning Agreement

Current position & objectives

Torbay's economy continues to be one of the weakest in the country with a real need for rebalancing with an increase in private sector employment a critical issue. This is against a changing local and national political landscape where acute financial pressures will continue to present policy makers with challenging decisions over the availability of resources. These are strategic areas which are likely to have an impact on delivery of the work programme so in anticipation of these issues TEDC's immediate objectives within the current financial year are to:

- Effectively and efficiently deliver the work programmes set out in the appendices of this document in particular concentrating on business growth, inward investment, physical regeneration and effective asset management
- Continue to develop TEDC as a credible and effective economic delivery vehicle for Torbay
- Identify prospective funding sources, powers and revenue streams from the private and public sectors

- Identify the markets and customers where TEDC will be able to develop a commercial offer and prioritise those customers
- Deliver the cultural changes that are required to deliver the business plan
- Improve data collection and management systems
- Respond to the localism agenda
- Promote the services and work of TEDC
- Work with the Heart of the South West Local Enterprise Partnership (LEP) to ensure that TEDC and Torbay is a full partner to the work of that body.

Growth plan & competitive advantage

TEDC has the opportunity to grow, it is well positioned to work with businesses and with a variety of customers in Torbay including the growing number of academy schools, and is also well positioned to work with neighbouring authorities and others such as the Heart of the South West LEP in delivery of services. The development of shared services possibly across the economic sub-region is the most realistic and cost effective way to become more efficient in the short term.

TEDC has a range of services it can offer to others:

- Property Services - highly experienced team of qualified Building Surveyors and Engineers provide peace of mind by delivering a comprehensive building support service to our clients
- Project Managers to provide peace of mind by delivering a comprehensive project management service to our clients from business cases, maintenance, refurbishments and new builds
- Asset Management - Professional management of Torbay Council and TEDC Property Assets Portfolio - maintaining and maximising value and revenue whilst facilitating the delivery of individual services, asset management planning, disposals through a team of qualified chartered surveyors
- Facilities Management – Managing corporate assets to deliver quality service and driving revenue from all spaces
- Regeneration – Experienced development surveyors and programme managers that can deliver site and programme appraisals

- Partnerships – Experienced experts in public private partnerships
- Business Advice and Innovation Centres – Experienced in helping business start up and small and larger businesses to grow
- Economy, Research and Funding – Experienced in bid writing, project development, economic strategy and assessment
- Inward Investment – promoting the area for new employment
- Planning advice
- Enabling activity and affordable housing delivery
- Energy consumption and delivering efficiencies with bespoke solutions

TEDC is focused on the primary objective of creating and sustaining employment and regeneration of the local economy. It also needs to explore options to improve its efficiency and diversify its income. Over the period of the business plan it is therefore proposed that TEDC will dedicate some resource on soft market testing of the opportunities to work with others. There will be discussions with partners around collaborative working on inward investment delivery as a result of the process that TEDC has introduced over the past 12 months including improved customer relationship management systems, better data on local business base and a clear proposition for marketing Torbay. This business plan proposes the following principles;

- Establishing the product. This will identify the services and activities that TEDC can deliver
- Telling the Market about TEDC. This will be a process of informing potential customers that we can offer services
- Team Building. This will review the skills and capacity of the relevant teams to equip the organisation for commercial fee work and will include development of management systems and accreditations. Work begins in summer 2011 and will be on-going
- Procurement. Helping others understand how they can procure services through TEDC
- Ensure that relationships are built or enhanced with public and private sector organisations that might want to work with TEDC

- Identification of the appropriate medium term income target for TEDC and to identify other income streams in support of that target and reducing Torbay Council's fee paid to TEDC

Over the period of this business plan and into the medium term TEDC will continue to develop appropriate relationships with other organisations that will support delivery of TEDC objectives. These relationships are expected to be with the proposed Local Asset Backed Vehicle, with the Heart of South West LEP approved in April 2011 and with potential customers through the South West Consultancy Framework.

MARKETING OF TEDC AND TORBAY

There is a separate marketing strategy which goes into more detail and the business plan presents a summary of the key issues and actions set out in that document. The aims of the marketing strategy are to:

- Reposition Torbay as a business location and promote the destination to generate inward investment
- Raise awareness and enhance the reputation of Torbay Economic Development Company TEDC as an effective delivery vehicle for delivering economic development activities.
- Promote TEDC projects and services to generate maximum benefits to local residents and the business community

The strategy identifies the target audiences that we need to reach in order to generate awareness of Torbay as an excellent place to live, work, visit and invest in. The key messages for each target audience, set out below, underpin all of TEDC’s marketing and communication activity.

Torbay Businesses	Potential Investors	Residents
<ul style="list-style-type: none"> • Supporting Enterprise in Torbay • Nurturing new businesses, providing support and advice • Help the TDA shape and influence the economic development of the Bay • Driving business growth in Torbay • Working together to maximise your business potential • Business Information Service, bringing you the essential knowledge to develop and grow • Sharing expertise, striving for excellence, promoting success • Low cost, contemporary workspace for start ups, expansion or relocation • Creating networking forum for sharing expertise • Be part of a Brighter Bay. 	<ul style="list-style-type: none"> • A thriving business location with unique opportunities, excellent quality of life and competitive costs • Be part of a Brighter Bay • Major regeneration opportunities • A highly skilled workforce • Unique geographical location on the New English Riviera • Excellent healthcare and education • At the heart of the south west, mainline rail link, close to 2 international airports and motorway network • Home to a thriving electronics sector • Favourable investment offer for call centre operations. 	<ul style="list-style-type: none"> • Creating the new economy at the heart of the Torbay Community Plan • Delivering the physical and economic regeneration of Torbay for the benefit of the local community • Committed to improving employment and skills opportunities for local people • Providing essential business expertise in the Bay • Creating a thriving destination to live, work, visit and invest in.

A portfolio of communications tools including publicity materials, virtual tools and advertising is proposed to reach our target sectors. This marketing activity will be backed up by consistent public relations and engagement that will generate awareness and word of mouth endorsement of Torbay as a prime contender for investment and development.

Distribution channels

TEDC trades as the Torbay Development Agency (TDA) and it is known under that name, marketing and more general information on the work of TEDC has been distributed via a variety of sources which include the following;

- Website: www.torbaydevelopmentagency.co.uk
- Monthly newsletter
- CRM Database
- Media communications
- Specific promotional materials
- Advertising

The period of the business plan will see additional social media routes explored to increase interest in and awareness of TEDC and its work programme. Twitter accounts for TEDC and the inward investment programme have now been established.

The purpose of this is to ensure that more of the key audience in particular businesses and prospective customers develop a greater affinity with the work of TEDC and leading to increased interest in supporting or working with TEDC.

FINANCIAL BUDGETS AND FORECASTS

TEDC's budget is separated into two parts. The first deals with TEDC activity and the second deals with Torbay Council 'client side' activity. Employee costs are held in TEDC side following the transfer of employees from Torbay Council to TEDC in May 2011.

TEDC Budget for fy11/12

Description	Income	Expenditure
Government Grants	17,000	
Fees & Charges (Standard VAT)	672,000	
Sub Total Property Income	537,392	
Allocated Project Funding 2011-14	1,431,696	
Torbay Council Contract Fee	2,085,100	
Total Income	4,743,188	
Employees		2,404,652
Premises		100,260
Transport		54,170
Equipment & Office Supplies		78,021
Allocated Project Costs 2011-2014		1,942,325
Postage		4,855
Telecoms		77,739
Publicity Advertising		29,600
Misc Costs		16,242
Finance Lease Rentals		5,224
Bad debt provision		30,100
Total Spend		4,743,188

Torbay Council 'Client Side' Budget for fy11/12

Description	Income	Expenditure
Property Income	1,336,200	
Torbay Council Budget	2,785,900	
Total Income	4,122,100	
Employees		99,300
Premises		3,153,900
Supplies & Services		699,400
TOR2		19,500
Capital Charges/Financing		150,000
Total Spend		4,122,100

With inflation and other staffing increments agreed prior to TUPE it means to standstill additional income or efficiency savings need to be found. Opportunities to generate additional income are therefore being developed.

In the short to medium term the pressures on the council's budget are likely to be acute and it is probable that Torbay Council will seek to reduce its contract fee payable to TEDC annually.

PERFORMANCE MANAGEMENT

Torbay Council's Commissioning Agreement confirms the indicators which Torbay Council wishes TEDC to deliver against:

Commissioning Agreement Indicators	Frequency
Submission of approved Economic Strategies and Plans	Annual
Gross new jobs & jobs safeguarded both the aggregate of jobs created from all activities and specifically those key sectors identified in the economic strategy	Annual
Qualitative assessment of Inward Investment activities	Annual
Delivery of the physical regeneration projects	Annual
Investment in infrastructure levered in through physical regeneration projects	Annual
Increase in earnings	Annual
Variance from budget	Annual
Up to date Workforce Plan in place	Annual
Risk Management	Annual
Effective Management of Torbay Council's assets	Annual

Outside of these main indicators there will be a number of project related performance indicators and projects that TEDC will report on internally. TEDC's key performance indicators will include:

- Number of businesses supported
- Jobs created
- Number of Inward Investment enquiries
- % of business space occupied
- % of variance from budget and fee income generation
- % of asset valuations completed per quarter in accordance with rolling programme
- Number of affordable homes delivered

These will continue to be managed through the Torbay Council performance system SPAR and reported against to the TEDC board, the Torbay Council's Place and Environment Commissioner at the programmed review meetings and to Overview and Scrutiny where required. There will also be a written Annual Progress Report, produced by TEDC for Torbay Council. TEDC will also host Annual General Meetings to which the public will be invited where appropriate and where the annual progress report will be presented and discussed.

Appendix 1 – Workplans

Economy, Investment & Enterprise Development

The creation of a strong enterprise culture in Torbay is vital to reduce business failures and encourage business growth.

Specific efforts will be made to support sectors which have shown growth in advance of regional and national trends which may indicate sector strengths for Torbay. If developed successfully the culture will also stimulate demand for improved transport and ICT connectivity, greater skills within the labour market and will encourage new investors to invest or locate in Torbay.

TEDC will also support business growth and the development of the area through the provision of purpose built workspace and allocations brought forward through the Local Development Framework.

Other outputs include:

- Innovation Centre network - The Innovation Centres currently operate from four sites: Vantage Point (Paignton), Lymington Road (Torquay), Cockington Court (Torquay) and the Watermark Centre (Ivybridge). The centres have been a tremendous success with near full occupancy being achieved well ahead of plan.
- Opportunities to expand the existing network will be explored with partners and offer the potential to develop an income stream for TEDC.
- Networking - for example, breakfast networking events have set a high standard for the quality of networking around South Devon. These events are regularly attended by 60 to 70 business representatives from all sectors, banks, accountants and solicitors.
- Mentoring - South Devon Business Mentors are a successful deliverer of business support by experienced business professionals who work on a voluntary basis visiting early stage companies who are referred onto them by Business Link or through the Innovation Centre network. Mentors may visit 'mentees' up to once a fortnight to reassure and 'handhold' the business through early teething problems and issues that their owners are inexperienced to handle without guidance. The success rate is considerable and helps sustain many companies during their early stages of development.
- Inward Investment Promotion - Torbay needs to be recognised as an investment friendly location and build on its quality of life advantages to attract and support new business investment. TEDC will aggressively focus on this requirement and will develop a targeted response towards inward investment for the area. In doing this TEDC will develop a clear brand with its partners and will ensure that clear brand guidelines are generated and used by TEDC and its partners to increase investment.

The service will be responsible for development of the Torbay Economic Strategy; this will include either commissioning or delivering in-house preparation of the evidence base, analysis and policy recommendations for the economic strategy. Responding to

relevant policy consultations from regional, national and European bodies and advising Torbay Council of the potential impact on Torbay's economic objectives.

The service will be responsible for monitoring performance against the Economic strategy across TEDC and will be the main point of contact with partner organisations in and outside of Torbay including the Heart of South West LEP, Homes & Communities Agency and other relevant regional, national and European bodies to influence their plans and strategies.

The service will develop effective decision making, forward planning and delivery programmes across TEDC's activities.

The unit's workplan for 2011/12 will see the following activities taken forward

- Supporting delivery of the EU Competitiveness programme in Torbay focusing on the most deprived wards in Torbay
- Delivery of the inward investment strategy
- Development of the Business Boost workshop programme to take into account new opportunities such as the potential for face to face business support provision
- Completing a study into the maritime economy potential of Torbay
- Completing a study into the viability of establishing a workhub or hubs in Torbay
- Completing a study into the viability of establishing a Technology Innovation Centre in Torbay, in line with the Technology Strategy Board' Strategy and Implementation Plan
- Working with other partners to improve on Torbay's ability to attract significant events and establishing a forum to do that.
- Working with Torbay Council to secure Tax Increment Finance status for Torbay in support of regeneration proposals
- Identifying further opportunities to bid for Regional Growth Fund assistance for delivery of key projects in Torbay
- Working with partners to bid for Broadband UK funding for super fast broadband speeds
- To work with Torbay Council to establish the benefits of a simplified planning zone or enterprise zone at a location in Torbay
- Working with regional universities to increase the take-up of graduate placement and internship programmes
- Working with local schools and other partners to encourage young enterprise and graduates back to Torbay and South Devon
- Increasing opportunities for training and employment particularly for those outside of the labour market or with outdated skills
- Enabling the provision of affordable housing & improve quality of private rented stock
- Work with partners to ensure better public transport links to centres of employment
- Work with partners to determine the feasibility of and pilot a community economic development trust in one of the most deprived areas in Torbay
- Support social enterprise and community led development in particular for most disadvantaged areas

- Develop and implement a worklessness strategy & action plan

Asset Management

Reinforcing the link between the physical development of Torbay Council and TEDC assets and the regeneration of Torbay, TEDC will proactively manage its assets and the council's assets on its behalf. The benefits of this approach will be to maximise economic growth and ensure that TEDC's and the Council's substantial assets are proactively used to support the economic outcomes required by Torbay Council and the Strategic Partnership. There is also the potential to provide the asset management function for Torbay Strategic Partnership members and other organisations within the Torbay travel to work area.

It will ensure that council business units have asset plans in place which support the regeneration objectives of Torbay Council and satisfy the needs of users. The TEDC will deliver the outcomes of Torbay Council's Accommodation Review and continue to provide both the council and other external clients with Project Management, including the management of mechanical and electrical services contracts, and Facilities Management.

This will deliver improved public finances through more efficient management of TEDC's assets and Torbay Council's estate, the identification of assets that can be disposed to achieve a capital receipt and through other benefits such as section 106 or community infrastructure levy payments.

Estates Function:

- Valuations and Property advice
- Acquisitions and Disposals
- Rating
- Property Insurance
- Property Management – Let Portfolio (including 'leased out' & 'leased in' properties) including the commissioning of specific advice as and when required
- Property Income Management
- Vacant Property Management
- Compliance with RICS Red Book
- Estates quality standards (ISO 9000 Equivalent)

Corporate Asset Management Function:

- Annual review, preparation and implementation of the Corporate Asset Management Plan
- Condition surveys of corporate assets on a rolling 5-year programme
- Repairs and maintenance programme based upon condition survey results
- Reactive repairs and maintenance upon corporate assets
- Type 2 asbestos surveys of assets (including tenanted estate)
- Annual re-inspection of assets with Asbestos Containing Materials
- Water hygiene risk assessments within corporate assets every 2 years

- Water hygiene maintenance contract for corporate and Torbay Care Trust assets
- Radon surveys for assets in high risk areas with remedial work if needed

Data Management Function:

- Maintenance of property data on Torbay Council's Online Asset Database (TOAD) and having a supporting role in the maintenance of the National Land and Property Gazetteer
- Property data enquiries
- Updating Service Performance and Risk Database (SPAR)
- Audit high risk area

Energy Management Function:

- Monitor and manage energy and water consumption on TEDC's assets and Torbay Council's estate
- Deliver the Local Authority Carbon Management Plan
- Determine TEDC and Torbay Council's carbon footprint bi-annually
- Reduce consumption by 5% per annum (measured from 06/07 baseline)
- Deliver efficiency savings of £1,750,000 over 5 years
- Reduce carbon emissions by 25% over 5 years
- Meet government targets on emissions reductions
- Ensure compliance with the Carbon Reduction Commitment
- Data gathering for reporting to central government on greenhouse gas emissions
- Assist Procurement with the development of energy supply contracts
- Provide technical advice and support to all services on energy and water efficiency
- Manage the Building Management System to achieve best operation of corporate property
- Manage the TEAM monitoring and targeting software
- Ensure timely production of energy certificates required of corporate property
- Provide conditional interest free loans to services and schools for energy and carbon saving initiatives

Property Services Group Function;

- Master Planning / Options appraisals
- Project management of new build projects
- Project management of refurbishment / repair programmes
- Planned maintenance of buildings and the mechanical and electrical services within
- Water Hygiene, Display Energy Certificates and Asbestos management
- Building Condition surveys
- Construction Design Management Co-ordination (Health & Safety)
- Advice on Regulations, Codes of Practice and Technical issues
- Build cost estimation, preparation of tender documents etc.

Asset Management Workplan:

Action	Timescale
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To provide a Strategic Asset Management Plan to Torbay Council for annual review	Sept 2011
To provide a Repairs and Maintenance Plan to Torbay Council for annual review	Sept 2011
Work with IT to further develop TOAD	Ongoing
To review data on TOAD to ensure accuracy	Ongoing
To manage Salix Fund for 'Invest to Save' energy schemes	Ongoing
To seek finance for non-Salix funded energy schemes	Ongoing
To seek advantageous energy supply contractors	Ongoing
To commission property re-instatement valuations for insurance purposes as part of 5-yearly rolling programme	Ongoing
To procure Rating Surveyors to review and challenge Torbay Council's non-domestic rates liability	April – October
To develop and populate a new software system to help identify future R&M liabilities	April – October
To manage and dispose of surplus assets as part of the Asset Rationalisation Project	Ongoing
To provide condition, asbestos and Legionella surveys on TEDC and Torbay Council properties	Ongoing
To deliver Torbay Council's repairs and maintenance programme	Ongoing
To work with other public sector partners to explore the possibility of rationalising the public sector estate	Ongoing
To explore feasibility of expanding the functions with the likely re-organisation of Torbay Care Trust	April 2012
To work with other departments to consider the consolidation of minor leases and concessions	April 2012
To work with other departments to consider the feasibility of redeveloping / upgrading assets to generate higher yields	April 2012
To work with Torbay Council to identify opportunities to generate energy	April 2012
To consider ways to reduce the number of invoices being sent and to consider the creation of charities or trusts for low rent / service charge	April 2012
To explore opportunities to charge fees for estate management work	April - October
To generate opportunities for generating additional income through the consolidation of other service providers	April 2012
To identify future opportunities to acquire or develop assets to generate future revenue income streams	Ongoing
To work with Torbay Council to finalise and streamline service charge recovery at Brixham Fish Quay	October 2012

Facilities Management Workplan:

Action	Timescale
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The refurbishment of all floors Tor Hill House	March 2012
Upgrade to the CAFM helpdesk system. All scheduled surveys, works issued through the FM helpdesk	April – June
To coordinate the clearance and relocation of all staff currently occupying Oldway Mansion. Tor Hill House has been identified as final location	July – Sept
New Facilities Management framework to be procured. To include all ME works to be undertaken with Property Services team	Ongoing
All room bookings with in the authority to be channeled through the corporate bookings system. To include libraries	Oct – Dec

Business Services

The Business Services team provides management and direction to the business, administration and financial functions of TEDC; provides guidance and support in these functions to all activities and departments of TEDC.

This includes:

- Seeking budget proposals from all budget holders, arranging for this detail to be loaded to the Council's Financial Information Management System (FIMS), subsequent monitoring and reporting of performance to plan, seeking proactive action to address deviations from budget to ensure balanced budget by year end.
- Recommendation, agreement, monitoring and reporting of efficiency targets and vacancy management.
- For externally funded projects, ensuring all claims submitted in timely and accurate fashion; monitoring receipt of claim payments, ensuring projects have sufficient funding to meet expenditure plans and meeting all audit requirements for projects.
- Taking responsibility for the establishment, development, refinement and implementation of financial and administrative procedures for all functions of TEDC.
- Ensuring probity and compliance by TEDC with all regulations including Financial Regulations/Standing Orders.
- Retaining registers such as for contracts, gifts, and absence.
- Authorisations for all claims and maintenance of authorisation lists for all functions.
- Liaison with all appropriate council functions.
- Management of the effective operation of the business and financial aspects of all "trading" and other revenue generating operations.
- Effective development of sound efficient administrative systems including the provision of co-ordination, avoidance of duplication, and the effective use of ITC support.
- Development and operation of all office functions for TEDC including, procurement, security, Human Resources, health & safety, effective risk management, equality & diversity etc and remote centres.
- Provision of all administrative support to the teams.

The Business Manager also performs the TEDC Secretary role covering all aspects of Board meetings as they relate to compliance to constitution, maintenance of TEDC's House register and submission of returns to critical deadlines.

Key actions:

- Review the potential for a quality management system for TEDC
- Ensure that the TEDC budget is managed properly and reaches balanced budget by year end, with the management team and Board alerted where appropriate
- Meet all deadlines for TEDC house submissions

Physical Regeneration

TEDC will promote sympathetic physical regeneration projects across the Bay to improve Torbay's competitiveness, enhance visitors' and residents' experiences, attract inward investment and create permanent jobs. Sample projects include:

- Torquay Harbourside, including Harbour expansion feasibility
- Torquay Town Centre – Retail and Offices
- Riviera International Conference Centre - Capital works
- Paignton Victoria Centre
- Paignton Station Road
- Brixham Town Centre
- Brixham Northern Arm feasibility
- Clennon Valley and Goodrington replacement sports provision
- Oldway Mansion
- Third Phase Innovation Centre
- Cockington Craft Centre
- Whiterock
- Claylands
- MyPlace development for Children's Services
- Torre Abbey Phase II for Resident and Visitor Services
- Managing the South West Consultants Framework on behalf of Torbay and eight other local authorities
- Schools Capital Programme for Children's Services
- South Devon Link Road (support)

To ensure that these projects are well managed and deliver the expected outcomes TEDC will operate as a Centre of Excellence for Project Management. It will also offer PRINCE2 training to clients and maintain Torbay Council's PRINCE2 methodology.

It is proposed that TEDC will represent Torbay Council in the proposed Local Asset Backed Vehicle and provide services to it. TEDC will ensure that the Joint Venture is successful and delivers the economic outcomes that Torbay Council requires.

Recognising that all major construction projects have regenerative benefits TEDC will monitor Torbay Council's Capital Expenditure and submit a Capital Programme Monitoring Report to Torbay Council four times a year.

Planning and Affordable Housing

The TEDC will enable the delivery of appropriate levels of affordable housing in line with the Council's policy and will provide planning advice solely in support inward investment and the creation of permanent jobs.

The provision of affordable housing focuses on the needs of households who are unable to access or afford market housing. This type of accommodation is necessary to provide mixed and balanced communities.

The planning and affordable housing team perform a number of functions:

- Enabling work which includes working with developers providing planning advice around major planning applications which supports regeneration, business relocation or growth, job creation and the delivery of homes.
- Negotiating with developers around the provision of affordable housing on private developments to ensure the provision of mixed balanced developments which are sustainable.
- Land acquisition to stimulate housing growth
- Working with partner Housing Associations to maintain relationships and to maximise the potential investment in affordable housing from their own capital investment.
- Working with a delivery partner on Joint Venture sites to bring forward large scale residential developments.
- Project manage residential developments on Council land to ensure that the mix, type, tenure, specification of accommodation meet the needs of local people.
- Understanding the Local Authorities needs in terms of the provision of affordable housing in the future.
- Liaising with the Homes and Communities Agency regarding the availability of grant funding.
- Adopting innovative solutions in a challenging market which involves creative thinking around the delivery of affordable housing, working with partners to maximise the provision of affordable housing.
- Working with owners of private sector accommodation and businesses to bring long term empty premises back into use.
- Facilitate the creation of a private sector social lettings scheme
- Developing planning tools to encourage and incentivise inward investment and business growth.
- Working with the Council on the delivery and production of the Local Development Framework
- Introduce and implement the creation of enterprise zones.
- Grant funding residential developments delivering affordable housing

Housing Pipeline Programme:

- Dunboyne 45 Extra Care units
- Hatchcombe Nurseries approx 75 units Extra Care
- Beechfield 145 units mixed use development code 5 for sustainable homes
- Foxhole School 30 units
- Borough Road 19 units
- Hayes Road 123 units extra care
- Smallcombe Road phase 1 & 2 32 units
- Hollicombe Gas Works 44 units
- Grange Road approx 60 units
- Marine park approx 20 units
- Yannon's Farm 66 units
- Langridge Road 42 units
- Empty homes 100 between 2012/2015

Appendix 2 – Risks & Controls

Customer Focused		Current Risk Scoring within 'existing measures' tab on SPAR			
Aim	Risk Description ("why?") If.....due to..... ("what?") There is a risk that..... ("so what?") This will/may result in....	Impact of Risk	Current settings : Risk Status	Existing/ New control measures	Additional control measures (mitigation) required (How will this reduce the probability and/or impact)
Encouraging a more diverse economic base.	If there is a lack of finance or change in regeneration policy due to budget cuts or policy change, then there is a risk that there will be failure to stimulate business growth creation and inability to diversify Which will result in a continual narrow and weak economy.	Will cause a major impact as business growth and stimulation will be affected.	High	Develop support structures for businesses	<ol style="list-style-type: none"> 1. Develop Innovation centre programme. 2. Work to increase public sector business support availability and access in Torbay. 3. Potential for more innovative solutions around s106 and business rate treatments
Encouraging a more diverse economic base.	If there was a lack of opportunity exploitation due to lack of investment, skills or lack of relocation opportunities, Then there is a risk that there will be failure to position the economy to exploit key opportunities? Which will result in a continual narrow and weak economy	Will see business productivity and wages fall further. There will be increased disparities and associated social problems	Medium	Develop investment programme	<ol style="list-style-type: none"> 1. Develop Inward investment programme, 2. identify public sector relocation opportunities, 3. develop skills and retraining opportunities

Ensuring the community benefits from economic regeneration.	If we are unable to respond to increased competition from global & surrounding regional centres, due to lack of skills, sites etc Then there is a risk that there will be further business loss Which will result in increased unemployment and decreased quality of life for all residents.	Will see business productivity and wages fall further. There will be increased disparities and associated social problems	Medium	Delivery of inward investment	<ol style="list-style-type: none"> 1. Develop Inward investment programme, 2. Deliver sites and premises for growth, 3. lobby for better infrastructure, 4. identify public sector relocation opportunities, 5. develop skills and retraining opportunities
Improving the performance of Torbay's traditional sectors	If the outdated tourism product & lack of innovation continues, due to lack of inward investment or global recession Then there is a risk that there will be a continual decline in comparative position of the Bay as visitor destination. Which will result in significant decline in prosperity of Torbay	Continuing falling visitor numbers and spend per head leading to lack of investment, fewer jobs, shorter season and degradation of resort	Low	Delivery of a new tourism strategy.	<ol style="list-style-type: none"> 1. Delivery of the new tourism strategy including attraction of new hotels, visitor attractions, 2. delivery of skills and business support activity
Raising GVA per head through development of higher value industries.	If there is fragmentation of initiatives / failure to develop an holistic, integrated approach to address attracting higher value industries, due to lack of skills, R&D and application of new technologies or processes, Then there is a risk that there will be failure to develop skills required to exploit key business opportunities. Which will/could result in negative impact on enhancement of average earnings, unemployment & (what?) other factors.	Would see sub optimal economic base continue with attendant problems around wages, business growth, full time employment	Medium	Develop sector networks and links.	<ol style="list-style-type: none"> 1. Develop sector networks, develop links between health, education and business to develop new technologies, to identify ways to develop low carbon economy in the Bay i.e. around the growth of housing

Supporting business growth and innovation.	If there is failure to secure grant funding to improve transport infrastructure, due to grant cuts, then there is a risk that there will be restricted growth and potential loss of larger employers Which will result in inability to raise the prosperity of the Bay to at least the national average	Would see sub optimal economic base continue with attendant problems around wages, business growth, full time employment	High	Delivery of identified transport plan.	<ol style="list-style-type: none"> 1. Delivery of identified transport plan and growth point schemes. 2. Lobbying of government and transport providers and work with business community for them to lobby directly
Supporting business growth and innovation.	If there is failure to secure sites for business growth and their supporting infrastructure, due to lack of funding, Then there is a risk that employers will not be attracted to the area Which will result in continued narrow employment base and current poor prosperity status	Would see sub optimal economic base continue with attendant problems around wages, business growth, full time employment	Medium	Identification of business growth & attraction of public money.	<ol style="list-style-type: none"> 1. Identification of grow on space for businesses, innovation centre phase 3, core sectors development (i.e. tourism & retail). 2. Attraction of available public funding and lobbying for innovative measures
Reduce revenue costs and maximise income	If our options and/or our ability to respond to the current economic climate are inadequate due to insufficient funds, then there is a risk that our funding to support projects will be significantly reduced Which will result in a need to consider our options to reprioritise/ reschedule our Programme to manage within budget	Will cause a Major impact as business growth and stimulation will be affected.	Medium	Ensure existing processes and Finance are maintained	<ol style="list-style-type: none"> 1. Ensure existing processes to ensure avoidance of voids is robustly maintained. 2. Provide finance contingency funding to provide for lost income or increased costs from inflation
Effective management of the Business Unit's assets	If we are unable to retain our estate in a usable condition due to the high costs of repair. Then there is a risk that the available funding will not secure occupancy/ usage Which will result in reduced income and thus budget to retain the estates and a spiralling decline of the resident and tourist environment.	Will cause a Major impact as business growth and stimulation will be affected.	Medium	Continue to maintain close management of repair bills.	<ol style="list-style-type: none"> 1. Continue to maintain close management of repair bills to anticipate increased costs. 2. Provide contingency funding to cover R & M bills

Effective management of the Business Unit's Budget	If there is a lack of human resource due to budget cuts, then there is a risk that there will be insufficient access to appropriately skilled human resource Which will result in an inability to deliver TEDC Programme for the Community	Will cause a Major impact as business growth and stimulation will be affected.	Low	Insufficient staff resource	None at present. (Loss of key staff would have a significant impact)
Effective delivery of Project Management	If the skills are not available or in place due to lack of budget/ courses or complacency there is a risk that there will be failure to develop PRINCE2 training + skills or to properly implement. Which will/could result in inability to deliver TEDC Programme to the time/quality/budget requirements	Could result in inability to deliver TEDC Programme to the time/quality/budget requirements	Low	TEDC organizing PRINCE2 courses.	TEDC organizing PRINCE2 courses and training support for TEDC & other business units
Clear understanding of customers' needs and aspirations	If there is an ineffective consultation processes due to inexperienced/wrong staff there is a risk that there will be failure to understand partners & councils expectations and business needs. Which will result in Community requirements not being met	Would lead to services and projects being delivered out of sync with customer needs and perceptions	Low	Development of Business awareness	1. Development of our awareness of business and wider community expectations. 2. Briefings with Commissioner and other strategic influencers i.e. SWRDA and economic partnership
Effective information management	If staff are inadequately trained due to restraints, lack of courses, high staff turnover Then there is a risk that the information management systems are ineffective Which will result in poor timeliness and decision making delaying and adding cost into TEDC Programme	Will cause a high impact as business growth and stimulation will be affected.	Low	Retain relevant records	None - existing process has been implemented to retain contract documents
Effective risk management & H & S in place	If managers are not committed to H&S due to lack of buy in to training. Then there is a risk that Health and Safety risks are not identified and managed Which will result in Health and Safety of employees and visitors compromised - impacting on delivery of TEDC Programme.	Consider this will have a low to medium impact on operational effectiveness	Low	Effective planning and management	No - just need to ensure that nominated staff set up and follow planned activities

Ensuring equality and diversity in service delivery	If owing to high volumes of information and inadequate training due to insufficient training or high staff turnover Then there is a risk that there will be lack of compliance with equality and diversity policy/legislation Which will result in discrimination and consequent legal effects - resulting in additional cost to the business	Will cause a Major impact as compliance & risks would be increased.	Low	Early identification of issues	Nothing specific - Ongoing close monitoring is required to ensure continued compliance
Motivated employees with the right skills	If management/ leadership style/ competencies are inadequate due to people management skills, Then there is a risk that staff will not be motivated to have the required approach to work Which will result in poor service delivery	Underperformance in delivery or no delivery.	Medium	RADAR Process & team meetings	1 RADAR process & business planning process to identify emerging pressures. 2. Review JD and re-evaluate.
Effective workforce and workforce planning	If there is inadequate workforce planning due to lack of training or resources, Then there is a risk that there will be insufficient skilled resource Which will result in poor delivery of TEDC Programme	Failure to ensure that the spread of skills is equal across the team would lead to underperformance	Low	RADAR Process & team meetings	1. RADAR process & business planning process to identify emerging pressures. 2. Team and Unit meetings and communications to ensure all aware of outcomes and programme.
Objectives - 16. Managing our Assets	If we do not improve the management of corporate buildings, property and land assets, then we may fail to fulfil our statutory duties to ensure buildings are fit for purpose, so assets may become unusable and we may see health and safety legal action taken against us.	Major	Medium	Corporate Asset Management team	
Objectives - 04. Economic Regeneration	If we fail to provide adequate support to local businesses, then local business may fail, so the local economy may be negatively affected	Impact on the diversity of the local economy and especially owners of small businesses	Medium	Regular performance management of internal controls and regular liaison with external bodies.	Regular performance management of internal controls and regular liaison with external bodies.

Appendix 3 – Equalities

Our service will support equality and diversity ensuring inclusion, fairness and equality of access. Our key actions in relation to equality and diversity are as follows: -

- In reviewing tenders and contracts we will include equality and diversity issues to ensure that our prospective partners adopt policies consistent with Torbay Council's corporate approach.
- Ensuring that the whole community benefits from regeneration projects and working with partners to minimise the barriers that can prevent individuals from fulfilling their economic potential.
- We will deliver services that do not discriminate against any sector of the community but at the same time we recognise the need to reflect cultural differences in our services.
- Ensuring that our services understand and meet the needs of different groups of customers so that our services are accessible to all sections of the community. In particular we will ensure that alternative formats of our communications are available as required and will advertise the availability of the different formats. Where necessary we will ensure that staff are aware of the availability of the translation service.
- We will apply equality of opportunity in our employment practices and we will ensure that anti discriminatory perspectives are integrated into all processes.
- In line with the Equalities Act 2010 we aim to ensure that all staff are treated fairly and are not discriminated against in the provision of training, opportunities for personal development and promotion. Current strategies include part-time and disabled employees.
- We will work with Torbay Council's equalities representative to ensure that staff throughout TEDC can be kept informed of policy changes and have the opportunity to contribute to the formulation and evolution of such policy
- We will carry out and update our Equality Impact Assessments on an annual basis.

Appendix 4 – Workforce Plan 2011/12

Key Objectives

1. Build capacity and capability

This requires development of our people and engaging them in the continual process of developing TEDC. All local government bodies are being expected to work differently with a clear focus on partnership working and the development of non-traditional local government roles that encompass commercial and flexible approaches to management and delivery.

TEDC will have a strong focus on working flexibly and providing employees with the support, training and technology to do this. TEDC employees will serve as advocates for flexible working. It is imperative that equal opportunities to work flexibly are applied.

TEDC will continue to use and apply Torbay Council's Human Resources policies, and in areas of capability and performance, line managers will utilise these to performance manage their teams.

In terms of capacity, a skills audit has been conducted across TEDC to identify what skills are held within TEDC in order to identify areas which need to be developed, and also where people's skills can be shared to help cover in times of need.

All TEDC managers need to be trained in the application of HR policies and keep up to date with any changes to these. They must also ensure they are being followed. This includes holding regular appraisals with their team and recording any issues/needs arising from these. Any issues of performance management must be captured and dealt with appropriately. Changes to HR policies and legislation should be discussed at Management Team meetings and a record of managers' training should be held centrally.

2. Recognise reward and success

We will attract, retain and motivate our staff by managing rewards in a more flexible way; responding to market conditions, learning from other employers and using innovation to develop TEDC as employers of choice in the South West of England. TEDC will ensure that employee pay is in line with Torbay Council policies and the single status agreement. TEDC Finance and Governance sub-committee should review its pay and grading structure and remuneration policies from time to time, to ensure they are both fair and equitable and also in line with market conditions.

There need to be career development opportunities to help attract and retain employees. It is imperative that employees are performance managed and exceptional performance is acknowledged, recognised and rewarded appropriately.

TEDC also needs to ensure that its employees are given training and development opportunities in order to enhance their skills and allow career development within TEDC. Managers must identify training needs and notify the Business Manager of budget requirements to cover staff training with as much advance notice as is possible.

3. Developing people and talent

TEDC aims to achieve a number of key objectives which will require a workforce that has the appropriate knowledge, skills and behaviours. Delivery of TEDC's goals will require a workforce that has the right skills and attitudes and we are committed to the continuous development of our people. The skills audit identifies the key skills and knowledge required to deliver TEDC's goals.

Further to the above objective, TEDC needs to ensure that employees are given the opportunity to discuss their training needs with their manager, and that they are given opportunities to develop within their role. This involves up-skilling current staff to aid career development, and commitment to this will improve recruitment and retention of staff. Managers need to ensure that the staff appraisal process is being properly applied and that appropriate training needs are being identified.

4. Resource the right people

In order to ensure that the local area receives the best quality services, we need to attract and retain high quality people. We will be required to proactively manage the workforce, anticipating changes in the job market, effectively addressing equality and diversity and modernising pay and reward systems that reflect local and national market trends. This is in line with Torbay Council's HR policies.

Managers need to ensure that due care and attention is paid to the recruitment process, and that relevant selection methods are utilised to maximise the effective recruitment of staff.

The skills audit conducted across TEDC identifies areas where there may be a need to recruit in the future, and these should be closely monitored to ensure TEDC is not left with gaps in key roles which could impact on service delivery.

5. Enhance employee engagement

TEDC must be a stimulating, rewarding and supportive place to work, with opportunities to influence, innovate and impact on the design and delivery of services to help regenerate the local area. In order to achieve this, visionary leadership is key. All managers need to inspire confidence in their teams and engage employees in decision-making which affects their service delivery.

Training and development opportunities; clear communication and transparency; and effective change management can help to raise morale within the workplace. Managers need to be approachable, available and supportive to their teams in order to achieve this.

Managers should be trained in management skills to cover coaching; performance management; motivational skills etc. and to be trained in the application of HR policies.

New line managers should also be mentored by an existing manager to provide support and pass on key skills.

To ensure that managers within TEDC have the right skills balance, promotion opportunities within TEDC should be considered in order to develop and reward high performing staff before externally recruiting to positions. This should be based on skills and attitudes as opposed to target-hitting and outcomes. However all recruitment to TEDC must be open, transparent and carried out fairly and equitably.

Summary of Skills Audit

Statistical breakdown of TEDC staff:

TEDC Staff Statistics	No.	%
Total number of staff	67	100%
Gender		
Total number of male staff	43	64.2%
Total number of female staff	24	35.8%
Age		
20 or under	1	1.5%
21-30	8	11.9%
31-40	18	26.9%
41-50	18	26.9%
51-60	16	23.9%
61-70	5	7.5%
71 and over	1	1.5%
Working hours		
Full time	56	83.6%
Part time	11	16.4%

TEDC Staff - skills and qualifications	No.	% *
5 GCSE or O levels A-C or 5 CSEs grade 1 (or	33	75%

equivalent)		
1 or more A level or 2 AS levels (or equivalent)	26	57.8%
Degree (or equivalent)	24	54.5%
ECDL (or equivalent IT qualification)	15	34.1%
Advanced ECDL	3	6.7%
ILM level 2 Team Leader	5	11.1%
ILM level 3 First Line Manager	5	11.1%
ILM other (or equivalent management qualification)	3	6.7%
NVQ	15	33.3%
PRINCE2 Foundation	15	33.3%
PRINCE2 Practitioner	1	2.2%
Managing Successful Programmes Foundation	1	2.2%
Managing Successful Programmes Practitioner	0	0.0%
RICS Membership	6	13.3%

**N.B. the % calculated is of total employees for whom information is held, not total number of employees.*

- **Please note that workforce data is accurate as of 8th April 2011.**

Key Issues:

1. TEDC has an extremely high proportion of staff over the age of 31 (86.7%). Whilst this brings a wealth of experience to TEDC, newer staff can provide new and innovative ideas and ways of working.

Action needed: Whilst age is not a factor in recruitment – TEDC should actively encourage people from all age groups to apply for positions, and consider a way of attracting graduates and school leavers to work for TEDC. This should be considered in vacancy management including considering apprenticeships, encouraging work experience placements, and considering reviewing the TEDC structure to allow for career progression within TEDC.

2. TEDC has a number of employees who are approaching or are beyond the former default retirement age. Whilst as of April 2011 the default retirement age has been abolished, it should be noted that there will be key staff members who may be considering retirement or depart for other reasons in the not too distant future.

Action needed: Managers should ensure that they communicate with their team members regularly and are aware in advance of any staff who may be considering retirement. Managers must ensure that key skills and knowledge are not lost through retirement and that knowledge-sharing is encouraged. When a member of staff declares their intention to retire, their line manager should immediately put in place steps to ensure that the role and responsibilities of that staff member are covered by another member of the team who can shadow

them. If it is felt that the position needs to be recruited to, this process should happen immediately to ensure there is adequate time for the new employee to shadow the retiree and ensure a smooth handover. If this is not possible, then an alternative member of the team should be brought up to speed in the handover process which can then be passed on once a new employee commences the position.

3. TEDC is responsible for project and programme management functions. TEDC adopts PRINCE2™ project management methodology as the preferred methodology for project management, and Managing Successful Programmes™ (MSP™) for programme management. At present TEDC has approximately a third of its workforce qualified in PRINCE2™ foundation level. However, only one member of staff is qualified in MSP™.

Action needed: TEDC staff structure should be reviewed to consider which roles require MSP™ training/awareness and relevant training should be arranged and allocated within the appropriate budget.



Title: **Creation of an Artificial Reef off Torbay**

Public Agenda Item: **Yes**

Wards Affected: **All Wards in Torbay**

To: **Council** On: **29 September 2011**

Key Decision: **No**

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

Contact Officers: **Chris Bouchard, Asset Management or Kevin Mowat, Executive Head of Tor Bay Harbour Authority**

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

1.1 To help facilitate the creation of an artificial reef, by the sinking of a vessel either within the jurisdiction of, or off, Tor Bay Harbour limits, involving agreeing to take a lease of the seabed from the Crown Estate and then granting a sublease to a charitable organisation. This is expected to lead to economic benefits particularly in the Tourism sector.

2. Recommendation for decision

2.1 **That, subject to 2.2. below, the Mayor be recommended to authorise the Head of Commercial Services, in consultation with the Chief Executive of the Torbay Development Agency and the Executive Head of Tor Bay Harbour Authority, to accept a 125-year lease for part of the seabed from the Crown Estate on acceptable terms, and that, in determining the acceptable terms, the Mayor is recommended to seek further legal advice as to the level of the Council's risk exposure.**

2.2 **That the Mayor be recommended to authorise the Head of Commercial Services, in consultation with the Chief Executive of the Torbay Development Agency and the Executive Head of Tor Bay Harbour Authority, to grant a sub-lease (and if considered appropriate an agreement for that lease) for part of the seabed to a local charitable organisation on acceptable terms.**

2.3 **That the Mayor be recommended to authorise the Head of Commercial Services, in consultation with the Executive Head of Tor Bay Harbour Authority and the Chief Executive of Torbay Development Agency, to enter into such other legal documentation on acceptable terms as deemed**

necessary.

2.4 That the exact position of the sinking of any vessel within Tor Bay Harbour limits will be determined by the Executive Head of Tor Bay Harbour Authority in his capacity as Harbour Master, following consultation with harbour users and the Harbour Committee.

3. Key points and reasons for recommendations

3.1 The Council received a request in July of this year from a local charitable organisation for assistance to help create an artificial reef somewhere off Torbay. The Crown Estate will need to grant a lease of part of the seabed and they have indicated that they will only do so to a Local Authority.

3.1.1 The local charitable organisation has therefore asked that the Council take a lease from the Crown Estate with the Council then granting a sub-lease to the organisation.

3.2 The organisation has submitted its own bid to purchase “Ark Royal”, a decommissioned aircraft carrier, from the Ministry of Defence. It is too big to sink within the Bay and its final location is expected to be at least 5 to 6 miles off Tor Bay Harbour limits. If the organisation are unsuccessful with their “Ark Royal” bid then they are still keen to sink another smaller vessel to create an artificial reef, which could be on the edge of the Bay and therefore within Tor Bay Harbour limits. The location of the wreck has therefore not been specified in the recommendation.

3.3 The organisation will also need to obtain a marine licence from the Marine Management Organisation (MMO). Depending upon their requirements the Local Authority may also need to be party to these agreements.

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

**Steve Parrock
Chief Executive, Torbay Development Agency**

**Kevin Mowat
Executive Head of Tor Bay Harbour Authority
Tor Bay Harbour Master**

Supporting information to Report

A1. Introduction and history

- A1.1 In March 2004 HMS Scylla was sunk in Whitsand Bay off Plymouth and this generated a boost to the local economy of Plymouth and the surrounding area.
- A1.2 A local charitable organisation has submitted a bid for the purchase of the “Ark Royal”, which was once one of the Royal Navy’s main aircraft carriers. It is 211 metres (693 ft) in length and has a maximum beam of 35 metres (115 ft), with a displacement of 20,235 tonnes. They believe that, since it was such an iconic vessel, it will attract huge interest from both divers and non-divers bringing in an estimated £10 million into the local economy of South Devon.
- A1.3 Appendix 1 shows the Appraisal submitted by the organisation setting out their Economic Impact Assessment. Officers are of the view that some work needs to be done to this appraisal. The main benefits they have outlined are as follows:-
- a) Economic benefit – this has been assessed at £10m+ per annum to the Bay’s economy using Riviera International Conference Centre numbers, which have been adjusted downwards to be pessimistic.
 - b) Social benefit - through charitable status at £1.5m - £5m over 5 years.
- A1.4 Notwithstanding the down grade of the benefits by the organisation, the benefits set out in the appraisal appear optimistic. However, there is strong evidence that there will be new and appreciable economic benefits that can be achieved through this project, particularly if the required infrastructure to support this is in place. e.g. improved access to the water, a dive centre, collaboration from boat charters and accommodation providers, etc. There is the potential that Torbay might not gain the most benefit from the project with divers leaving from other locations in the South Devon area. If they are unsuccessful in their bid then they will wish to purchase another smaller vessel. This may not have such an appeal as the “Ark Royal”, especially to non-divers but it is still considered by the organisation that it will generate a similar level of interest as HMS Scylla.
- A1.5 In the Council’s policy document ***A Tor Bay Harbour and Maritime Strategy (2007 – 2017) ~ ‘Catching the Wave’*** it states “we will consider the possibilities of developing facilities for recreational diving to ensure that Tor Bay has the widest offer for all water based recreation. Options could include the strategic placement of man-made wrecks and/or artificial reefs”. This proposal fits in with this aspiration and with the other approved strategies which seek to improve the breadth of experiences that Torbay offers to visitors.
- A1.6 The Council has the power to acquire land outside its area by virtue of s120 of the Local Government Act 1972. This states that, for any of their functions under this or any other enactment or for the benefit, improvement or development of their area, a Council may acquire by agreement any land, whether situated inside or outside their area.
- A1.7 This matter was discussed at the Council’s Harbour Committee on 12 September 2011 and it was resolved that the Mayor should be recommended to accept the recommendations as set out in this report.

A2. Risk Assessment

A2.1 Outline of significant key risks

A2.1.1 The Crown Estate wishes to grant the main (head) lease of the seabed to the Local Authority so that, if the charitable organisation ceased to operate, then there is an accountable body that will be liable under the terms of that lease. i.e. the Council.

A2.1.2 The Council should also be aware that, even with the sub-lease in place, if there is an accident / incident / fatality, then the Council could have a claim made against it especially if the claimant considers that the organisation or any visitor to the site has insufficient financial resources to settle the claim. To be successful the claimant would need to show that the Council had been negligent. Whilst the sub-lease is in place this risk is considered to be manageable but, should the sub-lease come to an end and the Council became fully liable, then the Council would need to put in place such measures / procedures to minimise this risk and such would have cost implications.

A2.1.3 The Council could also be exposed to a claim if the organisation's insurance arrangements fail for some reason or the limit of indemnity for any one event is exhausted.

A2.1.4 Due to the nature of diving there is always an element of risk that an accident could happen. The organisation itself is to take certain measures to ensure that this risk is minimised. Such measures include:-

- i) Drilling over 100 new holes into the vessel to create extra escape routes, this will also mean that divers should be able to see light from virtually every room.
- ii) Having reflective triangles on ropes running on every deck leading to exit points.
- iii) Having signage on each deck indicating safety information and shot lines from the surface. These will be a visual reference for the divers who will also be able to use them as a guide rope if the current is too strong. The shot lines will act as a mooring point for the pick up / drop off for the divers.

A2.1.5 The organisation is of the view that there is a minimal chance of a claim being made against them or the Council. We are advised that all divers are expected to comply with guidance and rules issued by the Professional Association of Diving Instructors (PADI) or the British Sub-Aqua Club (BSAC) and diving schools would be members of these organisations. All individual divers, outside those who go with a chartered company, are responsible themselves when they enter a wreck. Provided that the organisation can demonstrate that they have taken appropriate safety measures (as per above) then the organisation anticipate that a claim for negligence is minimised.

If the public use a chartered company to dive with then any liability would rest with this company, who should be PADI or BSAC registered and should have their own liability insurance.

A2.1.6 The location of the wreck is likely to present a risk to navigation and this matter will be dealt with via the consent process associated with the marine licence issued by MMO. As part of the licence application process the MMO will need to consult with a number of bodies (see A6.2 below) and organisations such as the Maritime and Coastguard Agency, Trinity House and the local Harbour Authority will provide significant input into the decision making process. If consent is granted for the wreck it is expected that it will need to be properly marked on the surface and any such navigational marks will need to be adequately maintained throughout the life of the wreck, all the time it presents a hazard to shipping.

A2.1.7 The Council can minimise its risk by checking on a regular basis that the terms of the sub-lease are being adhered to with the process documented but clearly relevant (additional) resources would need to be put in place for this to happen.

A2.1.8 The Crown Estate have requested that it is indemnified against all costs, claims, or demands, actions, proceedings or liabilities which may arise as a result, or in connection with the placing and retention of the vessel on the seabed with the liability being limited to £5 million, linked to RPI. If, for whatever reason, the Council does become liable then its policy is currently for £50 million for any one incident. The Council's liability insurance policy will respond to negligent acts or errors where legal liability exists on the part of the Council.

It is considered that Torbay Council should be more limited than this and only indemnify the Crown in respect of sums which the Council may become legally liable to pay as damages, costs and expenses.

If, however, the Crown insist on the broader wording as they have requested, if the organisation fails then any costs/damages etc, that arise and which are not as a result of the Council's legal liability, will not be funded by an insurance policy but would directly fall on the Council's budget.

A2.1.9 The group behind the charitable organisation have set up the charity for the "Ark Royal" project. It is therefore possible that the charity itself may have limited financial resources and, as with any new business, if their income and expenditure is different than their business plan, the venture may fail.

The sub-lease will be to the charitable organisation. It is currently unclear whether this is an incorporated company. If so, then the Council could require the Directors to act as guarantors. If not, then the sub-lease would be granted to the Trustees of that organisation with them being personally liable. However, it is entirely possible that being a charity the Trustees would prefer not to accept this liability and even if they did then the Council's recourse would be limited to the financial status of those individuals. This type of scenario is not unusual and is often met by asking for a security deposit but the difficulty faced here is ascertaining the level at which this could be set. However, the concept is considered worthy of further investigation.

A2.1.10 The Crown Estate has issued heads of the terms for the lease to the Council. Whilst it is intended that these will be replicated in the sub-lease to the organisation, if the Council become liable, as well as the insurance issues mentioned above, there are a number of other key risks.

Likewise, there are a number of risks if the Council becomes liable under the terms of any marine licence and these risks are set out below:-

- a) Rent – This would be a peppercorn for the first five years with a review to market value. Whilst not an immediate risk, if the rent were increased after five years then the Council would need to identify a budget to fund this payment. Whilst the rent review mechanism has yet to be agreed the Crown Estate has indicated that it may possibly be linked to a percentage of the gross turnover (possibly 10%). Unless resources are identified to manage the 'operation' with the Council then receiving the income, there is a risk that the Council may become liable to pay a rent with the result that the Council would need to identify a financial resource to pay it.
- b) Annual maintenance of buoys and signage – It is understood that the cost may be the region of £4,500 per annum.
- c) Environmental monitoring – It is likely that the Marine Management Organisation will require a ten-year environmental monitoring programme, which could cost in the region of £45,000 over this period.
- d) Any other licences and inspections which may be required.

A.2.1.11 It is considered that the above financial risks could be minimised by the charity organisation providing a capital bond, which the Council could draw upon to cover its revenue costs. The principle of such a bond has been accepted by the organisation with the detail still to be agreed.

A2.1.12 It will be necessary for the organisation to undertake various surveys and procure reports before they are granted permission to sink the vessel which will involve them in the risk of incurring significant expenditure before any documentation is in place and which might cause risks to the Council if it subsequently decided not to enter into the relevant agreements.

This risk could be reduced by a process known as an 'agreement for lease' with the grant of the lease being contingent upon all relevant permissions and consents being obtained. Such a process may also ensure that such permissions are in place before the lease with the Crown is completed. Clearly this process would need to be acceptable to both the Crown and the organisation but nevertheless is considered to be worth investigating and pursuing further.

A2.2 Remaining risks

A2.2.1 It was thought that there was a possibility that the Crown Estate may have wanted the vessel to be removed from the seabed at some point in the future. They have, however, confirmed that it is not their intention for it ever to be raised with the lease being in place to enable it to become a permanent structure on the seabed.

A2.2.2 There is the risk that the wreck could sit on an existing environmentally important feature or habitat, or it might be sited in a conservation area. In reality there is zero risk of this happening because of the MMO's licensing process. In any event it is anticipated that after 6-12 months corals, fauna and flora will have adhered to the vessel. It is the organisation's view that eventually the vessel will have become a reef and therefore be protected in its own right.

A2.2.3 There could be a perception that the vessel will be a danger to the environment. However, before it can be sunk it needs to go through a process of cleaning and de-polluting. The work will take place at Devonport and be commissioned with Babcock International Ltd. They will adhere to a licence from the Marine Management Organisation who will only allow the vessel to be sunk once this work has been signed off by them. The vessel will therefore be clean and free from contaminants when it is sunk.

A2.2.4 In the event of a diving or wreck related fatality it could result in a long drawn out court battle related either to cause of death or negligence. Such exposure to negative publicity could damage the Council's reputation.

A3. Other Options

A3.1 The Council could decide not to support this initiative.

A4. Summary of resource implications

A4.1 Asset Management of the Torbay Development Agency, the Executive Head of Tor Bay Harbour Authority and Commercial Services would be involved with the negotiation and preparation of the legal documentation.

A4.2 The Council will also be required to monitor the sub-lease to ensure that the sub-tenant is complying with the terms. No budget currently exists for this work.

A4.3 If the sub-lease were to come to an end then the Council will become fully liable and we will need to put in place such measures / procedures to minimise the risk of diving related incidents/accidents and such would have cost implications with no budget currently available.

A4.4 The costs identified in A2.1.10 above will fall to the Council if the sub-lease were to come to an end and no budget currently exists for this work although it is anticipated that any bond provided by the organisation will cover these costs.

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

A5.1 It is not considered that the proposal will have an impact on equalities or crime and disorder.

A5.2 Before the vessel can be sunk all possible contaminants will need to be removed. Over time the vessel will deteriorate but a reef should start to form on it, thus enhancing the marine ecology through the creation of a new habitat and ecosystem (see A2.2.2 above).

A6. Consultation and Customer Focus

A6.1 The organisation has presented the proposals for the "Ark Royal" at a public meeting. Since this is not a land-based initiative it does not affect one particular Ward and therefore it is not considered appropriate for formal public consultation via the Community Partnerships. However, the project has been discussed at the two Harbour Liaison Forums.

A6.2 The MMO strongly advise that any proposal is, as far as is practical, the subject of extensive consultation locally. Furthermore the MMO suggest that applicants for a marine licence consult with the MMO's standard consultees prior to making the application. The consultees at present are :-

- Natural England
- Environment Agency
- The Crown Estate
- English Heritage
- Maritime and Coastguard Agency
- Trinity House
- Department for Transport
- Centre for Environment, Fisheries and Aquaculture Science (Cefas)
- Highways Agency
- Network Rail
- local authorities
- neighbouring harbour authorities.

A6.3 The MMO will consult with the bodies listed in A6.2 above, in any event, before considering the granting of a marine licence.

A6.4 The organisation has also consulted with a number of other relevant local businesses, together with the Royal Torbay Yacht Club.

A6.7 The Torbay Coast & Countryside Trust have also been consulted. It supports marine conservation projects that restore and enhance the Bay's marine environment and which aim to engage and inspire people with the Bay's marine environment. The Trust is of the view that, if artificial reefs are done in an appropriate manner then they can provide both biodiversity enhancement and also be a dive attraction. Their initial view is that, unless more detailed impact assessments are carried out then the current proposal is inappropriate for Tor Bay considering the nature conservation designations and the Bay's marine biodiversity.

A7. Are there any implications for other Business Units?

A7.1 No

Appendices

Appendix 1 – Appraisal Submitted by Charitable Organisation

Documents available in members' rooms

None

Background Papers:

The following documents/files were used to compile this report: Misc380

2011

THE ARK
ROYAL

Produced by "Wreck The
World"

[APPRAISAL FOR TORBAY COUNCIL]

BACKGROUND; INTENTION; COSTINGS; REVENUE; RISK AND REWARDS

Table of contents

1.	Executive summary	3-4
2.	Misunderstandings and fears.....	5-6
3.	Genral Company Description	9
4.	Background to Artificial reefs and The Ark Royal.....	Error! Bookmark not defined.
5.	Outline Time Line	Error! Bookmark not defined.
6.	Financials – On-going cash flow of Charity	11-13
7.	Economic & Social Benefit.....	Error! Bookmark not defined.

Executive summary

- 1.1 In “Turning the Tide Strategy” the newly formed ERTC was given the remit to stop the decline of tourism and increase occupancy and revenue.
- 1.2 Tourism is the central industry under-pinning the Torbay economy.
- 1.3 This project mirrors that already achieved in Plymouth, through the sinking of the “Scylla” and production of the UKs first artificial reef (2004).
- 1.4 Whilst Plymouth Council, South West Regional Development Agency (“SWRDA”), University of Plymouth’s South West Economy Centre (“SWEC”) and Caradon Area Tourism Forum (“CATF”) had to work on simply theory, with no track record for such an enterprise in the UK, we are in a fortunate position to have some statistical track record and evidence for this project.
- 1.5 As part of the work from SWEC to access funding from SWRDA, they predicted increase of £0.17m (pessimistic scenario) and £0.67m (optimistic scenario) in GDP pa (Gross Domestic Product) within the South West economy from the Scylla.
- 1.6 **Actual calculations** have produced by Plymouth to calculate revenue to their economy through their investment into the Scylla. Some **£25-30 million** over 5 years with initial purchase / investment recouped in 14 months.
- 1.7 Whilst Plymouth gained the Scylla, Torbay has the chance to gain the Navy’s flagship; HMS Ark Royal.
- 1.8 It is our belief that Torbay can benefit by similar, if not more, through the Ark Royal. Estimated economic benefit using similar data calculations by the Riviera International Conference Centre when showing their benefit to the wider economy and justification of council support amounts to in excess of £11 million per annum.
- 1.9 This is effectively a new “revenue source” for our Bay economy will minimal infrastructure costs for the council. Certainly “turn the tide”! Through working in conjunction with the ERTC, Torbay could become the Dive Centre of the UK.
- 1.10 The project will be set up under a charity structure in order for operating profits to be reinvested into community projects, rather than “tax man revenue”.

APPRAISAL FOR TORBAY COUNCIL

- 1.11 Due to the type of business, the running costs for the charity are significantly low (estimated at £30,000), whilst the income stream, high. Through “diver charges”; TV documentaries; merchandising etc – estimates in excess of £350,000pa.
- 1.12 It is the heart of the charity to look at schemes within the Bay and be able to pass finance over using “social enterprise”; following a similar model proposed by our Mayor with his offer of 50% reduction in salary. Over the course of 5 years estimates range from £1,500,000 (low side using similar data to Scylla on diver numbers) to £5,035,000 (optimistic with increase number of divers and length of season).
- 1.13 Support from the council at this stage centres on “provision of a lease” via the Crown Estate. The council will have no responsibility for either the purchase; preparation, cleansing or indeed sinking. No sinking will occur unless preparation and cleansing are signed off by the MOD.
- 1.14 This level of support is different to the Scylla where they asked for funding on top for to cover part of the purchase and cleaning stages.
- 1.15 We understand that initially there had been mis-understandings about the project such as the following:
- i) Placement of the Ark Royal
 - ii) Risks to council
 - iii) Risks to environment; other shipping
 - iv) On-going financial viability
- 1.16 We are very much appreciative of the support and help that has recently been received from the TDA, Council, Harbour Master and Various members of the Bay’s business community; which, through them, can help to dispel some of the myths and mis-understandings and ultimately reassure the Council and Mayor that, not only does this project have potentially huge financial and social benefits to the Bay, but also limited to negligible risks to the Council
- 1.17 Over the next few years the UK economy is expected to face extremely trying financial conditions. This project provides, in almost one fell swoop, a new “tourism” project, which can easily supplement the “Turning the Tide” strategy, helping our accommodation providers, restaurants, and shops.

2.6 Danger to other ships – discussions on the Ark Royal's resting place took place with the Harbour Master. For some reason certain people thought, and then spoke out, that it would be sunk in Torbay harbour. That would cause a danger, not least because some of the ship would be out of the water! In fact the site has been chosen away from shipping lanes. It will be required to fit buoys and sonar. Set at a depth below large boat drafts.

2.7 Danger to environment

- a) Before the Ark Royal can be sunk, it needs to go through a process of cleaning and de-polluting. This work will take place at Devonport and be commissioned with Babcock International Ltd. They are ship builders, de-commissioners and "artificial reef project" supporters. They will adhere to a licence from the MMO; and not until that work has been achieved with the MMO sign off and allow the Ark Royal to be sunk.
- b) The whole purpose of the project is to produce an artificial reef in line with conservation and therefore it is paramount that it is clean.
- c) Over time, following the Scylla model, it will actually become a thriving reef, not only available for diving, but also conservation work and marine biology.

2.8 On-going Financial Viability of the Sub-leasor & danger that council left carrying the baby

The charity is in the enviable position of having little on-going costs, whilst an excellent income stream; combined together to forming a very profiting organisation, to the betterment of social concerns in the Bay.

Estimated on-going costs amount to less than £30,000 with 50% due to administration costs. On the other hand, income stream just from divers (payment of £2 per dive), would amount to £200,000. This doesn't include income from marine biology; TV documentaries; merchandise; memorabilia etc.

2.9 Council open to being sued from death of a diver – since the Scylla was sunk, there have been two deaths. It is not possible for the tenants of the actual boat to be held responsible. The liability either lies with the company who was used to provide the dive, where they have to hold their own public liability insurance as with any company; or the individual who has broken their PADI rules. All individual divers, outside those who go with a chartered company, are responsible themselves when they enter a wreck. However what is unknown to the layman relates to who the liability stands with. There are three types of diver.

Mis-understandings / Fears

2.1 This is a new concept for Torbay and therefore, can, like anything else that is new, have mis-understandings.

2.2 Over recent times there has been confusion on:

- i) Placing of the Ark Royal
- ii) Council liability on the lease
- iii) Verbalising "hair brained idea"
- iv) Danger to other ships
- v) Danger to the environment
- vi) Ongoing financial viability of the project
- vii) Council open to being sued if their is a death

2.3 **Placing of the Ark Royal** has been discussed with the Harbour Authority, and in particular the Harbour Master, Mr K Mowatt.

- i) Not in the harbour
- ii) Not in a shipping lane
- iii) Placement will have no effect if the Mayor would like to bring "cruise ships" into the Torbay

2.4 **Council Liability on Lease** - Because the project comes within a charity to benefit our local community, it requires the Council to obtain a lease from the Crown Estate, and the charity to become the "sub-leasor". This is a similar arrangement followed by the Scylla team and its heads of terms have been received and elements will be adhered to by the charity. In particular:

- i) Archaeological Survey
- ii) Environmental impact assessment
- iii) On-going financial statement for charities viability as the tenant
- iv) Insurance

2.5 **Verbalising "hair brained idea"** – as time has gone by, with more councillors, officers and business people hearing the concept and out workings of an actual case down the road in Plymouth, so these have been captured by the potential. Why not Torbay? It has been done in Plymouth and other places around the world.

Company Description and Management

Registered name: Wreck The World

Charity number: 7671930

Registered address of charity: 22 Tamar Avenue, Shiphay, Torquay, Devon, TQ2 7LP.

Directors: Mr James Doddrell, Mr Jason Zaple,

Members: Mr Michael Byfield, (Mr Martin Brook, Mrs Susie Colley, Mr Andrew Baldry, all to be joining the charity very soon)

Bankers NatWest Bank, Union Street, Torquay, Devon.

Background to Artificial Reefs and The Ark Royal

The Artificial Reef Society of Colombia describes an artificial reef as: "By definition, an artificial reef is any structure placed by man in the marine environment. Properly prepared and strategically located they attract marine life of all kinds and provide easily accessible and safe locations for divers to enjoy".

3.1 Modern artificial reefs serve a variety of purposes including promoting marine life, commercial and sport fishing, diving, education and research.

3.2 The use of reefs for recreational diving is a relatively modern development that has occurred since World War Two as a consequence of the development of reliable scuba-diving equipment.

3.3 Whilst artificial reefs can be constructed in a variety of ways, there has been an increasing trend to utilising decommissioned warships. This type of artificial reef has been developed in a number of countries including the USA, Japan, Canada, Australia, New Zealand and the Cayman Islands.

3.4 There are a number of significant advantages to utilising ships as the basis for artificial reefs. These include:

- Divers place a high value on exploring wrecks that "look like ships" but many historical wrecks have deteriorated over time.
- The ships can be prepared with safety considerations in mind.
- The ships can be prepared for novice/disabled divers.
- The location of the site can be chosen to promote local industry and tourism and minimise any adverse ecological impacts.
- Reefs can provide a breeding ground for fish and other marine life.
- Artificial reefs are often viewed as a relatively cost effective way of disposing of surplus vessels.

3.5 In 2004, the first was introduced into the UK. Purchasing, cleaning and sinking of HMS Scylla in Whitsand Bay off the coast of South East Cornwall, close to Plymouth; a Leander class frigate.

3.6 HMS Scylla is a decommissioned Royal Navy frigate that was properly prepared and cleansed prior to being scuttled on the 20m contour in Whitsand Bay. Placed on the sandy bottom, the new structure of an artificial reef has provided a permanent structure for invertebrates to attach where there was none before. The artificial reef also provided a solid surface for filter feeders to attach, and an environment similar to natural reefs where entire self-sustaining food chains are created.¹

(¹Atlantic Consultants. 2001. S E Cornwall Tourism Strategy 2001 – 2006. Caradon District Council, Liskeard)

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3.7 Whilst estimates were created for projected economic and social benefits to the region from the Scylla; the reality has been much greater.

3.8 The pioneers behind the Ark Royal live in Torbay. Understanding the Ark Royal was up for tender, they believed the same benefits and more could be achieved for Torbay. With a prototype in place from the Scylla, they embarked on a journey, assessing the costs, responsibilities and potential from such a project; thereby placing a tender bid, which is currently with the MOD.

3.9 Taking the model of the Scylla, they have removed some of the risks for any supporting council and are looking at support in the form of a lease that needs to be granted from the Crown Estate in order for the project to materialise (a lease if required since the crown estate will only provide to a council or private company; not a charity, the structure they want to achieve "social economic" benefits).

Outline Time Line

4.1 There are seven stages to this project:

- i) Tender
- ii) Preliminary legal requirements
- iii) Awarding of tender
- iv) Purchase;
- v) Cleaning, de-polluting;
- vi) Sinking;
- vii) On-going formation of reef.

4.2 During the tender phase investigations were made into:

- i) Scrap Value
- ii) Cleaning & De-polluting
- iii) Proposed Site for final resting place
- iv) Charity Status
- v) Economic Impact on the Bay Economy

4.3 Through discussions with Babcock International Ltd; Scrap Merchants and MOD; it was clear that "Purchase; Cleaning, De-polluting; & Sinking" could be achieved through the scrap value of the vessel, leaving an amount over for the "charity". As such a tender price of £3.5 million was submitted.

4.4 In order to sink the Ark Royal the Crown Estate requires a lease. As a charity we are unable to receive such a lease, and therefore require the Council to apply, with the charity becoming "sub-lease holders".

4.5 We very much appreciate involvement by various people including TDA, Councillors, Officers, Harbour and Business in helping pull the strands together to get us to this point and hope receiving the required "lease"

Startup Expenses; On-going Financial plan (expenditure & income)

4.1 There are three financial phases to the Ark Royal Project:

- i) Pre-tender
- ii) Acceptance of Tender up to Sinking
 - (a) purchase;
 - (b) preparation, de-polluting
- iii) Post Sinking

4.2 Pre-tender has been financed by the members of the charity.

Prior to actual lease, and as part of expected heads of terms arrangements will be need in place:

- i) Marine Licence
- ii) Archaeological Assessment
- iii) Environmental Assessment
- iv) Insurance ready for time of sinking

All four are in the process of being obtained and will be in place for the granting of the lease.

4.3 "Purchase to Sinking" has been planned through the scrap value of the Ark Royal, with letters from scrap companies confirming. Specific elements:

- i) Purchase
- ii) Cleaning; de-polluting by Babcocks Ltd in Devon Port
- iii) Escape Ropes and Signage

Jim Allan | Senior Estimator - Marine and Technology Division
Babcock International Group
Devonport Royal Dockyard | Plymouth | Devon | PL1 4SG
Tel: 01752323676 |
Mob: 07799 261352 |
Email: Jim.Allan@babcock.co.uk

4.4 On-going pa:

- i) Buoy and Maintenance £4,500
- ii) Company Name £1,000
- iii) DEFRA 10 year environmental £4,500*
- iv) Insurance for lease £self funded (insurance paid by bond at out set providing annuity)
- v) Ongoing Environmental Impact £self funded (obtaining licence and qualification to complete ourselves)

APPRAISAL FOR TORBAY COUNCIL

vi) Administration	<u>£15,000</u>
	£25,000

4.7 Income Stream

- 1) The main income stream would be generated by “diver users”. 300 divers per day; doing 3 dives a day over a 28 week period would generate £352,800 pa assuming a 28 week period (in line with Scylla ref. Diver numbers).
- 2) We would expect the Ark Royal to generate a greater number of divers; and, with benign climate in the bay, increase the open period.
 - i) 28 weeks; 300 divers £352,800
 - ii) 28 weeks; 500 divers £588,000
 - iii) 52 weeks; 300 divers £657,000
 - iv) 52 weeks; 500 divers £1,095,000
- 3) TV Documentaries - We have also been approached by the BBC for a history documentary and Lion TV for another documentary on the full de-pollution and sinking of the vessel all prices are still in the negotiation stage and will have definite prices after tender win
- 4) Ships memorabilia items
- 5) Selling of merchandise
- 6) Charity boxes
- 7) Charity and fund raising events
- 8) Etc...

4.8 Buoys & Maintenance - Includes fitting to vessel and 2 other buoys all with navigation lights and main A.I.S have GPS included, also has a 100m radius with up to 4 marker points

4.9 DEFRA 10 Year Environmental -We expected there will be a need for a 10 year report which, generally, can cost up to £45,000; however we can hopefully do the report studies over the 10 year period to satisfy Defra’s requirements working alongside B.S.A.C producing all the photographic and video evidence along with written and detailed reports.

We believe we can lower these costs by carrying out most of the required work ourselves, as we are in the process of signing up for a archaeological surveying and sonar ocean

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mapping course, we have marine conservation and project awareness as part of our portfolio.

4.10 Archaeological Impact Assessment - Our verdict we will not need a archaeological impact report due to the fact that we believe that this was referred to in heads of terms for the wreck to reef project in Weymouth, as they are on the Jurassic coast although we will be finding out the costs of having this report should it be needed. Details of one company we have found that are competent of this task is:

ADA (UK) archaeological diving association
www.underwater-archaeology.org.uk

4.11 Insurance for lease - Initially obtaining quotations for unlimited liability, however this has changed due to confirmation from (), going to £5Million indemnity insurance so this will substantially lower our costs. We are currently awaiting quotes from 20+ insurance companies through the following brokers:

RMK Insurance Consultants Ltd
c/o Stuart Wicks
Suite 11
351 London Road
Hadleigh
Essex SS7 2BT
Direct Dial Number 01702 426355
Tel 01702 555560
Fax 01702 555528

Economic & Social Impact Assessment

Benefits to the Bay

Financial Example

5.1 The Riviera International Conference Centre used an average £215 per delegate when they calculated its benefit to the bay. Using the same for a diver and assuming similar number of divers recorded with the Scylla we can extrapolate to £11.8 million:

280 persons per day

28 weeks

@ £215

= £11 million 799 thousand 200

5.3 In our option the £215 is on the high side; however if we assume £160 (dives £80; accommodation £40; food and misc £40) we still arrive at £8.78million.

5.3 Divers do not always travel alone, bringing partners. Assuming 1/3 bringing partners, but reducing spend from £80 (accommodation; food and misc); produces a further £1,097,600 (280 divers at 25% partners = 70; at £80; over 28 weeks).

5.4 Combining 5.3 and 5.4 provides £9.88 million per annum.

5.5 It is our belief that the Ark Royal will attract both more divers per day, as well as over a longer period of time. If numbers and period by 25%, that would increase amount by nearly £2.5 million.

5.5 These figures simply show the huge potential for the bay; for local businesses, new businesses and the wider community.

5.6 History has shown that the amount achieved depends to a lesser or greater degree with various organisations working together. Businesses/Marketing/Hoteliers etc. We have in place, within the Bay, already the infrastructure. The Ark Royal name will give the catalyst. But surely we can do better than Plymouth.

Educational Example

5.6 We have contacted Silvia Allen who is a governor of the schools in Torbay. She has agreed to help us by writing out a report for and behalf of the educational board on how this project will have a massive impact on the education. From a conversation with Silvia Allen she has informed us that of all the schools she has spoken to have had a positive outcome towards the project, and as such have been asked to make a presentation for all the schools.

Examples of Social Benefits through Charity Structure

5.7 In our hearts, we want this project to benefit Torbay Society and as such have set up the project under a charity structure.

- i) Coast Guards - For example one of our main beneficiaries would be the coast guard. Now they are on verge of being closed down it is imperative that we get the Ark Royal so profits from the project could then help our charity to then fund the coast guard as we feel many lives will be lost from this closure.
 - ii) Youth Projects
 - iii) Community Projects
 - iv) Community Partnerships
-



Title: **Annual Parking Report 2010/2011**

Public Agenda Item: **Yes**

Wards Affected: **All Wards in Torbay**

To: **Council**

On: **29 September 2011**

Contact Officer: **Steve Hurley, Group Manager**

☎ Telephone: **(01803) 207680**

✉ E.mail: **Steve.hurley@torbay.gov.uk**

1. Key points and Summary

- 1.1 This is the third year Local Authorities have had a statutory responsibility for the production of the Annual Parking Report following the introduction of the Traffic Management Act 2004 which came into force on 31 March 2008.
- 1.2 The report provides information about the Parking Services provided by the Council, giving statistics relating to all areas of the service as well as details of service achievements throughout the year and future initiatives.
- 1.3 Limited guidance has been given by the Secretary of State for Transport as to the content of the report which has allowed local authorities the flexibility to include information that is specific to their services and local objectives.
- 1.4 Once the attached 2010/2011 Annual Parking Report has been presented to the Council it will be made available to the general public with a copy provided for the Department of the Secretary of State for Transport.
- 1.5 Last year's Torbay Annual Parking Report was short listed within the top five reports for the award for the Best Annual Parking Report 2009/10.

2. Introduction

- 2.1 The Torbay Annual Parking Report 2010/11 is attached (Appendix 1) for the attention of the Council prior to public circulation.
- 2.2 The report provides information about Torbay Parking Services under the following heading:
 1. Introduction by Executive Lead for Parking Services, Councillor Robert Excell
 2. Geography and Demographics of Torbay
 3. Parking Provision

4. Partnerships
5. Supporting the Local Economy
6. Parking Enforcement Service
7. Parking Administration Service
8. Achievements
9. The Future
10. End of Year Accounts
11. Appendices

Appendices

Appendix 1 Torbay Annual Parking Report 2010/11

Documents available in members' rooms

None

Background Papers:

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

Torbay Local Transport Plan 2006/11
Parking Strategy 2
Statutory Guidance issued February 2008
Operational Guidance issued March 2008



Parking Annual Report

2010/2011

This document can be made available in other languages and formats. For more information please telephone 01803 20207674

Contents

Introduction by Councillor Robert Excell Executive Lead for Safer Communities and Transport	5
Chapter 1	7
Geography and Demographics	7
Chapter 2	8
Objectives.....	8
Chapter 3	10
Parking provision	10
Chapter 4	17
Partnerships	17
Chapter 5	20
Supporting the Local Economy	20
Chapter 6	22
Parking Enforcement Service	22
Chapter 7	27
Parking Administration Service	27
Chapter 8	30
Achievements	30
Chapter 9	32
The Future	32
Chapter 10	33
End of Year Accounts	33
Appendix 1	36
Penalty Charge Notices Issued – Payment and Cancellation.....	36
Appendix 2	37
Penalty Charge Notices Issued – Cancellation	37
Appendix 3	38
Penalty Charge Notices issued by Contravention	38

Appendix 4	42
Key Performance Indicators	42
Appendix 5	43
Events 2010/11	43

Introduction by Councillor Robert Excell Executive Lead for Safer Communities and Transport

This is Torbay Council's third Annual Parking Report for the period from 1st April 2010 to 31st March 2011 which has been produced as required by the Traffic Management Act 2004



As the council's Executive Lead for Safer Communities and Transport, I have been working closely with Council Officers responsible for the management and provision of Parking Services, and I welcome the opportunity this report provides to highlight the work undertaken within the service and the important role parking has to play in supporting the local economy and regeneration of the Bay.

Parking is one of the council service areas that generate considerable public interest. Transparency and accountability is critical to maintaining public support, and this report provides the opportunity to give factual information and to clarify many of the points that are often the subject of public debate.

I hope you will find it informative, and that it will promote a better understanding of the services provided.

Thank you for your time in considering this report and your feedback on its contents would be appreciated by emailing parking@torbay.gov.uk

The report is available for public inspection at the following locations:

Connections Offices

Torquay, Paignton and Brixham

Libraries*

Torquay, Paignton, Brixham, Churston and Mobile Library.

Website

www.torbay.gov.uk/parking

*Please remember to check the opening times of the Connections Offices and Libraries.



Chapter 1

Geography and Demographics



Torbay is often referred to as the English Riviera and is a popular tourist destination in South Devon. Situated 16 miles south of Exeter on the A380 and consists of three towns, Torquay, Paignton and Brixham.



Torquay's population of 63,998 during the 2001 UK Census made it the third largest settlement in Devon, with Paignton having a population of 48,251 and 17,395 residing in Brixham. If the Torbay area, of which Torquay forms a third, were to be recognised as a city, it would rank as the 45th largest city in the United Kingdom with a population only slightly less than that of Brighton, which was granted city status in 2000. During the peak summer season the resort's population swells to around 200,000.



Throughout Torbay car ownership is average when compared to the whole country with only 26.79% of households not having access to a vehicle.



Chapter 2

Objectives



Parking Provision

Parking provision and management is a key element of the Torbay Local Transport Plan, that

- Provides access to town centre areas to support the local economy
- Provides access to amenity areas and reacts to seasonal demand
- Provides parking for residents within controlled parking zones
- Provides a balance of long and short stay parking
- Provides dispensations to contractors to park conveniently for access to tools
- Provides discounted parking permits for regular customers
- Provides dispensations for health care workers
- Provides areas for effective loading and unloading for businesses
- Provides designated parking bays for specific vehicles, e.g. coaches
- Provides a variety of disabled bays in convenient areas for blue badge holders

We aim to provide car parks that are safe clean, well lit, with ongoing investment in

new equipment we are always striving to improve customer satisfaction.

Parking Enforcement

Torbay Council applied for the powers to undertake enforcement of parking regulations in 2004 following the outcome of public consultation which had confirmed that the increasing abuse of parking regulations was of high concern to the local people in Torbay.

The Secretary of State for Transport gave permission to Torbay Council to undertake enforcement of parking regulations commencing 4th April 2005.

The objectives for parking enforcement have focused on removing congestion and creating a safe environment for pedestrians and motorists.

Priority for enforcement has been given to:-

1. Control of parking locations and time restrictions where failure to comply would result in traffic congestion and delays, especially to emergency vehicles, and where traffic flow would hinder access and reduce road safety.
2. Ensuring that parking places are used as appropriate, particularly with

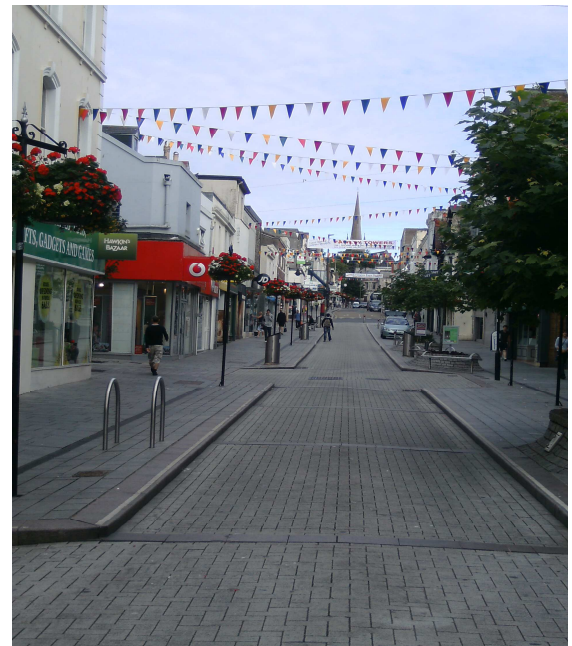
respect to short stay parking bays and pay and display spaces within the town centre, blue badge holder spaces, taxi ranks, loading bays, etc.

3. Supporting the free flow of public transport.

At the commencement of the financial year 2010/2011 the Council took over direct management and delivery of the enforcement service which had previously been contracted out.

The aim of direct management has been to provide a more responsive service and deployment of resources which is not restricted by contract specifications.

Enforcement has been deployed on a more compliance led basis. The Council has direct contact with the enforcement officers which has proved beneficial as there is direct communication with the officers who provide information on areas where there is non-compliance of the relevant restrictions. Resources are then deployed to maintain compliance in these areas.



Chapter 3

Parking provision



On Street Parking Provision

Torbay has 520 km (323 miles) of highway upon which parking is managed by the use of parking restrictions supported by the relevant Traffic Regulation Orders. These parking restrictions are patrolled and enforced by Civil Enforcement Officers

who issue Penalty Charge Notices to vehicles parked in contravention of the Traffic Regulation Order.

The highway network in Torbay is controlled by 149 miles of parking and waiting restrictions – the distance from Torquay to Worcester! This is broken down into:

	KM	Miles
Highway Network	520.00	323.00
No waiting		
No waiting at any time (DYLs ¹)	162.85	101.19
No waiting at any time seasonal (DYLs)	21.45	13.33
No waiting at specific times e.g. 8am - 6pm (SYLs ²)	13.38	9.56
No waiting at specific times seasonal e.g. 8am - 6pm May - Sept (SYLs)	2.19	1.36
Total	201.87	125.44
No Loading	14.10	8.76
Limited Waiting		
Limited waiting all year	8.09	5.03
Limited waiting seasonal	1.20	0.75

¹ Double Yellow Lines

² Single Yellow Lines

	KM	Miles
Total	9.29	5.78
Residents Parking		
Permit holders only parking bays	4.73	2.94
Shared use parking bays	1.40	0.87
Total	6.13	3.81
Pay and Display Parking	3.13	1.95
Loading Bays	1.64	1.02
Taxi Stands	0.50	0.31
Disabled Person's Parking Bays	0.35	0.022
Motorcycle Parking Bays	0.01	0.01
School Keep Clear Markings	2.67	1.66
Total Restricted Highway	240.97	149.73

On Street Pay and Display Parking

On street parking charging was introduced in Torbay during 2008 to assist with the enforcement of limited waiting areas. The areas where on street parking charges are in operation are as follows:

Torquay

Location	Spaces
Abbey Road	37
Castle Circus (Castle Road & Lymington Road)	16
Controlled Parking Zone A (Torwood Gardens Road & Parkhill Road)	30
Market Street	18
The Terrace	13
Rock Walk	41
Torwood Street	28
Union Street	36

Paignton

Location	Spaces
Dendy Road	20
Eastern Esplanade	218
Hyde Road	16
Palace Avenue	74
Queens Road	29
Torbay Road	35
Torquay Road	10

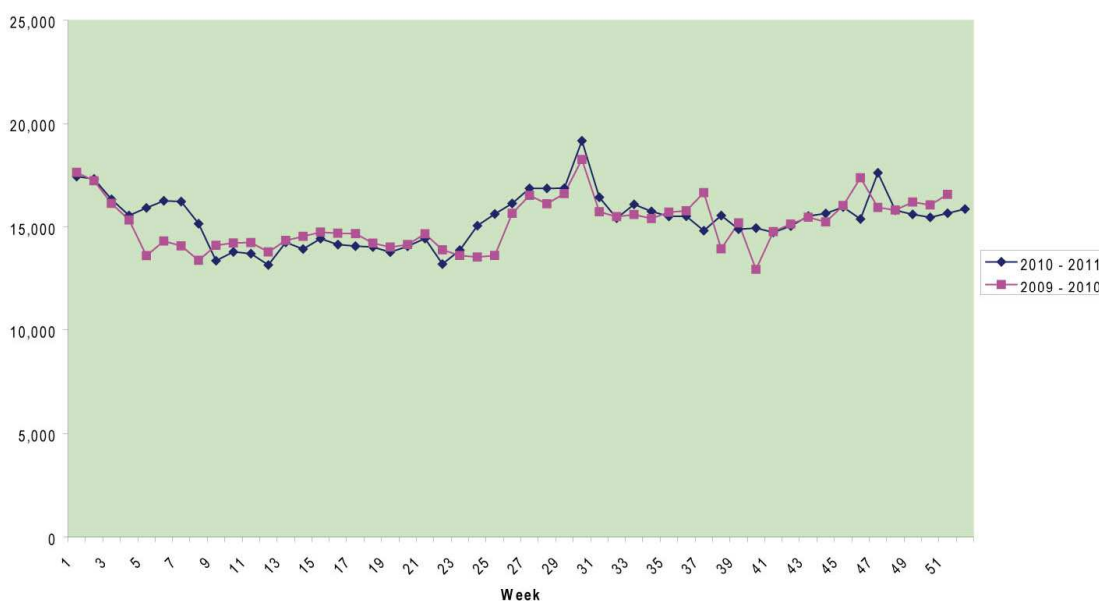
The tariff the Council operates is comparable to neighbouring authorities where similar amenities are offered:

Summer On Street Charges 2010/11

Time	Cost
10 minutes	20p
30 minutes	60p
1 hour and every other hour	£1

This year we have sold a total of **798,594** tickets at these locations from a total of 66 on street pay and display machines.

On Street Ticket Sales



Chapter 3

Parking Provision

A winter reduced tariff is offered at Rock Walk and the Eastern Esplanade (Seafront) in Paignton.

Winter On Street Charges 2010/11

Time	Cost
10 minutes	20p
30 minutes	30p
1 hour and every other hour	60p

Off Street Parking Provision

Torbay Council operates 39 Car Parks across Brixham, Paignton and Torquay, providing in excess of 7,500 spaces.

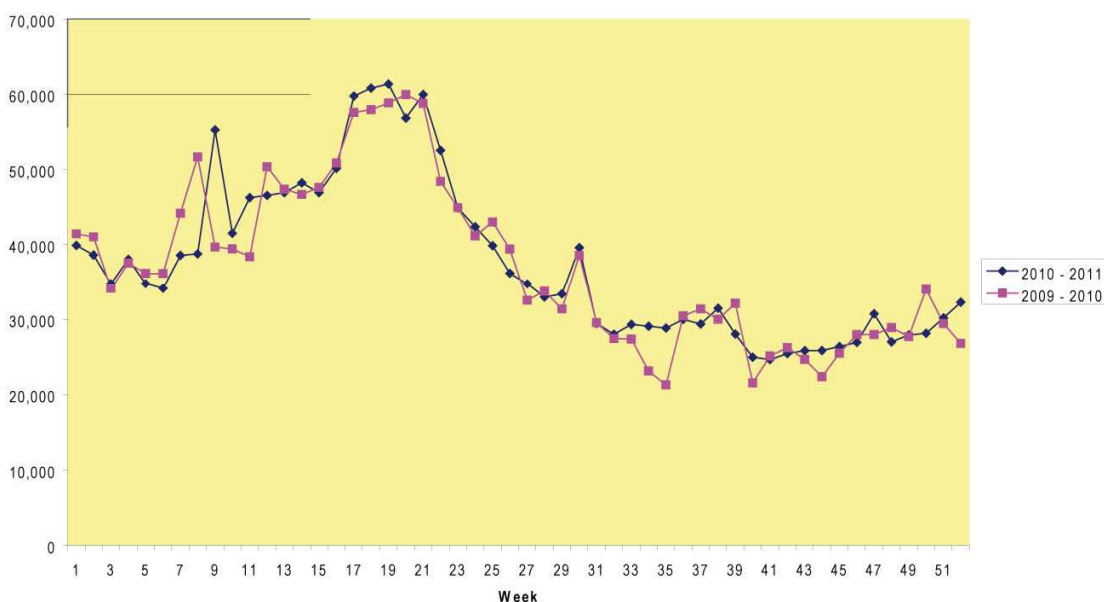
Various permits are available to purchase for use at these car parks and are available via the Council's web site www.torbay.gov.uk/parking or from one of the Connections Offices. The permit durations vary between 12 month, 6 month and 3 month, and a weekly permit is also available specifically aimed at visitors.



Torbay Council has completed major refurbishment of a number of its large multi storey car parks by providing additional lighting, new lifts and water proofing which provides a better environment for the motorist and better value for money as tariffs have only been raised to cover the VAT increase.

Below shows the annual ticket sales in all off street car parks in Torbay.

Off Street Ticket Sales



Parkmark



The recognised standard for the quality of parking facility provided throughout the off street parking industry is known as Parkmark. This scheme is operated by the British Parking Association (BPA) which is the recognised parking association of the industry. They, in conjunction with the Association of Chief Police Officers (ACPO), created the scheme which measures parking facilities against criteria which aims to reduce crime and the fear of crime in car parks. Operators are therefore required to adopt an active management strategy to ensure minimal occurrence of crime.

There are 37,000 car parks across Britain which are awarded Parkmarks. Currently across Torbay all the fee paying car parks the Council operates have been awarded the Parkmark standard, 37 car parks in total. We are in fact the only authority in Devon and Cornwall to hold awards for all fee paying car parks. This is based on the quality and level of:

- Lighting
- Signage
- Cleanliness
- Surveillance

- Management Practices

In order to meet the standards a representative from the Police and a representative from the BPA inspect each car park and assess it against the required criteria and only after they agree are the car parks given the award. In Torbay we are working with the Police to reduce crime in car parks by designing out problems and providing security and CCTV support.

For customers, using a Park Mark® Safer Parking facility means that the area has been vetted by the Police and has measures in place to create a safe environment.

Also customers have the confidence that the award measures the car park operators management standards of the site. This includes response times in relation to problems, the standard of the parking spaces themselves, ensuring they are clean and maintenance issues resolved.



Torbay Council Car Parks Overview

Multi Storey Car Parks:



Name	Location	No. Spaces	Park Mark Award	CCTV	Lifts
TORQUAY					
Beacon Quay	Beacon Hill, Torquay.	118	✓	✓	✗
Harbour	The Terrace, Torquay.	533	✓	✓	✗
Lower Union Lane	Lower Union Lane, Torquay.	664	✓	✓	✓
Union Square	Castle Road, Torquay.	415	✓	✓	✓
PAIGNTON					
Victoria	Garfield Road, Paignton	744	✓	✓	✓
Roundham	Cliff Road, Paignton	117	✓	✓	✗

Surface Level Car Parks:



Name	Location	No. Spaces	Park Mark Award	CCTV
TORQUAY				
Abbey Park	Belgrave Road, Torquay	28	✓	✗
Brunswick Sq	Teignmouth Road, Torquay	89	✓	✗
Chilcote Close	Chilcote Close, Torquay	68	✓	✗
Hampton Avenue	St Marychurch Road, Torquay	153	✓	✗
Kilmorie	Meadfoot Sea Road, Torquay	22	✓	✗
Lymington Road	Lymington Road, Torquay	50 + 18 Coach	✓	✓
Meadfoot Beach	Meadfoot Sea Road, Torquay	29	✓	✗
Meadfoot Road	Meadfoot Road, Torquay	57	✓	✓
Melville Street	Warren Hill, Torquay	36	✓	✗
Princess Street	Princes Street, Torquay	59	✓	✗
Shedden Hill	Shedden Hill, Torquay	258	✓	✓
St Marychurch	Hampton Avenue, Torquay	34	✓	✗
Torre Valley	Walnut Road, Torquay	150	✓	✗
Town Hall	Lymington Road, Torquay	205	✓	✓
Walls Hill	Walls Hill Road, Torquay	73	✓	✗
Watcombe	Watcombe Beach Road	50	✗	✗

Chapter 3

Parking Provision

Name	Location	No. Spaces	Park Mark Award	CCTV
PAIGNTON				
Churchward Road	Churchward Road, Paignton	36	✓	✗
Clennon Valley	Penwill Way, Paignton	503	✓	✗
Cliff Park Road	Cliff Park Road, Preston	41	✓	✗
Colin Road	Colin Road, Paignton	87	✓	✗
Crown & Anchor	Crown & Anchor Way, Paignton	81	✓	✓
Preston Gardens	Old Torquay Road, Preston	48	✓	✗
Great Western	Great Western Road, Paignton	68	✓	✓
Quay West	Tanners Way, Paignton	970 (Approx)	✓	✗
Station Lane	Station Lane, Paignton	38	✓	✗
Youngs Park	Tanners Way, Paignton	130	✓	✗
BRIXHAM				
Breakwater	Berry Head Road, Brixham	103	✓	✓
Brixham Central	Bank Lane, Brixham	180	✓	✓
Broadsands	Broadsands Road, Brixham	1000 (Approx)	✓	✗
Freshwater	Blackball Lane, Brixham	122	✓	✓
Oxen Cove	Blackball Lane, Brixham	84	✓	✓
Shoalstone	Berry Head Road, Brixham	66	✓	✗

Chapter 4

Partnerships

Torbay Carnival 2009

– Photo kindly supplied by Mike Bailey



The Torbay Parking Team work alongside many partnership groups covering all the wards across Torbay including Chamber of Trades, Ward Partnerships and groups such as beach hut user. Parking interfaces with these groups to ensure a fair and good service provision to all those in the community.

In Partnership with Health Care Groups

Workers within the health care services, may apply for a badge and clock (similar to the current disabled blue badge) which permits the holder to park on a yellow line restriction for up to 1 hour providing there is no loading/unloading ban in place at the location. Eligible services include; meals on wheels, care workers, midwives, district nurses and pharmacists. This is to ensure these important health care groups are not disadvantaged in relation to parking.

In Partnership with the Police

We have a close working relationship with the Police in working together to solve mutual problems, one example is the Victoria Car Park in Paignton which is a large 744 space multi storey site which have experienced problems with anti social behaviour. The car park is located very close to Guest Houses and over the last year there has been noise being created by anti social driving at the site.

The Council worked closely with the Police by using its CCTV Control Room to provide regular updates on which vehicles were using the car park in an unsociable way and letters were written to the registered keepers of these vehicles. Re-offending registered keepers were then visited by Police Officers.



The Parking Operations Team then began designing out the problem by restricting access to certain areas of the car park and installing night time access barriers. This in conjunction with the Police input has ensured the anti social driving has ceased at the site and the noise problem eradicated.

The Council also works with the Police by providing information on cloned vehicles and other motor related offences.

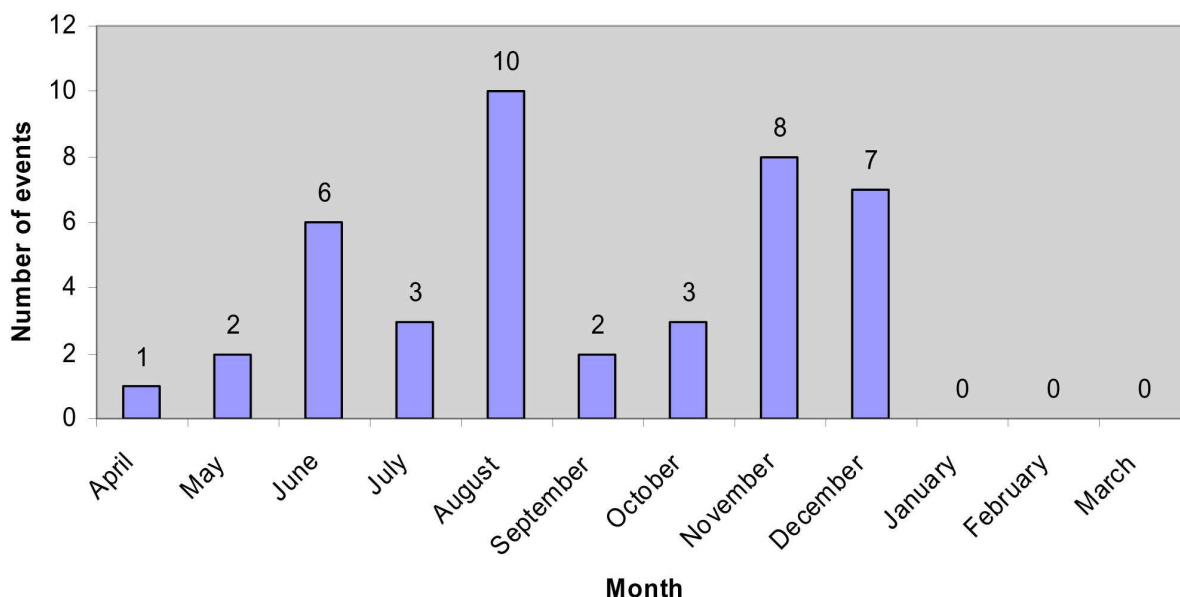
In Partnership with Event Organisers

Parking Services directly supports many events by providing cones, parking suspensions, road closure and general administration support. Some events as large as summer Carnivals and Half Marathons have a large impact on traffic movements and restrict parking. As Torbay is a large tourist area events are important to the local economy and community engagement. Appendix 5 lists all the events which Parking was involved with in 2010/11.

- Torquay, Paignton, Brixham Chamber of Trade
- Brixham Town Council
- Transportation Steering Group
- Ward Partnerships
- Public Safety Advisory Groups
- Torbay Town Centre Company (including Torquay and Paignton Boards)

These groups are important to Parking in that they provide invaluable feedback from the community.

Events Assisted By Parking Services - 1st April 2010 to 31st March 2011



In Partnership with Community Groups

There are a number of Community Groups in Torbay which are well supported and provide a forum for the Parking Team to deliver information and to respond to special issues raised by the community. These groups include:

In Partnership with the British Parking Association

Torbay Council is well represented at British Parking Association Meetings with the Group Manager from Torbay chairing the South West Regional Group. We also host quarterly Car Park Managers meetings for all the authorities in Devon, Cornwall and South Somerset.

In Partnership with Disabled Groups

We actively promote mobility schemes and within two main car parks we provide access to mobility scooters for hire.



We continue to provide more disabled parking bays where we reline off street car parks and in conjunction with the Highways Team at the Council we are ensuring any new parking schemes on street include consideration of the need for disabled parking. The Blue Badge scheme is a national parking concession for people with mobility difficulties who are either drivers or passengers. The Torbay Care Trust are responsible for the processing of these Blue Badges with whom the Parking section are in regular contact.

We have increased the number of dedicated disabled bays both on the streets of Torbay and in Torbay Council

car parks. Blue Badge holders are able to park in the pay and display bays on street without payment provide they clearly display their Blue Badge. In the car parks an extra hour is allowed over the time purchased at the machine, i.e. buy 3 hours parking and receive an extra hour on top free of charge. For Blue Badge Holders who have severe mobility problems and are in receipt of the mobility component of Disability Living Allowance, Torbay Council offer a permit to park free of charge in the car parks. The parking administration team are responsible for the processing of these applications.

In Partnership with Private Companies

Parking Services has worked closely with a number of private companies to provide the service, including:

- Civca – IT contract to provide IT in relation to Penalty Charge Notice processing and parking permits
- Cale Briparc Ltd – contract for the provision of pay and display machines and subsequent maintenance, currently with a stock of 150 machines.
- Nagles Ltd – contract for the provision of pay and display tickets

All other parking services such as signage, cleansing etc is provided by Tor2 the joint venture company between Torbay Council and May Gurney.

Chapter 5

Supporting the Local Economy



The Council recognises the link between parking and the local economy, and the need to take account the huge seasonal uplift in parking demand due to the tourism industry.



Parking Promotions

During the last few years due to the poor economic climate, the Mayor and Cabinet have instigated a number of parking measures to try to assist the economy.

During April and December to cover the Easter and Christmas period discounted off street parking was offered to motorists.

During the winter months parking charges were reduced to 30p for all day parking at a number of car parks adjacent to beaches to encourage additional visits to these areas.

£1 Parking All Weekend

A parking initiative of offering a set rate of £1 from Friday 6pm to Monday 10am for all off street car parks operated every weekend in April and December. No other local authority in Devon or Cornwall offered such a large discount on its parking fees. However Torbay recognised the importance of reducing parking fees over these peak trading periods to persuade tourists to stay longer in Torbay at Easter when visiting and at Christmas to ensure locals shop in Torbay and did not drive to other neighbouring areas. The promotions were a great success with a total of 55,000 £1 tickets being sold over April and December.



Special Events

The Parking Team supports a wide range of events which take place in Torbay. These range from community street parties, ie Royal Wedding through to nationally funded charity events covering many roads. We have a dedicated team who co-ordinates all requests and enquiries regarding events. In line with government recommendations, Torbay Council streamlined the application process for street parties and also set up a web page to give all relevant information and advice on how to apply and also signposting to other websites in relation to

street parties. Liaison is with a range of people from National Charity Fundraising Managers, through to local voluntary groups.



The team also provides guidance to internal departments, regarding legal compliance when organising road closures, suspending parking restrictions and writing legal orders to close roads. Training for community

leaders/voluntary groups to hold special events was provided by Torbay Council to ensure compliance with Chapter 8 signing regulations. This has enabled events to be organised by local voluntary groups. The Council has also provided the relevant Chapter 8 road closure signage free of charge for these events to proceed.

Parking Dispensations

Parking Dispensation Notices are available to tradesmen and contractors who require constant access to their vehicle for bulky tools or raw materials. These notices are normally issued to vehicles of transit size or above. 383 Dispensations were issued during 2010/11 to enable works to be carried out at people's homes and businesses across Torbay.

Contractors are able to apply on line, pay and receive a PDF permit via email which

they can then print off and display in their vehicle.

Torquay United Football Club

Parking Services assist Torquay United on match days with further parking restrictions and enforcement to ensure there is free flow of traffic and congestion is kept to a minimum. A Traffic Regulation Order allows these restrictions to take place on 'match days' and Torbay Council produce the signs for Torquay United.

As the Torquay United Football Stadium is in the middle of a large residential area the control of parking must be handled carefully to keep disruption to residents to a minimum but also ensure the emergency services can access the ground.

Therefore resources are directed to the football ground on match days to enforce the restrictions as appropriate.

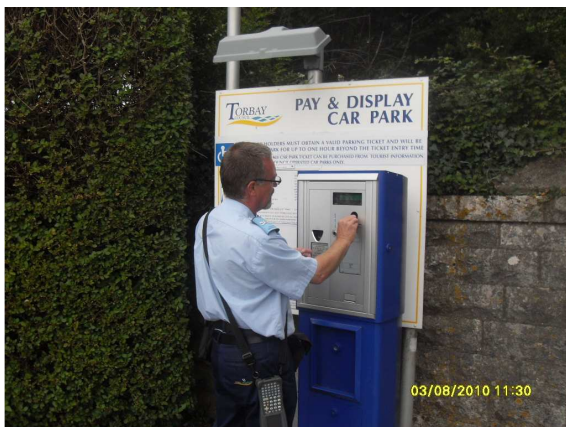
Chapter 6

Parking Enforcement Service



Enforcement

The issuing of Penalty Charge Notices (PCNs) is a result of patrols by Civil Enforcement Officers across Torbay. However there has, and continues to be, no incentive for Civil Enforcement Officers to issue large number of PCNs and there is no link between their remuneration and the number of PCNs they issue. It is important to the Council for parking enforcement, that there is no link of this nature. There is though a quality mechanism for ensuring that the Penalty Charge Notices issued are of a good quality and correctly issued.



The Council undertakes regular monitoring of the staff to ensure a quality service is provided, regular monitoring identifies shortcomings early on before problems can occur, the staff can be retrained. Monitoring includes:

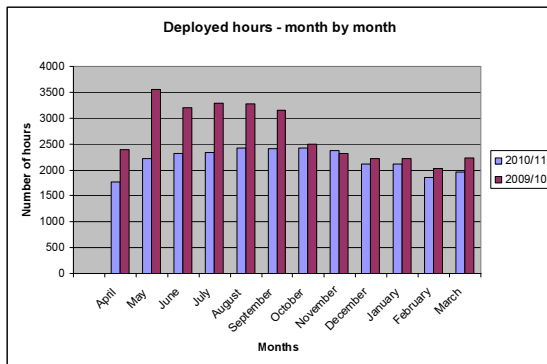
- Use of computer data and analysis from Civil Enforcement Officers handheld computers used on patrol.
- Information from Civil Enforcement Officer handbooks completed everyday when on patrol.
- Regular contact with the staff through daily briefings.
- Feedback from customers.
- Challenge process from the issuing of Penalty Charge Notices.

Changes to Enforcement

Following a review of parking enforcement by Members it was decided by a meeting of the Cabinet and the Elected Mayor in July 2009 to bring the enforcement service in house.

Bringing the service in house led to improvements in the day to day deployment of the Civil Enforcement Officers and to communication of the main corporate priorities of the Council.

Supervisors are now focussed on supporting enforcement activity rather than contract specifications and are deployed in patrols more frequently which ensures they fully train and monitor the staff and they have an up to date comprehensive view of enforcement in Torbay.



With a streamlined structure, deploying resources more efficiently we were able to reduce the amount of deployed hours without affecting the Council's performance with patrols and achieving compliance to the parking restrictions.

Enforcement Requests

It is common that we receive requests from the public both verbally and in writing to undertake parking enforcement in a certain area. In 2010/11 requests were received for parking enforcement. These requests dealt with by the Parking Administration Team, details are taken of the offence including the vehicle details and then this information is passed immediately to the nearest Civil Enforcement Officer. When the Officer attends they will move the vehicle on or as a last resort issue a Penalty Charge Notice. Calls are prioritised according to the importance of the parking restriction, for example calls complaining about bus stops are dealt with first before complaints regarding vehicles overstaying time limits in free parking areas.



No Waiting Cones

The Parking team receives an average of three requests per week for cones to be placed where parking restrictions apply for events, house moves, weddings, funerals etc. When notification is received, checks are completed to ensure the smooth running of the road network is maintained, particularly in the busy summer period. On many of these occasions, cones are required to reserve space prior to a vehicle arriving.



The quantity of cones placed out throughout the year runs in to thousands. Some times for large deliveries or access many cones can be required as well as Police involvement should traffic have to be directed.

Parking Suspensions



As well as arranging parking suspensions for events the Enforcement Service work with utility companies and similar contractors when access is required to certain areas. Some suspensions can be quite extensive and therefore liaison with residents and Community Groups are necessary to facilitate such matters.

Without such parking suspensions the community could suffer disruption from emergency works not taking place on important utilities or in some instances some major events may not take place such as the Torbay Carnival and Red Arrows.

School Enforcement

We support parents when they arrive at school and understand their needs for access but road safety must be prioritised at all times and sometimes this means parents must park further away from the school and walk their children back from the school to their vehicle. Therefore we offer a number of walk to school schemes from off street car parks where free parking is offered to parents to enable them to park close to the school but not cause any road safety issues.



In conjunction with the Council Road Safety Team and School Crossing Patrols we visit a number of schools where particular problems exist. At these visits Civil Enforcement Officers will arrive before parents start to arrive and act as a deterrent to advise and move on parents from school keep clear markings and other parking restrictions which are implemented outside schools to prevent parking. Recently working in partnership with Devon and Cornwall Police joint visits between PCSOs and Civil Enforcement Officers has improved safety at schools.

Performance Management

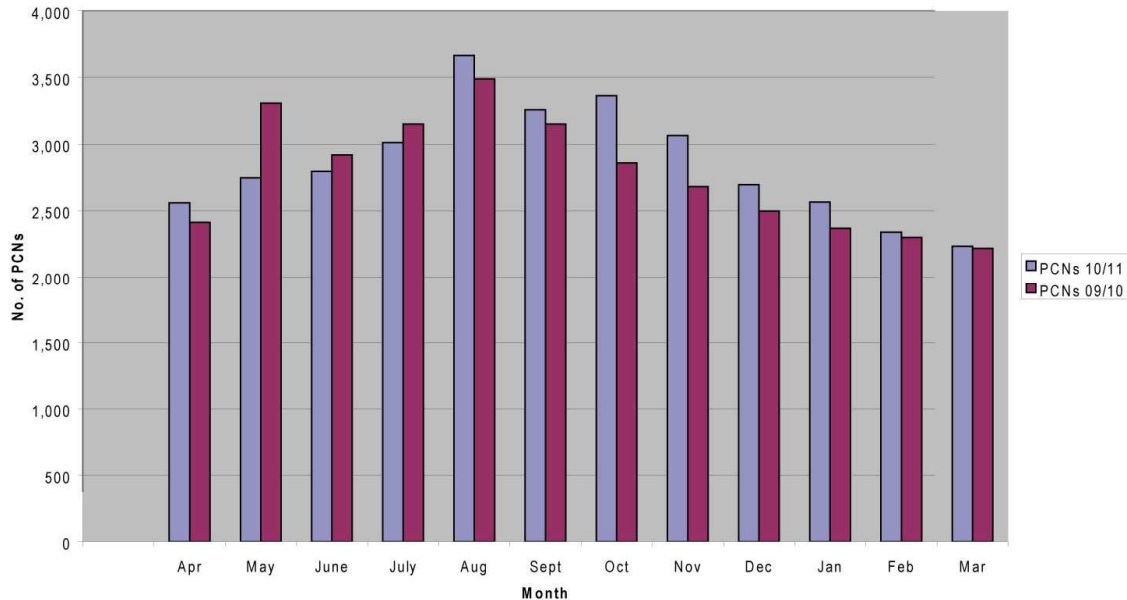
The performance management of the service is dealt with by undertaking activity reports of the Civil Enforcement Officers using data compiled by their handheld computers. Pocket books are checked everyday by Supervisors and all Officers are encouraged to record information in their books which can assist in improving the service, for example signs and lines which need improvement.

It is recognised that to have a successful service it is important to understand the peaks and demand of the role.

The civil enforcement officers report to control information which impacts on other services either internally or external to the Council, ie lifts not working, rubbish in car parks, damage to street furniture, traffic flow issues, health and safety issues to members of the public, ie dangerous structures which may cause harm.

Below are the statistics from the issuing of Penalty Charge Notices which direct us in deploying the necessary resources from month to month. Also the top ten locations for the issuing of Penalty Charge Notices which assists in directing resources to the most non compliant streets/car parks.

Penalty Charge Notices issued per month



Overall Analysis

Location	2010/11	2009/10	Change on previous Year
Union Street	1,480	1,139	29.94%
Brixham Central Car Park	1,410	1,335	5.62%
Torbay Road (Paignton)	1,256	1,040	20.77%
Palace Avenue	1,061	980	8.27%
Torbay Road (Torquay)	1,016	969	4.85%
Abbey Road	1,013	1,015	-0.20%
Lower Union Lane Multi Storey Car Park	905	954	-5.14%
Market Street (Torquay)	844	980	-13.88%
Victoria Parade	673	904	-25.55%
Torwood Gardens Road	609	812	-25.00%
Total	8,787	8,989	-2.25%

Top ten have remained the same - although the order has changed

On Street Analysis

Location	2010/11	2009/10	Change on previous Year
Union Street	1,480	1,139	29.94%
Torbay Road (Torquay)	1,256	969	29.62%
Eastern Esplanade	1,062	808	31.44%
Palace Avenue	1,061	980	8.27%
Torbay Road (Paignton)	1,016	1,040	-2.31%
Abbey Road	1,013	1,015	-0.20%
Market Street	844	980	-13.88%
Torwood Street	756	809	-6.55%
Victoria Parade	673	904	-25.55%
Torwood Gardens Road	609	812	-25.00%
Total	9,770	9,456	3.32%

Top ten streets have remained the same - although the order has changed

Off Street Analysis

Location	2010/11	2009/10	Change on previous Year
Brixham Central Car Park	1,410	1,335	5.62%
Lower Union Lane Multi Storey Car Park	905	954	-5.14%
Union Square Car Park	785	626	25.40%
Beacon Quay Car Park	670	493	35.90%
Clennon Valley Car Park	652	740	-11.89%
Victoria Car Park	628	670	-6.27%
Lower Union Lane Short Stay Car Park	579	514	12.65%
Great Western Car Park	421	403	4.47%
Town Hall Car Park	392	344	13.95%
Riviera Centre Car Park	389	516	-24.61%
Total	6,831	6,595	3.58%

Top ten car parks have remained the same - although the order has changed

Chapter 7

Parking Administration Service



The Parking Administration Team are available to answer day to day parking queries including issuing permits and dealing with appeals to Penalty Charge Notices issued.

Controlled Parking Zones



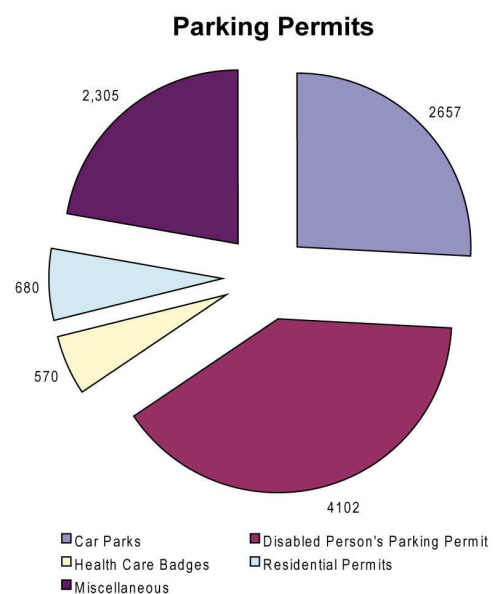
The Highways department receive a large amount of requests from residents, especially close to the town centres for residents only parking. After consultation the Highways Department have introduced an additional Controlled Parking Zones in Torbay, bringing the total to 5. There are zones in the Torwood Gardens, Ellacombe and Shiphay areas of Torquay, a small zone in Preston, Paignton, and a further zone in Brixham. Parking Services administer the schemes and issue the permits to residents who meet the criteria. Parking Services also issue visitor permits. Once a zone is introduced after six months a consultation is carried out and feedback

from residents is considered and changes to the scheme may be introduced.

Off Street Parking Permits

The Council offers a large variety of parking permits for use in off street car parks. These range from weekly parking permits to annual parking permits and the cost ranges from £27.00 to £460. These offer a discount on the daily parking fees and are very popular with tourists and locals alike.

In 2010/11 a total of 10314 on and off street parking permits were issued, the pie chart below explains the breakdown of these permits.



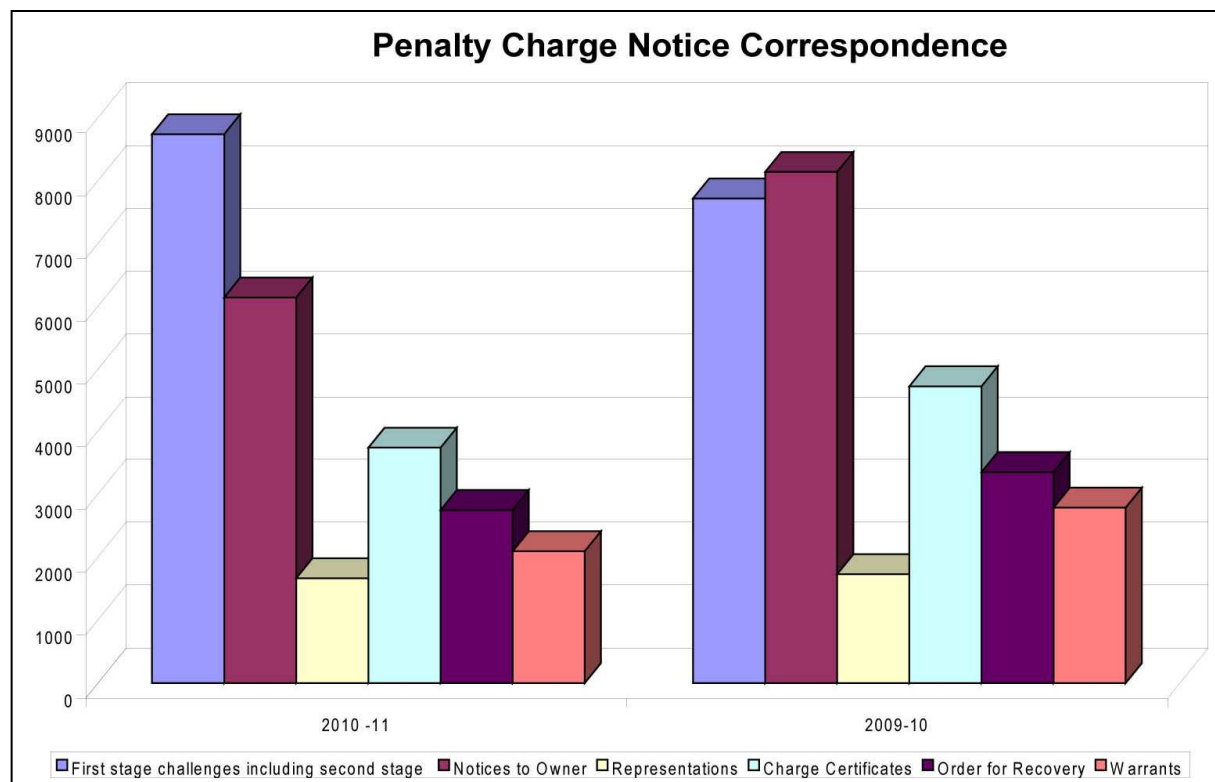
Chapter 7

Parking Administration Service

Challenges, Representations and Appeals to Penalty Charge Notices

As a Council we encourage motorists to challenge Penalty Charge Notices should they feel there are mitigating

When the Parking Administration Team receive challenges they aim to respond within 14 days as per the Traffic Management Act 2004. We realise, for some, the worry of having outstanding Penalty Charge Notices does cause concern and therefore we are sensitive to these needs. All staff involved in this



circumstances leading up to the issue of the Notice. Although we accept challenges through the post we also provide walk in facilities in each town in Torbay. These are the Councils 'Connections Offices'. Within these offices there are arrangements for motorists to speak face to face with independent Council staff who provide relevant forms for challenges to be completed and advise on the appeals process.

process have had formal legal training in the process and how to respond to challenges.

Appendix 1, 2 and 3 shows all the Penalty Charge Notice cancellations and reasons behind those decisions as well as all the contraventions issued. As Torbay has an unusually high proportion of blue badge holders in residence and who visit the area we allow special consideration in some cases, in particular where the blue badge is displayed incorrectly.

For those Penalty Charge Notices which continue through the process and eventually end up at Appeal Stage there are specially trained staff who will consider individual cases and compile the required case submission for the Traffic Penalty Tribunal.

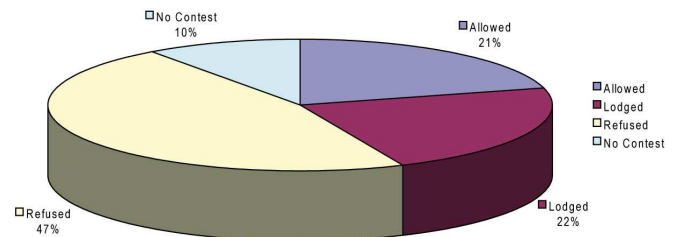


Motorists can choose to have their case dealt with by letter, telephone or even face to face with the Adjudicator. With these personal hearings which are held in Torbay the Council may provide the relevant member of staff to attend the Tribunal along with the Civil Enforcement Officer if appropriate.

During the last financial year 2010/11 a total of 212 cases were lodged with the Traffic Penalty Tribunal, a breakdown of which is below.

Where the Adjudicator finds in favour of the motorist at the Tribunal the Council acts immediately on the feedback should for example the lines and signs not be sufficient. This information is passed to the Councils Highways Team who makes the necessary investigation on site and places orders to have the relevant work undertaken.

Appeals to the Traffic Penalty Tribunal



As a Council, providing a fair, consistent Parking Enforcement and Administration Service we value feedback from the Adjudicator to improve our service and at times clarify the parking restrictions to the motorist. A recent example of this is where advisory signs are erected as well as the regulatory signs in place. This has proved to be useful where parking bays are shared for a variety of purposes, see below.



Chapter 8

Achievements



Electronic Appeals

Appeal pack evidence is now sent to the Traffic Penalty Tribunal (TPT) service electronically, which cuts down the cost of photocopying and postage. There is further development work progressing to ensure further correspondence is received and sent to TPT via a secure web service ensuring cost efficiency savings in postage and stationery and also efficiencies in time due to no postal delays. All Traffic Regulation Orders are accessible on the TPT website. Traffic Regulation Orders are also available on the Torbay Council website.

Inclement Weather

In the west country there is rarely snow or difficult winter conditions due to the mild temperatures. However the winter of 2010/11 proved as difficult as the previous year due to the amount of snow and ice. Many authorities found themselves caught out not having sufficient grit for the roads.

Torbay Council worked in partnership with Devon County Council to share resources to ensure main roads were kept clear.



Within Parking Services, Civil Enforcement Officers were redeployed to ensure the car parks were safe for users especially at the busy town centre multi storey car parks. One of these instances was the weekend before Christmas and the team ensured as many spaces as possible were available to park for the seasonal shoppers.

During the inclement weather the Parking Administration Team also responded carefully to challenges to Penalty Charge Notices if it was felt the weather in any way was a mitigating circumstance leading up to an issue of a Penalty Charge Notice.

At schools allowances were made for parents taking longer to drop off and collect their children from school and enforcement was drastically scaled down. In some residential areas enforcement was completely impossible.

Vehicle Drive Aways

This is the system whereby Penalty Charge Notices can be sent through the post where a vehicle drive away occurs. 2010/11 has seen the introduction of sending penalty charge notices through the post if the civil enforcement officer has been unable to serve this to the vehicle or the driver.

Working with the DVLA

During the year Civil Enforcement Officers commenced issuing DVLA warning notices which are known as CLE 2/7 notices. These are issued to vehicles which are not displaying a valid excise duty.



The resulting action includes fines issued to the registered keeper and in some cases vehicles are clamped and removed by the DVLA who have these legislative powers to deal with unlicensed vehicles.

Handheld Computer Replacement

The computers the Civil Enforcement Officers use to issue PCNs were due to be replaced over the last 12 months and we identified new handhelds after the relevant procurement process. It is anticipated the new equipment will be delivered in the early summer of 2011.



Chapter 9

The Future



Persistent Evaders

Following the comments in last years annual report Officers have further investigated the protocols for the removal of vehicles belonging to persistent offenders and evaders and are currently speaking with possible contractors which could facilitate removing vehicles under the legislation within the Traffic Management Act. Due to the change from private contract enforcement further training will need to take place with the staff involved ahead of this process being set up.

Car Park Maintenance

It is proposed that the maintenance of multi storey and surface car parks be placed under the responsibilities of the existing highways department. This would lead to cost efficiencies due to economy of scale. As highways have contracts in place for re-surfacing and lining works, it makes sense to include car park maintenance works within the highway programme.

Abandoned Vehicles

As from April 2011 Parking Services take over responsibility for dealing with abandoned vehicles on the highway.

Chapter 10

End of Year Accounts

The tables below relate to the expenditure and income associated with the enforcement activities of the parking service which includes on street pay and display charging, residents permits and Penalty Charge Notices (PCNs) issued on and off street. The accounts are split based on PCNs issued which is 69.6% off street and 30.4% on street.

Parking Account As Required By S.55 of the Road Traffic Regulation Act 1984 (As Amended)

TORBAY COUNCIL 2010/11

PARKING ACCOUNT AS REQUIRED BY S.55 OF THE ROAD TRAFFIC REGULATION ACT 1984 (AS AMENDED)

<u>2009/10</u>		<u>2010/11</u>
£		£
	<u>ON STREET</u>	
	Income	
(800,718)	Pay & Display / Meters	(828,292)
(15,300)	Residents' & Visitors' Permits	(25,130)
(1,100)	Business Permits	(2,000)
(27,540)	Other non-PCN Income	(21,265)
(690,032)	PCN Income	(686,882)
(1,534,690)	Total Income	(1,563,569)
	Expenditure	
445,158	Contractors	0
161,404	Employee Related (In-house)	399,270
2,575	Premises	23,497
56	Transport Related	19,065
16,000	Equipment maintenance/renewal	57,500
117,626	Supplies & Services	120,133
86,056	Support Services	104,658
14,649	Traffic Penalties Tribunal	13,812
12,017	TEC (Northhampton)	10,775
70,995	Capital Charges	88,101

Chapter 10

End of Year Accounts

0	Provisions	40,980
926,536	Total Expenditure	877,791
(608,154)	(Surplus)/Deficit	(685,778)
	<u>OFF - STREET</u>	
(242,111)	PCN Income	(232,730)
(242,111)	Total Income	(232,730)
	Expenditure	
196,280	Contractors	0
71,167	Employee Related (In-house)	185,312
1,135	Premises	10,907
24	Transport Related	8,848
0	Equipment maintenance/renewal	0
21,947	Supplies & Services	33,763
37,944	Support Services	48,343
6,459	Traffic Penalties Tribunal	6,411
5,298	TEC (Northhampton)	5,001
22,232	Capital Charges	23,031
0	Provisions	19,020
362,486	Total Expenditure	340,636
120,375	(Surplus)/Deficit	107,906
	<u>TOTAL ON & OFF - STREET</u>	
(1,776,801)	Income	(1,796,299)
1,289,022	Expenditure	1,218,427
(487,779)	(Surplus)/Deficit	(577,872)
	<u>APPLICATION OF PARKING SURPLUS</u>	
(487,779)	Parking Surplus	(577,872)

As per the Section 55 Regulations, any surplus can be applied to meeting all or any part of the cost of off-street parking accommodation. However, as in previous years, the 2010/11 off-street car parking service is also in surplus and so there has been no requirement for additional expenditure other than that budgeted and spent within the service. Therefore, the 2010/11 Section 55 Parking Account surplus has been applied to partly meet the service costs of providing public passenger transport services, as follows:-

	Concessionary Fares (note: the cost of operator payments under the concessionary fares scheme in 2009/10 was £4,147,444 and in 2010/11 £4,416,117).	
487,779		577,872

Note: Decriminalised Parking Enforcement became an in-house service in 2010/11 so contractor services were terminated with in-house employee and other costs increasing.

Trading Operations Car Parks			
2009/10			2010/11
£m			£m
(3,880)	Off Street Car Parking	Turnover	(3,706)
2,240		Expenditure	2,006
(1,640)		(Surplus)Deficit	(1,700)

*

Appendix 1

Penalty Charge Notices Issued – Payment and Cancellation

Penalty Charge Notices Issued - Payment and Cancellation Report

	1st April 2010 - 31st March 2011						1st April 2009 - 31st March 2010					
	Total PCNs	% of issue	On Street	% of issue	Off street	% of issue	Total PCNs	% of issue	On Street	% of issue	Off street	% of issue
Total Number of PCNS	34285		23425	68%	10860	32%	33335		23145	69%	10192	31%
Number of higher level PCNs Issued	10063	29%	9573	28%	677	2%	9926	30%	9284	28%	642	2%
Number of lower level PCNs Issued	24035	70%	13852	40%	10082	29%	23411	70%	13861	41%	9550	29%
Number of PCNs paid	25694	75%	0	52%	0	21%	24242	73%	17125	52%	7117	21%
Number of PCNS paid at discount rate	22212	65%	15681	46%	6591	19%	20615	62%	14573	44%	6042	18%
Number of PCNs against which an informal/formal representation was made	10174	30%	2262	16%	2304	11%	8856	27%	5243	16%	3613	11%
Number of PCNs cancelled as a result of informal/formal representation	4566	13%	2262	7%	2304	7%	4948	15%	2446	7%	2502	8%
Number of PCNs cancelled for other reasons (driver untraceable, voided at issue, foreign vehicle, etc.)	733	2%	479	2.00%	254	0.75%	768	2%	543	1.50%	225	0.50%

Appendix 2

Penalty Charge Notices Issued – Cancellation

Penalty Charge Notice Cancellation Statistics

	1st April 2010 - 31st March 2011		1st April 2009 - 31st March 2010	
	Total PCNs cancelled	% of issue	Total PCNs cancelled	% of issue
Number of PCNs Issued	33335		31622	
Total Cancelled	5234	15%	5716	17%
Top 5 Cancellations in 10/11				
Valid Pay & Display ticket/permit PCN issued correctly as the pay and display ticket obscured and CEO not able to see valid part of the Pay and display ticket or the permit	2416	7%	2145	6%
Valid Blue Badge , this includes where a valid blue badge is held but it has been displayed incorrectly, therefore the validity of the badge cannot be viewed fully.	906	3%	920	3%
Mitigating Circumstances , includes medical emergency, lost keys, vehicle breakdown, etc.	465	1%	627	2%
Valid loading and unloading - this includes where the activity of loading and unloading cannot be accomplished in the observation timescale, and gas, electric and water emergencies.	309	1.00%	505	2%
CEO error	281	1%	426	1.00%
Miscellaneous - adjudicator decisions, voids, etc.	857	3%	1093	3.00%

Appendix 3

Penalty Charge Notices Issued By Contravention

Appendix 3

Penalty Charge Notices issued by Contravention

Code	Contravention Description	Differential Charging Level	2010/11		2009/10		Annual Change	
			Total PCNs Issued Apr 08 - Mar 09	% of PCNs Issued Apr 08 - Mar 09	Total PCNs Issued Apr 08 - Mar 09	% of PCNs Issued Apr 08 - Mar 09		
30	Parked for longer than permitted (free parking places)	Lower £50/£25	5,156	15.04%	5,216	16.49%	-60	-1%
06	Parked without clearly displaying a valid pay and display ticket or voucher	Lower £50/£25	4,957	14.46%	5,355	16.93%	-398	-7%
05	Parked after the expiry of paid for time	Lower £50/£25	3,651	10.65%	3,187	10.08%	464	15%
01	Parked in a restricted street during prescribed hours (double/single yellow lines)	Higher £70/£35	3,185	9.29%	3,466	10.96%	-281	-8%
02	Parked or loading/unloading in a restricted street where waiting and loading/unloading restrictions are in force	Higher £70/£35	2,150	6.27%	2,141	6.77%	9	0%
25	Parked in a loading place during restricted hours without loading	Higher £70/£35	1,423	4.15%	1,369	4.33%	54	4%
16	Parked in a permit space without displaying a valid permit (resident's bays)	Higher £70/£35	1,074	3.13%	1,165	3.68%	-91	-8%

Page 140

Appendix 3

Penalty Charge Notices Issued by Contravention

23	Parked in a parking place or area not designed for that class of vehicle	Higher £70/£35	590	1.72%	388	1.23%	202	52%
40	Parked in a designated disabled person's parking place without clearly displaying a valid disabled person's badge	Higher £70/£35	257	0.75%	213	0.67%	44	21%
12	Parked in a residents' or shared use parking space without clearly displaying either a permit or voucher or pay and display ticket issued for that place	Higher £70/£36	265	0.77%	106	0.34%	159	NA
21	Parked in a suspended bay/space or part of bay/space (parking suspended for essential works or special events)	Higher £70/£35	196	0.57%	125	0.40%	71	57%
47	Parked on a restricted bus stop/stand	Higher £70/£35	187	0.55%	138	0.44%	49	36%
27	Parked adjacent to a dropped footway	Higher £70/£35	92	0.27%	14	0.04%	78	557%
45	Parked on a taxi rank	Higher £70/£35	83	0.24%	116	0.37%	-33	-28%
48	Stopped in a restricted area outside a school	Higher £70/£35	51	0.15%	38	0.12%	13	34%
22	Re-parked in the same parking place within the specified time of leaving	Lower £50/£25	49	0.14%	53	0.17%	-4	-8%
24	Not parked correctly within the markings of the bay or space	Lower £50/£25	39	0.11%	49	0.15%	-10	-20%
99	Stopped on a pedestrian crossing and/or crossing area marked by zig-zags	Higher £70/£35	17	0.05%	1	0.00%	16	1600%
61	Heavy commercial vehicle wholly or partly parked on a footway, verge or land between two carriageways	Higher £70/£35	3	0.01%	4	0.01%	-1	-25%
Total On Street			23,425	68.32%	23,144	69.43%	281	1%

Page 141

Appendix 3

Penalty Charge Notices Issued By Contravention

Code	Contravention Description	Differential Charging Level	2010/11		2009/10		Annual Change	
			Total PCNs Issued Apr 08 - Mar 09	% of PCNs Issued Apr 08 - Mar 09	Total PCNs Issued Apr 08 - Mar 09	% of PCNs Issued Apr 08 - Mar 09		
83	Parked in a pay and display car park without clearly displaying a valid pay and display ticket	Lower £50/£25	5,284	15.41%	5,052	15.98%	232	5%
82	Parked after the expiry of time paid for in a pay and display car park	Lower £50/£25	4,524	13.20%	4,236	13.40%	288	7%
87	Parked in a disabled person's parking space without clearly displaying a valid person's badge	Higher £70/£35	422	1.23%	361	1.14%	61	17%
86	Parked beyond the bay markings	Lower £50/£25	271	0.79%	187	0.59%	84	45%
85	Parked in a permit bay without clearly displaying a valid permit	Higher £70/£35	212	0.62%	232	0.73%	-20	-9%
80	Parked for longer than the maximum period permitted	Lower £50/£25	101	0.29%	72	0.23%	29	40%
91	Parked in a car park or area not designated for that class of vehicle	Higher £70/£35	32	0.09%	25	0.08%	7	28%
92	Parked causing an obstruction	Higher £70/£35	9	0.03%	4	0.01%	5	125%
81	Parked in a restricted area in a car park	Higher £70/£35	2	0.01%	20	0.06%	-18	-90%
84	Parked with additional payment made to extend the stay beyond time first purchased	Lower £50/£25	2	0.01%	1	0.00%	1	100%

Page 142

Appendix 3

Penalty Charge Notices Issued by Contravention

93	Parked in car park when closed	Lower £50/£25	1	0.00%	1	0.00%	0	0%
90	Re-parked within one hour of leaving a bay or space in a car park	Lower £50/£25	0	0.00%	0	0.00%	0	0%
		Total Off Street	10,860	31.68%	10,191	30.57%	669	7%
Totals for On and Off Street PCNs		Overall Total	34,285	100.00%	33,335	100.00%	950	3%
		Total Higher	10,063	29.35%	9,682	29.04%	497	4%
		Total Lower	24,035	70.10%	23,409	70.22%	245	3%

Appendix 4

Key Performance Indicators

Street Visits – Visits by CEOs per street			
Target	2010/11	Achieved	2009/10
95%	92%	X	112%
Deployed Hours – Hours spent by CEOs deployed on beat			
Target	2010/11	Achieved	2009/10
95%	93.5%	X	104%

These targets were not achieved. As Enforcement is directly managed by the Council – priority is given to areas where compliance is low or enforcement has been requested. There were also staff vacancies when the Council took over direct enforcement which affected the number of CEOs available to enforce the restrictions

PCN Errors – PCNs issued without CEO error			
Target	2010/11	Achieved	2009/10
98%	99%	✓	98%
Complaints PCNs issued without an official complaint regarding CEO behaviour/attitude			
Target	2010/11	Achieved	2009/10
100%	100%	✓	100%
Machine Repairs – Repairs made to pay and display machines within 2 hours of reported fault			
Target	2010/11	Achieved	2009/10
95%	96%	✓	96%

Appendix 5

Events 2010/11

DATE	EVENT & VENUE	SUPPORT PROVIDED	DATE	EVENT & VENUE	SUPPORT PROVIDED
30 April – 2 May	BMAD Festival Eastern Esplanade, Paignton	*Road Closure – TPCA	16 June	Babbacombe Rotary Fayre Babbacombe Downs Road, Torquay	*Road Closure – TPCA *One way traffic orders
9 May	Exterminator 10k Road Race Long Road, Paignton	*Road Closure – TPCA *Cones	19 June	Armed Forces Day Babbacombe Downs, Torquay	*Road Closure – TPCA *Cones
16 May	Race for Life Clennon Valley, Paignton	*On street parking suspension and cones *Free parking in Clennon Valley and Quay West car parks	4 July	Galmpton Gooseberry Pie Fair Greenway Road & Langdon Lane, Galmpton	*Road Closure – TPCA *Cones
4-5 June	Occombe Beer Festival Preston Down Road, Paignton	*On street parking suspension and cones	28 July	Torbay Carnival Procession Paignton	*Road Closures – TPCA *On street parking suspension and cones
5-6 June	The Big Midnight Walk Ansteys Cove Road, Torquay	*Road Closure – TPCA	7 August	Walnut Road Street Party Walnut Road, Torquay	*Road Closure – TPCA *Cones
6 June, 4 July,	Sunday Food & Craft Markets	*Road Closure – TPCA	7 August	WAGS Summer Street Party	*Road Closure – TPCA

Appendix 5

Events

1 August, 5 Sept, 3 October, 7 & 20 Nov, 5 Dec	Vaughan Parade, Torquay			Pendennis Road, Torquay	
13 June	Pride Torbay Street Party Meadfoot Lane, Torquay	*Road Closure – TPCA	10 Aug 13 Aug	Paignton Regatta Firework Display Cycle Races	*Road Closures – TPCA *On street parking suspension and cones
22 August	Foxhole Summer Fayre Foxhole Road, Paignton	*Road Closure – TPCA	14 November	Remembrance Sunday Parade Winner Street, Church Street and Coverdale Road, Paignton	*Road Closure – TPCA *On street parking suspension and cones
22 August	Torbay Royal Regatta 10k Road Race Torquay to Paignton Green & return	*Road Closure – TPCA	14 November	Remembrance Sunday Parade & Service Torbay Road, Torquay	*Road Closure – TPCA
28-29 August	Occombe Music Festival Preston Down Road, Paignton	*Road Closure – TPCA *On street parking suspension and cones	20 November	Torquay Christmas Carnival & Santa Saunter Torquay Town Centre	*Road Closure – TPCA *On Street parking suspension and cones
29 August	Upton Social Club Street Party Upton Road, Torquay	*Road Closure – TPCA	20 November	Torquay Christmas Light Switch On Fleet Street & Strand, Torquay	*Road Closure - TPCA
29 August	Lloyd Avenue Residents Fun Day Lloyd Avenue, Torquay	*Road Closure – TPCA	27 November	Brixham Christmas Light Switch On The Quay, Brixham	*Road Closure – TPCA *On street parking suspension and cones
12	Rotary Agatha Christie	*Road Closure – TPCA	3	Reddenhill Road	*Road Closure – TPCA

Appendix 5

Events

September	Fete Palk Street, Torquay		December	Christmas Street Party, Reddenhill Road, Torquay	*On street parking suspension and cones
2 October	Rock Walk Re-opening Torbay Road, Torquay	*Road Closure – TPCA	9 December	Ilsham Road Christmas Street Party Ilsham Road, Torquay	*Road Closure – TPCA *On street parking suspension and cones
17 October	Cockington Apple Day Cockington Village, Torquay	*Road Closure – TPCA *Cones	10 December	Otter Road Carol Service Otter Road, Torquay	*Road Closure – TPCA
14 November	Brixham Remembrance Service Berry Head Road, Brixham	*Road Closure – TPCA	15-19 December	European Christmas Market, Union Street, Torquay	*Road Closure – TPCA
23 December	Christmas Festival 2010 Union Street, Torquay	*Road Closure – TPCA			
26 December	Boxing Day Walk Into The Sea Eastern Esplanade, Paignton	*Road Closure – TPCA			



Title: **Revenue Budget Monitoring 2011/12 Quarter 1**

Public Agenda Item: **Yes**

Wards Affected: **All Wards in Torbay**

To: **Council** On: **29 September 2011**

Contact Officer: **Paul Looby**

☎ Telephone: **01803 207283**

✉ E.mail: **paul.looby@torbay.gov.uk**

1. Key points and Summary

- 1.1 The Council is projecting an overspend of £3m at the end of the financial year based upon the latest information available to finance officers. This is a large projected overspend at such an early part of the financial year but not unusual. There is time to take corrective action to address the position. Where significant overspends have been identified services will be required to monitor progress against their recovery plans to ensure expenditure is contained within the approved budget. In addition, Commissioners and Executive Heads will be working with Executive Leads to consider all options for addressing the projected overspend including the continuation of the vacancy freeze and possible extension to posts currently protected and putting an embargo on expenditure not yet been committed and bringing forward proposed budget savings currently being proposed for the next financial year.
- 1.2 The key variations identified to date area:
- Children's Services are projected to overspend by £1.5m. The overspend is primarily within the Safeguarding and Wellbeing service due to increasing numbers and the costs for looking after Children and the costs for the continued use of agency social workers within the Children In Need service. (see paragraph A2.3 to A2.7).
 - Adult Social Care is projected to overspend by £1.5m. This is due to pressures within Learning disability and Older People (see paragraph A2.10 – A2.12).
- 1.3 As part of the financial outturn for 2010/11 the Council approved the transfer of £0.576m to the Budget Pressures Reserve. This reserve can be used to support budget pressures that emerge during 2011/12 and support the council manage the

challenging financial position it is faced with over the next few years. The budget pressures reserve remains uncommitted. A summary of the council's uncommitted reserves are set out in this report in section A.4.

- 1.4 Commissioners and Business Unit Managers will be working hard to ensure they fulfil their responsibility to deliver services within their approved budgets. This includes developing robust plans to ensure in year savings are made to deliver a balanced budget and reporting at regular intervals to the Commissioners, Executive Leads and the Overview and Scrutiny Board.
- 1.5 Members will note that, as a comparator, the position at this time last year was a projected underspend of £0.095m.
- 1.6 At this stage of the financial year the council has an opportunity to ensure robust recovery plans are implemented to ensure expenditure is contained within budgets. In addition, the Commissioners, Executive Heads and Executive Leads will be exploring all opportunities to identify where other efficiencies can be made to ensure a balanced budget is achieved. In the current financial climate Officers and Members must ensure that any new initiatives that emerge throughout the year are fully costed and resources have been identified before any commitment to incur expenditure has been made. It is essential that where possible expenditure is contained within the approved budget, and preferable below the approved budget, due to the difficult financial challenges faced by the council in 2012/13 and beyond.

2. Introduction

- 2.1 The Council, at its meeting on the 24 February 2011, approved spending levels for all Business Units for Torbay. The approved budget for 2011/12 is £125.8m. The purpose of this report is to provide Members with a summary of the projections of income and expenditure for all Business Units within the Council.
- 2.2. The revenue monitoring statement shows the expenditure and projected outturn position based upon the latest information available to finance officers in consultation with service departments. Where possible, the implications or consequences arising from the variations are reflected in the key performance indicators for that service.
- 2.3 Ongoing performance and financial monitoring will be provided to Members through the SPAR system and quarterly updates of performance management will be reported to Overview and Scrutiny Board.

Paul Looby
Executive Head of Finance and Chief Finance Officer

Appendices

Appendix 1 Summary of Main Variations

Appendix 2 Children's Services Recovery Plan

Appendix 3 Pooled Budget with Torbay Care Trust

Appendix 4 Torbay Care Trust Recovery Plan

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

Documents available in Members' rooms

None

Background Papers:

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

Torbay Council's Financial Information and Management System (FIMS)

Budget Digest 2011/12.

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Summary of Main Variations

A. Performance

A1.1 The table below provides a summary of the projected outturn position for Council services based upon the four Commissioning areas.

Business Unit/Service	A 2011/12 Budget	B Spend to Date	C Variance to Date	D Projected Out-turn	E Variation at Out-turn
	£'000	£'000	£'000	£'000	£'000
Adults & Operations					
- Adult Social Care	41,952	6,615	575	43,452	1,500
- Business Services	2,621	1,009	0	2,621	0
- Chief Information Officer	4,096	1,363	0	4,096	0
- Commercial Services	2,255	823	0	2,255	0
- Finance	11,199	(747)	0	11,199	0
- Supporting People	6,380	1,652	0	6,380	0
	68,503	10,715	575	70,003	1,500
Children Services	21,865	(3,659)	270	23,408	1,543
Communities & Local Democracy					
- Community Safety	3,096	132	0	3,096	0
- Community Engagement	1,473	461	0	1,473	0
	4,569	593	0	4,569	0
Place & Environment					
- Residents & Visitors	9,887	2,873	0	9,887	0
- Spatial Planning	5,574	538	0	5,574	0
- Torbay Development Agency	4,871	1,584	0	4,871	0
- Torbay Harbour Authority	0	(469)	0	0	0
- Waste & Cleaning	10,518	6,872	0	10,518	0
	30,850	11,398	0	30,850	0
Sub Total	125,787	19,047	975	128,830	3,043

A2. Main Variations

A2.1 The following paragraphs identify, within each Commissioning area, identified variations against the approved budgets or concerns about emerging issues and risks in that area. Service managers consider the sensitivity of budget variations and the projected outturn position which is based on the most likely position at the time of writing this report.

Environment

A2.2 Services within the Environment portfolio are projecting to spend within their approved budget. However there are a number of emerging issues which are putting pressure on the budget which will need to be monitored closely over the next quarter.

(a) Resident's and Visitors

The amount of car park income will be heavily influenced by seasonal variations such as the summer holiday season which will be reflected in the quarter 2 monitoring position. Due to its volatility, car parking income is monitored on a weekly basis. At the moment, projections indicate that the service should achieve the overall level of budgeted income for on and off-street car parking of £5.230m.

(b) Waste and Cleaning

Early indications are that the costs for Waste disposal are expected to remain with the overall budget allocation.

(c) Spatial Planning

The costs for Concessionary Fares remained within the approved budget last year, however, this is one of the Council's volatile budgets and is subject to significant variations as it is influenced by the number of visitors to the Bay. Increased demand and associated costs within this budget (which stands at £4.208m) are outside of the control of Torbay and will be monitored closely throughout the year.

With the demise of Planning Delivery Grant, the planning department has seen a significant reduction in its budgeted grant income of £145,000 this year. In addition, planning and building control income is heavily influenced by the state of the local economy and there is potential for this to also fall below budgeted levels. Current predictions suggest this could amount to a further £90,000 shortfall in income, giving an overall budget pressure of £235,000. The Environment Commissioner and the Executive Head for Spatial Planning are looking closely at this issue and are working to ensure offsetting savings are found across the Environment portfolio to bring the overall budget back into balance.

Children's Services

A2.3 Children's Services are projecting an overspend of £1.5m. The net overspend represents 5.6% of the total net revenue budget for Children's Services.

A2.4 Children's Services can be split into three main areas:

- Children's, Schools and Communities.
- Commissioning and Performance.
- Safeguarding and Wellbeing.

A2.5 The overspend is primarily within Safeguarding and Wellbeing, due to increasing numbers and costs for Children In Care and the costs for the continued use of agency social workers within the Children in Need service.

A2.6 A breakdown of the projected position is summarised below:

- (i) Children's, Schools and Communities are projecting an overspend of £0.443m which is primarily due to the difficulty in achieving its vacancy management factor which has been built into the 2011/12 budget and additional costs within Governor services.
- (ii) Commissioning and Performance is projecting a balanced budget position at year end.
- (iii) Safeguarding and Wellbeing is the most volatile budget within Children's and covers placements for vulnerable children and is projected to overspend by £1.1m. This is based upon current commitments and placement numbers and the projected duration of placements and related costs. The latest figures for the number of looked after children as at the end of May was 223 which have increased from 213 as at 31 March 2011. The number of Children looked after has to be set in the context of the difficulties the Service has had in recruiting qualified staff and the need to cover this through the employment of agency social workers.

A2.7 Children's Services recovery plan to address the current position is shown in appendix 2.

Communities and Local Democracy

A2.8 Services within Communities and Local Democracy are projecting to spend within their budget allocation.

Adults and Operations

A2.9 Services within Adults and Operational Support are projected to over spend by £1.5m. The projected overspend is within Adult Social Care and the main variations are summarised below.

Adult Social Care

A2.10 Adult Social Care is a Commissioned service and is provided in partnership with Torbay Care Trust. The partnership is managed through a pooled budget - a summary of the latest pooled budget is attached in appendix 3. The Pool budget comprises 3 elements, Community Based Teams, Commissioned Social Care and Management and Support Services.

A2.11 Within the Social Care Commissioned areas there are two material areas reporting budget pressures which are summarised below:

(a) Learning Disability

The budget pressures within this client group are personal budgets and domiciliary care (supported living). With the personalisation agenda it should be anticipated that costs will increase in these areas but unfortunately to date there has not been corresponding decreases in residential care which would have allowed for budget to be transferred. Underpinning the cost pressures within this client group are a number of factors such as transitional cases from children services, ordinary residency issues, older family carers and costs relating to clients at risk of offending.

(b) Older People and Physical Disability

The budget pressures within this client group is domiciliary care. Whilst the Trust over the last five years has been successful in reducing traditional residential and nursing placements it has seen a movement of clients and cost to domiciliary care. Underpinning this cost pressure and older people in general is the demographic pressures of an ageing local population.

A2.12 The Torbay Care Trust's recovery plan to address the overspend is shown in appendix 4.

Strategy For in Year Budget Management

A2.13 The key pressures identified to date are for services provided to the most vulnerable residents within the Bay and these are some of the council's most volatile budgets. Executive Leads and their respective managers will be working hard to ensure the measures set out in the recovery plans will address the budget pressures identified to date. These plans will be monitored closely by Executive Leads and managers and an update on progress against these plans will be provided to members of the Board in the autumn.

A2.14 In addition, by the end of August, Executive Heads and Commissioners will have taken a council wide view as to what other efficiency savings, or reductions in uncommitted expenditure can be made up until the end of the financial year. This will include:

- what areas of budgeted expenditure could be ceased and an assessment of the services consequences.
- a review on all non front line expenditure to identify whether any expenditure in these areas could be reduced and the implications of any reductions will be assessed.
- further controls upon vacancy management.
- consideration of cross council reductions including an assessment of a reduction in council office opening times, a managed reduction in the number of printers within the council, a review of meetings and associated costs such as travel costs, a restriction on attendance at external conferences.
- Identification of any invest to save schemes that will have an immediate or cost savings in 2012/13.

A2.15 Commissioners and Executive Heads will continue to scrutinise all areas of expenditure and assess the sensitivity of outturn projections by working closely with service managers to ensure expenditure is maintained within existing budgets.

A2.16 As mentioned above one immediate response could be to place a freeze on all external recruitment subject to individual cases presented to and scrutinised by the Establishment Control Board. These vacancies will only be filled where this is a strong business case and is approved by the relevant Commissioner in consultation with the Executive Lead.

A2.17 The council is already faced with an extremely challenging financial outlook in the context of reducing government grant and increasing service demands over the next few years. It is therefore essential that services maintain expenditure within their approved budget otherwise the financial challenge will become harder in 2012/13 and beyond. The actions outlined above and the implementation of the action plans will enable the Council to address the in-year pressures.

A4. Reserves

A4.1 As reported to Council on 14 July 2011 a summary of the Council's reserves are shown in the table below. These are the only uncommitted reserves held by the Council. In addition, the Council has its general fund balance which is £4.0m. In response to concerns raised by our external auditors as to the level of the general fund balance, the Council set an internal target to reach 3% of its net revenue budget. As result of the contribution to the general fund balance as approved by Council on 14 July, the current level is 3.2% which I consider to be a prudent level.

A4.2 The annual review of all reserves will be undertaken as part of the budget preparation process and will be reported to Members in the autumn. This process will allow the existing earmarked reserves to be challenged to ensure they are still

required and to what level. This may allow any surplus monies to be recycled as part of the budget setting process for the following year or to address any in year pressures.

- A4.3 Members will be aware 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. The government has focused its attention on the level of Council reserves held within the council. 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.

Reserve	Balance at 1 April 2011 £'m
Comprehensive Spending Review Reserve	3.100
Budget Pressures Reserve	0.943
Credit Crunch Reserve	0.109
LABGI Reserve	0.045
Seaside Towns Reserve	0.042
Financial Strategy and Change Management Reserve	0.399
Total	4.638

A.5 Dedicated Schools Grant (DSG)

- A.5.1 The Dedicated Schools Grant in 2010/11 is estimated to be £84m – the final allocation will be confirmed at the end of July. The DSG is currently reporting a small projected underspend of £0.064m subject to confirmation of the final grant allocation.

A6. Debtors Monitoring

- A6.1 This section of the report provides Members with an update for the first quarter of 2011/12 in respect of council tax and business rate collection. It also sets the background and benchmarks against which future performance will be monitored and assessed during the current financial year.
- A6.2 In common with previous reports to Members, the Councils debtors are broken down into a number of groups and these will be dealt with individually, relating at the same time to key indicators.

Council Tax

- A6.3 In 2011/12 the targets for council tax are:

- (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.

- A6.4 The Council is due to collect £59.2m after the granting of statutory exemptions and reductions and Council Tax Benefit in the period April 2011 to March 2012. To date the Council has collected £16.1m which is about 27.3% of the Council Tax due in year. The collection level is in line with last year's performance.
- A6.5 The total arrears outstanding at 31 March 2011 was £3.7m and this has been reduced by £0.636m which is about 17.1% of the total arrears due.
- A6.5 There is one write over £5,000 to report listed in Appendix A.

Non-Domestic Rates

- A6.7 The targets collection rates for 2011/12 are:
- (i) collect 98.0% of the business rates due within the 12 months of the financial year (i.e. April to March); and
 - (iii) collect 50% of the arrears brought forward from previous years.
- A6.8 The Council is due to collect £36.9m after the granting of mandatory relief in the period April 2011 to March 2012. To date the Council has collected £11.1m which is about 30.9% of the business rates due in year. The collection level is down compared to this point last year.
- A6.9 The total arrears outstanding were £1.49m and this has been reduced by £0.314m which is about 21.0% of the total arrears due.

The write-offs in respect of debts over £5,000 are listed in Appendix 5

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CHILDREN, SCHOOLS AND FAMILIES RECOVERY PLAN 2011 ONWARDS

The projected £1.5 million overspend is in large part a continuation of the pressure in children's social care for the last few years. At the end of 2010/11 social care for children overspent by £1m. However, this was to offset by underspends elsewhere within Children's services and the use of grants.

Proposed Long term Changes

1. Identification of the on going pressures

The number of children that are being brought into the care system is now at unsustainable levels. The Munro report is now suggesting that working with children in their family setting is more beneficial. Plans are currently being developed to create an Intensive Family Support service. This approach will have both financial benefits and better outcomes for the child and family and will act as a bridge between Early Intervention Services and Specialist Social Care Services.

2. Changes needed for pressure to be met

A shifting of social care practice and emphasis is required. The bigger the resource the quicker the impact is felt.

3. Timescale of impact

This approach will need investment initially in training and mentoring but over a period of 2/3 years should result in fewer children in care.

Short to Medium term Plans

4. Vacancy Management

Of the £1.5m overspend, £0.6m relates to the vacancy target; savings achieved by delaying appointments or keeping vacant posts empty. The action here is to achieve staffing savings on non social work posts of at least £0.2m. It is unlikely that any staffing savings can be achieved in Safeguarding and Wellbeing due to the increased costs of employing agency social workers. However, when the backlog of cases to be reviewed is back down at acceptable levels plus the appointment of permanent staff this should, over the next 12 months, result in lower staffing costs and therefore reduction in the overspend.

5. Proposed Reshaping of the Safeguarding and Wellbeing Service

The Executive Head for Safeguarding and Wellbeing proposed a reshaping of the Safeguarding and Wellbeing service that will see changes to the teams contained within that service. This proposed reshaping will be supported by an evidence based paper which will lay out the pressures on the "intake" team in dealing with the increasing backlog of cases. The work of the Family Intervention Team (FIT) will also be explored.

6. Projected Savings elsewhere in Children's Services

The initial analysis of other services unrelated to Children Looked After has indicated that a further £0.4m of savings could be made this financial year, an element of this could come from administrative and management savings, however any major contribution will inevitably have an impact on front line services. As from 25th July a spending moratorium has been implemented similar to that which was in force for the last 3 months of the last financial year, any spend over £500 will need to be authorised at Executive Head level and there will be a moratorium on attendance at conferences. All vacancies will be held vacant unless it is considered that none replacement would be detrimental to the management of the caseload backlog in the Children in Need intake team.

7. Bringing Forward 2012/13 Saving Proposals

Where it is possible to do so, a number of proposals put forward in the 2012/13 budget setting exercise will be implemented as soon as possible in this financial year, this is likely to generate savings from February 2012.

5. Revision of the Safeguarding Improvement Plan (SIP)

The Executive Heads for Safeguarding and Wellbeing and Children, Schools and Communities are in the process of revising the SIP; this will include a financial plan incorporating the above actions and should be available for the next monitoring report. The impact of the changes is unlikely to be fully embedded in this financial year but should begin to have an impact in the next financial year, whilst retaining the council within its statutory safeguarding responsibilities.

Torbay Care Trust Pooled Budget

	Year to Date			Year End		
	Budget	Actual	Variance (Under)/ Over	Budget	Actual	Variance (Under)/ Over
	£000	£000	£000	£000	£000	£000
Funding from Torbay Council	9,772	10,347	575	39,089	39,089	-
Torbay Care Trust Contract Income	6,367	6,367	-	25,467	25,467	-
NHS Devon Contract Income	8,474	8,474	-	33,897	33,897	-
Total Contract Income	24,613	25,188	575	98,453	98,453	-
Torquay North Zone	1,019	1,021	2	4,077	4,077	-
Torquay South Zone	911	911	-	3,643	3,643	-
Paignton North Zone	899	913	14	3,595	3,595	-
Paignton South Zone	577	574	(3)	2,308	2,308	-
Brixham Zone	765	799	34	3,061	3,061	-
Baywide Enabling Services Team (BEST)	1,138	1,170	32	4,550	4,550	-
Professional Practice (Clinical Services)	910	898	(12)	3,639	3,639	-
South - Darnmouth and Totnes	1,106	1,101	(5)	4,424	4,424	-
South - Ivybridge and Kingsbridge	1,020	1,006	(14)	4,079	4,079	-
South - Tavistock	858	876	18	3,430	3,430	-
South - Coastal	1,078	1,095	17	4,311	4,311	-
South - Newton Abbot	1,968	1,958	(10)	7,870	7,870	-
South - Moorland	583	573	(10)	2,330	2,330	-
South - Other Clinical Services	729	718	(11)	2,914	2,914	-
Community Based Teams/Clinical Services	13,558	13,610	52	54,231	54,231	-
Older People	4,018	4,262	244	16,072	16,072	-
Learning Disabled	1,735	2,029	294	6,939	6,939	-
Mental Health	675	718	43	2,701	2,701	-
Preserved Rights	539	533	(6)	2,157	2,157	-
Commissioned Social Care (Net of Charges)	6,967	7,542	575	27,869	27,869	-
Operations Management	1,382	1,330	(52)	5,526	5,526	-
Board, Executive and Support Services	2,707	2,707	-	10,827	10,827	-
Management/Support Services	4,088	4,036	(52)	16,353	16,353	-
Total Provider Services	24,613	25,188	575	98,453	98,453	-
(Surplus)/Deficit	-	-	-	-	-	-

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Torbay Care Trust Recovery Plan

The Care Trusts assessment of the forecast projected overspend is between £1m and £1.5m (after considering the current expenditure profile and the risks to delivery of the savings plan).

Action Plan

Given the in year position and the outlook for next year's settlement the Care Trust presented an assessment of indicative service reductions to the Policy Development Group on 19th July.

The potential service reductions and consequences are detailed below. These proposals need to be balanced against Statutory duties, Market stabilisation, the quality of care and the impact on partner organisations.

Financial figures stated below can only be indicative given the nature and scale of the proposals and as such the timing of any implementation.

Potential	Comments/Risks	Min £000	Max £000	FYE £000
Review cost, choice and risk policy to ensure adherence to threshold guidelines for the cost of supporting people to remain in their own homes.	Risk to quality of service, client safety and increased need to use residential care	50	100	165
Reduce social care contribution to LD clients at risk of offending where contribution not related to social care, but due to their high risk behaviour	Impact on partner agencies requiring multi-agency agreement.	40	80	200
Reduction in care packages through, increased reliance on family/other support mechanisms, stricter application of the RAS to reduce variation and increase frequency of reviews.	Risk to quality of service, client safety and increased need to use residential care	150	250	500
Reduce access to short stay/respice care by increasing threshold for access or limiting frequency.	Likely to be resisted by existing clients/families/carers	30	50	75
Reduce access to day care by increasing threshold or limiting frequency	Likely to be resisted by existing clients/families/carers.	60	100	100
		330	580	1040

The Policy Development Group have asked that these schemes be set out more fully for the next meeting in August to include case study type examples to illustrate the impact on individual clients.

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**Report OSB 7/11 of the Overview and Scrutiny Board
to the meeting of the Council to be held on 29 September 2011**

**Options for Future Delivery of Tourism, Marketing, and Events
Support – Notice of Call-in**

1. At its meeting on 9 August 2011, the Overview and Scrutiny Board considered a report which set out the details of a call-in by ten Members of the Council of the decision by the Mayor on 13 July 2011 to instruct Torbay Development Agency, as part of its strategic economic development function, to identify the strategic delivery options (assuming the retention of the Riviera International Conference Centre (RICC)) and report back to Full Council within four months.
2. The Call-in Promoter (Councillor Parrott) set out the reasons for calling-in the decision and four of the Call-in Supporters also addressed the Board about their concerns regarding the decision. The Board was advised of the concerns of another Call-in Supporter who was unable to be present at the meeting.
3. The Board heard representations from and questioned invited witnesses. The witnesses appearing before the Board were the Chief Executive Officer, English Riviera Tourism Company Ltd (ERTC), the Managing Director, RICC, the Executive Lead Member for Tourism and Environment (and a Council-appointed ERTC Board member), and the Executive Lead Member for Safer Communities and Transport (and the Council-appointed RICC Board member).
4. The Board heard representations from members of the public, including ERTC Board members and a representative of the National Trust, who were opposed to the decision of the Mayor.
5. The Mayor responded to the points raised by the Call-in Promoter and Supporters, the Members of the Board, invited witnesses, and the representations from members of the public.
6. In accordance with the Constitution, the Overview and Scrutiny Board had three options open to it:
 - Take no further action
 - Refer the decision back to the Mayor
 - In exceptional circumstances, refer the matter to the Council
7. The Overview and Scrutiny Board resolved that the decision of the Mayor should be referred to the Council for consideration for the following reasons:

In addition to the reasons within the call-in notice, it is the view of the Overview and Scrutiny Board that Council was not made aware of both the opposition of the tourism industry to the options review and the lack of consultation with the English Riviera Tourism Company Ltd. about the review.

8. The 6 reasons for the call-in as outlined in the 'Options for Future delivery of Tourism, Marketing, and Events Support: Call-in of Decision by the Mayor' were:

- 1) We firmly believe that this call-in will provide the opportunity for business owners and leaders, experts, and interested members of the public to make their case against a further review of the tourism strategy prior to the Mayor making a final decision on whether or not to proceed. And that these arguments will have a major impact on his decision.
- 2) Given that the English Riviera Tourism Company (ERTC) was only set up some nine months ago following a discussion by full Tory led Council (25 March 2010), we now ask to be provided with the reasons for the u-turn on our tourism strategy. In particular we ask why at least eight members of the previous Tory administration that were enthusiastic supporters and promoters of 'Turning the tide for Tourism in Torbay' now feel it is not the best option for the Bay?
- 3) With the Council having to make cuts to services in the order of £9-11 million in 2012/13, how can the Mayor justify asking hard-pressed officers to duplicate a review that was carried out only 18 months ago? That review cost the tax-payers £111,000 in consultancy fees and £100,000 in start up fees for the ERTC, as well as so far undisclosed amounts on legal, HR and council officer time.
- 4) We strongly believe that any review of the ETRC and RICC cannot be thorough and conclusive unless there is a full and detailed analysis of the future shape of the RICC.

The full costs of maintaining and operating the centre must be laid before the council and the ERTC board, as well as the potential for future conference business. There is a changing market place and increased competition with newer facilities. Is the centre still in a position to compete for business on a level playing field?

Added to this, making a long-term financial commitment to what is essentially a private business at a time of major public sector cuts has to be questioned.

The review should make clear that a future business plan should be one that makes the facility self-sufficient.

Until such a root and branch analysis is undertaken, there should be no attempt to merge the two boards.

- 5) We feel that the options identified in the Mayor's decision of 13 July 2011 are particularly weak and do not provide evidence based reasons for yet another review of the Bay's tourism strategy.

- 6) There was a failure to address the risks identified within the report.
Below is a copy of this section of the report.

A2. Risk assessment

A2.1 Outline of significant key risks

A2.1.1 The possible restructuring of new ERTC is likely to be highly controversial. Given the costs incurred since October 2009 e.g. in reviewing the structure of the tourism marketing function and the set up of the ERTC, there is likely to be public criticism that such an early review is warranted.

It would also be reasonable to assume that the businesses now involved with the ERTC and paying for its services through its marketing services will be concerned and that this might lead to a reduction in advertising and guide income.

The ERTC appears to have considerable industry support and the private sector has had an especially strong role in shaping both the marketing strategy and the running of the ERTC. Consequently there is a risk that a further review might not be supported by the business sector during the consultation or implementation stage.

Potential loss of the financial and moral support and engagement of the sector is a key risk and could lead to an unintended consequence of poorer or reduced marketing efforts and lower visitor numbers.

It follows that there is a risk that a new organisation would not enjoy similar levels of patronage and support from the sector leading to a reduced ability to attract advertisers and earn income through its Guide.

With regard to Human Resources the ERTC employs staff who transferred to it from the Council and it is a requirement to follow statutory consultation process if any change to their employment is proposed. It is also a requirement of their transfer that the relevant HR policies, in this case the same as the Council, are followed. Any failure to follow those processes will present a risk.

There is a risk that changing the governance of the RICC might result in loss of the business rate rebate circa £200,000.

The Directors of both companies may decide that they no longer wish to serve as a consequence of the review. New Directors may be reluctant to put themselves forward.

A2.2 Remaining risks

Inevitably the respective companies and Council teams are likely to be distracted by the review and due to the uncertainty some members of staff and business partners may decide to leave or withdraw support.

ERTC revenues may be at risk pending the outcome of the review.

That the cost of restructuring might be disproportionate to the benefits and outcomes expected.

The envisaged outcomes of the change options might not be delivered.

(Note: A full risk assessment of the proposals is available from the report author.)

9. In accordance with the Constitution, the options open to the Council are:
- **If the Council does not object to the decision**, no further action is necessary and the decision will be effective from the date of the Council meeting
 - **Provided the decision has been made in accordance with the Policy Framework and the Budget**, the Council has no power to amend the decision but may refer any decision to which it objects back to the decision maker together with the Council's views on that decision.

Appendix 1: Minutes of Overview and Scrutiny Board meeting held on 9 August 2011.

Minutes of the Overview and Scrutiny Board

Tuesday, 9 August 2011

-: Present :-

Councillor Thomas (J) (Chairman)

Councillors Baldrey, Barnby, Bent, Butt, Kingscote, Parrott, Pentney and Pountney

(Also in attendance: Councillors Davies, Ellery, Excell, Faulkner (A), James, Lewis, Morey, Richards, Stockman and Thomas (D),
plus Mayor Gordon Oliver)

203 Apologies

Apologies for absence were received from Penny Burnside and Councillor Cowell.

In accordance with the wishes of the Liberal Democrat Group, the membership of the Board had been amended for this meeting by including Councillor Baldry instead of Councillor Darling.

204 Call-in – Options for Future Delivery of Tourism, Marketing and Events Support

The Board considered a report relating to the options for the future delivery of tourism, marketing, and events support within the Bay. The report detailed the reasons for a call-in by ten Members of the Council of the decision by the Mayor on 13 July 2011 to instruct Torbay Development Agency to identify the strategic delivery options for the future delivery of tourism, marketing, and events support (assuming the retention of the Riviera International Conference Centre) and report back to full Council within four months.

The Call-in Promoter (Councillor Parrott) set out the reasons for calling in the decision and four of the Call-in Supporters present also addressed the Board about their concerns regarding the decision. The Board was advised of the concerns of another Call-in Supporter who was unable to be present at the meeting. The Board heard that the call-in was due to concerns including a lack of consultation or involvement of the tourism industry in the Mayor's decision, the change of tourism strategy so shortly after the establishment of the English Riviera Tourism Company Ltd (ERTC), the cost of an options review, the value in a review of the Riviera International Conference Centre (RICC), the high risks of undertaking such a review identified in the report to Council on 13 July, and a lack of evidence to support the Mayor's decision.

The Board heard representations from and questioned invited witnesses. The witnesses appearing before the Board were the Chief Executive Officer, ERTC, the Managing Director, RICC, the Executive Lead Member for Tourism and

Environment (and a Council-appointed ERTC Board member) and the Executive Lead Member for Safer Communities and Transport (and the Council-appointed RICC Board member).

The Board was advised by the Chief Executive Officer, ERTC, that the public sector strategic options review proposed would harm the local tourism industry and lead to a loss of private sector participation and financial support for the new tourism strategy. The Board was advised by the Managing Director, RICC, that the proposal to explore options was unsettling, backward-looking, and that company structural changes were not required to achieve closer working. The Managing Director, RICC, informed the Board that there would not be financial benefit in merging the ERTC and the RICC and the options review was not required and potentially costly.

The Board was informed by the Executive Lead Member for Tourism and Environment that the Mayor's decision would produce closer working relationships between the ERTC and the RICC and was not intended to break up the ERTC. She advised the meeting that the options review would examine all options.

The Board was informed by the Executive Lead Member for Safer Communities and Transport that the purpose of the options review was to examine how closer working between the ERTC and the RICC could be achieved.

In response to questions, the Board was advised by the Chief Executive Officer, ERTC, that greater efficiency and co-ordination between organisations did not require a four-month review and the other two high-level options identified in the proposal were either not viable or against national policy.

In reply to questions, the Board was informed that members of the RICC Board were consulted about the proposed options and the ERTC Board was not.

The Board heard representations from members of the public, including ERTC Board members and a representative of the National Trust, who were opposed to the decision of the Mayor.

The Mayor responded to the points raised in the call-in notice and during the meeting. He indicated that his decision had been debated and voted on at Council on 13 July and that the tourism strategy and the options report proposed were intended to be evolutionary. The Mayor advised the meeting of his commitment to the RICC and of the valuable community resource it provided. The Mayor indicated that sport tourism, the cruise ship initiative, and closer links with the Town Centres Company and the Geo-Park were areas that the ERTC had neglected or overlooked.

Board members questioned the Mayor including whether he had anticipated such a negative response to his proposals, why Council had not been advised that consultation over the proposals had not taken place with the ERTC, and whether he might reconsider his decision and allow the private sector and the ERTC to come forward with proposals to promote greater efficiency and co-ordination rather than proceed with the options review. In response, the Board was advised by the Mayor

that he had anticipated such a negative response, that the Chief Executive Officer of Torbay Development Agency had spoken to both the Chief Executive Officer and the Chairman of the ERTC, and that the strategic overview for the tourism industry was the responsibility of the Council. The Mayor indicated that Council had approved the proposed options review and he wanted to see the results of the democratic process.

The Board considered the concerns raised against the Mayor's decision: including the offer from the ERTC Board Chairman to develop plans to achieve closer working with the RICC and improved communication between marketing and events organisations, the development of a Destination Forum, the resources of the local authority likely to be expended on the options review, the commercial risks of the options review, the successes of the ERTC, the viability of combining the ERTC and the RICC, the public costs of establishing the ERTC, the public criticism of the options review, the possible value in a confidential assessment of the RICC, and the loss of industry confidence and support likely from the proposed options review.

The Monitoring Officer provided the Board with advice on the definition of exceptional circumstances as outlined in the Constitution.

Resolved: That the issue be referred to the Council for consideration for the following reasons:

In addition to the reasons within the call-in notice, it is the view of the Overview and Scrutiny Board that Council was not made aware of both the opposition of the tourism industry to the options review and the lack of consultation with the English Riviera Tourism Company Ltd.

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Title: **Tourism, Inward Investment and Maritime Marketing Support**

Public Agenda Item: **Yes**

Wards Affected: **All Wards in Torbay**

To: **Council**

On: **29 September 2011**

Key Decision: **Yes – Ref 1005563**

Change to Budget: **Yes**

Change to Policy Framework: **No**

Contact Officer: **Steve Parrock**

Telephone: **01803 208970**

E.mail: **Steve.parrock@torbay.gov.uk**

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

- 1.1 To support the overarching economic strategy to 'bring about the physical and economic regeneration of Torbay and deliver the benefits to the local community.' Through increasing the tourism and inward investment marketing activity it is expected that visitor numbers will improve, there will be increased demand in the shoulder season and an increase in higher spending visitors in line with Council objectives. In line with the Inward Investment Strategy seeking to increase full time year round employment in Torbay by capitalising on existing sector strengths and exploiting the offer of Torbay as a business destination.
- 1.2 The Mayor has indicated that he wishes to draw £250,000 over two years from reserves to support the key areas of tourism, maritime event and inward investment marketing.

2. **Recommendation(s) for decision**

- 2.1 That £250,000 be released from reserves over two years to support the key areas of tourism, maritime event and inward investment marketing.
- 2.2 That the Chief Executive of the Torbay Development Agency be instructed to identify appropriate delivery options for the marketing spend.

3. Key points and reasons for recommendations

3.1 Tourism

Tourism related industries such as hotels, restaurants and attractions currently account for 16.7% of jobs within Torbay making it one of the largest employment sectors. The importance of the tourism industry and visitor economy is identified in the economic strategy and recognised as a priority sector. Contributing to the economic strategy the tourism strategy sets out the changing nature of the tourism economy in Torbay and provides a detailed action plan on how the future of the sector in Torbay will be developed. It has three key objectives listed below

- To reduce the decline in visitor numbers and spend
- To increase the value of tourism to the Torbay economy
- To reposition the English Riviera as a leading and inspirational UK destination

The strategy identifies a number of key challenges which include increasing competition, continuing decline in the appeal of traditional seaside resorts, reducing durations negatively impacting total visitor spend and the need to attract new visitors. The resultant tourism marketing spend will support these objectives through strategic use of TV advertising and a supporting national campaign utilising magazines, PR and outdoor routes. This would contribute to the attraction of higher spending visitors and would also support the maritime sector by animating and supporting existing events, improving marketing materials and facilitating trips. Business and conference tourism is a key target sector in the Tourism Strategy, and as Torbay becomes better known as a business location as well as a visitor destination through inward investment marketing, the opportunities in this sector will be improved.

3.2 Inward Investment

The Torbay Inward Investment Strategy is a response to the economic needs of Torbay and the Council's commitment to growth of the local economy. The economic strategy explicitly highlights the need to increase investment from private and public sources to bring about faster economic growth for Torbay leading to increased employment and improving public finances. Stimulating and attracting investment is a key focus of the economic strategy meaning that the Inward Investment Strategy is crucial to its success.

The priority sectors identified in include higher value advanced electronics, healthcare and environmental science which have all been identified for potential development in the Torbay economy. They are highly productive sectors, which to a lesser extent already exist, and with the right inward investment support could develop further and help build the Torbay economy for the future. Other sectors such as contact centres which would complement the local labour market will be targeted. The resultant inward investment marketing spend will be used to support these goals aiming at specific identified target markets including electronics and photonics, low carbon economy, call centres through the use of

audio visual material, design and print work and targeted advertising and regional or national events promoting Torbay's offer.

3.3 Events

A strategic events programme can be an effective driver for tourism, and can help to retain local residents' leisure spend within the Bay. Events can also create an opportunity to raise the profile of a destination nationally and internationally through supporting PR campaigns.

However events can be a costly exercise with little impact if not programmed strategically. It is proposed to invest in seed funding selected events, backed up by long lead-in promotion campaigns, a self-funding sustainability plan and a cost:benefit analysis of proposed events funding. Decisions on choices of events to fund will be based on a combination of factors including footfall, bednights, visitor profile, legacy benefits, and reputation enhancement.

Some events attract a high number of direct visitors e.g. the South Coast Festival of Rugby, which anticipates 10,000 attendees per day and 34,000 + bednights, delivering a good return on the requested investment for that event. Maritime events will also be developed as a vehicle for attracting high-spending tourism to the Bay. Some prestigious arts and cultural events have less quantifiable benefits, but they raise awareness of the destination in the media and amongst new audiences, and help to re-position Torbay as a quality destination that might appeal to the higher spending ABC1 segments or potential inward investors. This contributes to expansion of the holiday season, attraction of new and increased number of repeat visits and the development of Torbay's reputation as an event destination.

An events forum, bringing together the key organisations to enhance the existing event programme and identify appropriate events that will support delivery of these outcomes will be established and to ensure that there is a coherent strategic direction to the event programme for Torbay.

These three destination marketing strands of tourism, inward investment and events will help to realise Torbay's ambition to be a destination of choice to live, work, visit and invest in.

Steve Parrock, Chief Executive Torbay Economic Development Company

Supporting information

A1. Introduction and history

A1.1 As the adopted economic strategy and economic assessment highlights- Torbay's economy significantly lags behind the South West Region and other coastal resorts. This is demonstrated by lower wages and productivity per employee, higher deprivation, higher unemployment and other benefits claimants and weaker public finances.

Underpinning the economic strategy the tourism strategy seeks to reinvigorate the tourism sector in Torbay by steadying visitor numbers, attracting higher spending visits and to reposition the English Riviera as a leading and inspirational UK destination.

The English Riviera was one of the last bastions of the week – long holiday for the domestic market. This situation has changed quickly with the average domestic staying visitor duration recorded as 4 nights. The English Riviera is becoming a shorter break destination but still has the appeal and the potential for longer holidays in the high season.

Key issues highlighted by the strategy include;

- Lower than average visitor spend compared to the rest of Devon
- Continued market domination by C1,C2, D families, over 60's and coach groups.
- With a continuing decline in visitor numbers, a dynamic market and increased competition the English Riviera needs greater investment in the implementation of powerful marketing and PR campaigns.
- The strategic role for marketing is to provide a clear focus on brand development and increasing destination brand awareness.

The Inward Investment Strategy seeks to develop full time employment in Torbay by capitalising on existing sector strengths and exploiting the offer of Torbay as a business destination. From local benchmarking it should also be noted that we believe Devon is spending circa 300k on inward investment marketing, or ten times that which Torbay can presently afford

The purpose of the Inward Investment strategy is to bring about faster economic growth through new investment in Torbay. The benefits of that growth will include:

- increased full time employment
- a reduced dependence upon the public sector for employment,
- improved opportunities for the community and
- higher earnings which will in turn raise aspiration and ambition in the area.

However a wide range of interventions and stimuli are required including encouraging and supporting growth in priority employment sectors and attracting new inward investment.

Recognising that Torbay will face stiff competition for inward investment the inward investment strategy looks at the strengths of Torbay's offer in a number of sectors; reviews the competitive environment; identifies sectors where Torbay can present a strong case to potential investors; and recommends activities which the Torbay Development Agency (TDA) can undertake to promote the Torbay opportunity to potential investors and key influencers.

Indicative actions include:

- Focusing on sectors where there is a specific asset or success which can be built upon, particularly advanced electronics, healthcare, public sector relocation and business process outsourcing.
- Develop and promote an image of Torbay as a business friendly location. Torbay needs to be known for its commitment to business growth through its sector business networking, business advice programmes, aftercare support for investors, etc.
- Develop and market clear, persuasive value propositions which present Torbay's advantages and successes in key sectors.
- Promote Torbay as a 'first choice' destination for business supported by a wider campaign to promote the area for tourism, retail, culture etc.
- Ensure the maximum conversion from enquiry to investment by adopting best practice techniques for responding to enquiries, following up and maintaining contact with key decision makers.
- Build better relationships with partners including the Local Enterprise Partnership and UK Trade and Investment to ensure the Torbay 'offer' is promoted by the regional and national team.

A2. Risk assessment of preferred option

A2.1 Outline of significant key risks

A2.1.1 The Economic Strategy itself sets out the key risks from failing to deliver. The principal delivery risks relate to failing to deliver economic growth and prosperity within Torbay and the resulting negative outcomes this will have.

A2.1.2 Promotional spend can lose its impact if not strategically planned to have maximum impact of timing and stakeholder engagement. Torbay Development Agency will ensure maximum engagement from partner agencies to help deliver efficient and effective destination marketing management.

A4. Summary of resource implications

A4.1 Delivery will be principally through Torbay Council's economic development company however where identified as appropriate other delivery routes will be commissioned.

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

A5.1 The decision is unlikely to have an adverse impact on any of the target equalities groups. Campaigns will be designed to ensure that all groups can engage with it, and will conform with relevant standards. Services, advice and events are intended to support the delivery of actions in the relevant strategies and also strive to be accessible to all.

A6. Consultation and Customer Focus

A6.1 Developed against a considerable evidence base and analysis the adopted economic strategy was consulted upon with Councillors alongside consultation with the Business Forum, the Chamber of Commerce and has held an economic forum to consult on the overarching economic strategy. A wider consultation saw broad support offered for the strategy. TDA has used the business barometer survey and face to face meetings with business community and economic partnership to ensure that the strategy remains relevant. The inward investment strategy was developed on the basis of this evidence and significant engagement with key local businesses especially those which are foreign owned, with intermediaries such as property agents and others who might influence inward investment decisions.

The Tourism strategy was developed in wide consultation with:

- Business representatives including: The Tourism Steering Group, The English Riviera Attractions Partnership, Torbay Tourism Forum, Executive of the Torbay Business Forum, Torbay Development Agency Ltd Board, Torbay Town Centres Company, Torbay Self Catering Association, Brixham Tourism Partnership, and over 200 private sector individuals have responded to the consultation.
- Torbay Council Representatives including Cabinet Member for Tourism, Cabinet Member for Economic Regeneration, Transport and Planning, Environment Commissioner, Torbay Development Agency CEO, Executive Head of Residents & Visitor services and the Executive Head of Spatial Planning.
- Wider partners including Torbay's Cultural & Environment Partnership, neighbouring local authorities, South West Tourism, Visit Devon, Visit England and the British Resorts & Destination Association.

A7. Are there any implications for other Business Units?

A7.1 The Torbay Development Agency, as part of its strategic economic development function, will identify the strategic delivery options for the marketing spend however where appropriate other delivery routes will be commissioned.

Background Papers:

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

Torbay Economic Strategy 2010-2015

Torbay Inward Investment Strategy

Torbay Tourism Strategy

Torbay Economic Assessment

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Title: **Princess Promenade Refurbishment**

Public Agenda Item: **Yes**

Wards Affected: **Tormohun**

To: **Council**

On: **29 September 2011**

Key Decision: **Yes – Ref. 1005527**

Change to Budget: **Yes**

Change to Policy Framework: **No**

Contact Officer: **Dave Stewart**

☎ Telephone: **207816**

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

- 1.1 To provide an immediate solution to repair the defective structure of the “banjo” and the eastern section of Princess Parade, Torquay, which enables the closed sections to be reopened as soon as possible.
- 1.2 The proposed repair standards will extend the life of the structure for a minimum of 25 years and will match the design and detail of repairs carried out to the western length of the promenade in 2006/07. A repair of this magnitude will make the existing structure safe for up to 25 years. Members are asked to consider whether this investment represents best value for money, as the need to carry out such extensive repairs might be regarded as an opportunity to improve the design and area as a visitor attraction. The area is especially important to Torquay’s tourism offer.

2. Recommendation(s) for decision

- 2.1 That tenders be invited and a contract be let to carry out repairs to the eastern promenade and the banjo. The contract to commence in early 2012 with a break in the summer of 2012 with no works carried out in June, July and August and will be completed by the end of 2012.
- 2.2 That the capital programme for 2011/12 be amended to provide £800,000 to carry out the first phase of repairs to the promenade and upper level of the Banjo to be opened for the Summer of 2012.
- 2.3 That the capital programme for 2012/13 be amended to provide £2.15 million to fund the second phase of the single contract for repairs to the structure to secure its long term future.

3. Key points and reasons for recommendations

- 3.1 The eastern section of Princess Parade and the banjo has been closed to the public since 2006 following a report by consulting engineers Pell Frischmann. This is a prime section of Torquay's waterside and the continued closure has provoked widespread criticism. Hitherto the Council has investigated the repair costs and funding options. It is noted that the extent of repairs within the immediate area are considerable.

Earlier reports confirm that estimated cost of repair in the immediate area is:

Repairs to front garden areas	£500k - £1.5m
Repairs to Pavilion, in excess of	£2.0m
Repair "banjo"	£1.3 - £1.5m
Repair/replace eastern section of Princess Parade	£1.6 - £2.0m
New walking surfaces and wall repairs	£500k - £1.0m

Torbay Council's contribution to Princess Pier repairs (see below)	£2.5m*
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Total cost of repairs	£10.5m
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*The Environment Agency (EA) have been asked to fund repairs to the masonry elements of Princess Pier as Torbay Council believe this structure, acting with Haldon Pier, provides a flood defence to Torquay's harbour area. The decking and steelwork above is considered to be an amenity and as such repairs to these elements would not be funded by the EA.

- 3.2 The proposed programme will allow for the Eastern length of promenade to be reopened for the summer of 2012. However, further works are required to secure its long term future.
- 3.3 Splitting the works into two phases will allow the works to be carried out over the winter, but will cost an estimated additional £80,000. If the works are carried out in one phase they will take a year to complete and will be carried out over the summer of 2012.

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

**Sue Cheriton
Executive Head – Residents & Visitor Services**

Supporting information

A1. Introduction and history

- A1.1 The design of the original promenade had an important plus, that permits an open balustrade walkway offering clear uninterrupted views of the bay and Marina. It provides wave and sea air protection to the Princess Gardens by the use of a suspended structure providing a rebound “cap” to prevent sea swells and chlorinated sea air from impacting on the Princess Gardens. A traditional inland public garden is able to thrive in this protected location.
- A1.2 The Promenade was built between 1939 and 1958, with construction interrupted by World War II. The promenade is known to have a number of limitations. Many of which are typical of reinforced concrete structures in a marine environment. They can be summarised as follows:-
1. The promenade design has no spare capacity over and above its strict use by pedestrians and was not designed for vehicle loads greater than small cars.
 2. The types of defects exhibited in the structure suggest that the promenade has at some stage been trafficked by lifting equipment, craneage and/or heavy vehicles. There is also no evidence of vehicle control until recent years. These defects have made the structure more susceptible to the damage outlined in item 4 below.
 3. Many years of chloride (sea water) attack on the deteriorated and exposed structure has led to substantial concrete spalling, almost total loss of its vital steel reinforcement, leading to the promenade walkway being beyond economic repair.
- A1.3 The two tier banjo structure was constructed in the 1960's at a similar time to the construction of the Princess Theatre.
- A1.4 Repairs to the Eastern Promenade were carried out some time after 2000 in the form of a repair mortar applied to the structural soffit. This work started at the adjacent to the MDL marina offices. However, funding appears to have run out quickly as only some 30 metres of the promenade were actually repaired in this manner. The remedial work appears to have held up well but may be showing signs of deterioration, which is consistent with a 10 year life expectancy for concrete repairs. This small area of the Eastern Promenade has remained open to the public. The projected life of this small area is currently being verified using a portion of the funds recently released by Council. This area will either be accepted as being in good condition or else it will be repaired. There are no plans to demolish and rebuild this small section of the promenade.
- A1.5 As a consequence of this work apparently ending prematurely through funding problems, the unrepaired length of the Eastern Promenade would have continued to suffer accelerated sea chloride damage. Although the supporting columns, beams and walls were still in a fair condition, the majority of the Eastern length of promenade walkway itself was considered to be in such a poor condition as to be beyond repair.
- A1.6 The Eastern and Central Banjo Promenades have not been maintained since 2006 and was closed on the recommendation of the Structural Engineers, following the receipt of the structural investigation by Consulting Engineers Pell

Frischmann in 2006. Soon after the closure, a temporary pedestrian walkway surfaced in red bitmac was formed adjacent to the closed area of promenade.

A1.7 The Central Banjo was closed at the same time, on the instructions of the Mayor. Although the structure would benefit from significant long term remedials, there were no pressing structural reasons for its closure, with the decision based on the consequence of a history of anti-social behaviour. As the structure has not been maintained since 2006, minor repairs, tidying up and painting would be required to permit it to be reopened.

A1.8 The Western Promenade was temporarily reduced in width in 2006 in order to reduce stress in the centre of the walkway. Partial closure of the western length proved to be highly unpopular at the time as this length was seen as an important part of the main coastal walkway for the town in the area linking Princess Pier, The Princess Theatre and Torquay Marina. Torbay Council asked for repair options for the Western Promenade and in 2007, a 25 year life repair including a cathodic protection system was constructed for the sum of £733,000 including design fees. This length of promenade was reopened to the public in May 2008 after it was repaired to a high standard with a technical cathodic protection system installed throughout the structure which eliminates any chance of the promenade deteriorating over the next 25 years and also potentially for the rest of its operating life.

A1.9 In order to re-open the unrepaired length of Eastern promenade, its structural decking needs to be replaced with new pre-cast concrete decking with a new surface. This work will take approximately 5 months to complete and could commence in February 2012 allowing the promenade to be opened by the main summer season of 2012. The cost of this element of the project is £750,000. The banjo would need some minor spot repairs to the concrete to protect the reinforcement. The cost of this is estimated at £50,000.

A1.10 The first phase of the works will ensure the area can be reopened to the public and ensure that the area can remain open.

A1.11 The first phase of the works will secure the long term future of the promenade decking, however, the columns that support this structure will need refurbishment and cathodic protection added. The cost of this second phase of works is estimated at £850,000. This work will commence in September 2012.

A1.12 The supporting columns of the banjo will also need to be refurbished with the same cathodic protection. The estimated cost of the second phase for the banjo is £1.3million. This work will commence in September 2012.

A2. Risk assessment of preferred option

A2.1 Outline of significant key risks

A2.1.1 If the first phase repairs are not followed by the second phase repairs the structure would deteriorate quickly leading to eventual re-closure.

A2.1.2 The works will be carried out over the winter period in a marine environment so the programme of works and final costs can be affected by weather and the environment.

A2.2 Remaining risks

A2.2.1 The final 1930's design may not be appropriate for a modern tourist resort. The Princess Gardens are Grade II Listed gardens with the promenade included within the designated area. However, as the project relates to maintenance English Heritage have no legislating powers over the works. Officers have consulted with English Heritage who have given support for the repairs to the promenade, but have stated they would prefer that the top section of the banjo is removed and the sunken garden infilled to provide a level walkway. Repairs to the banjo will split the cathodic protection over the two levels allowing it to be removed at a later date, if required.

A3. Other Options

A3.1 The following options have been considered:-

- a) Demolition
The whole structure could be demolished, however, the construction of a new wave wall would be required to resist sea water overtopping affecting the gardens. Environment Agency permission would be required and the wall could affect the sea vista for the public from the gardens. The estimated cost is £4.2million.
- b) Intermediate Repairs
The promenade decking could be replaced and intermediate repairs to guarantee the structure for 10 years could be carried out. The estimate cost of this option is £1.3million.
- c) Partial Demolition
The top level of the banjo could be removed as suggested by the English Heritage.

A4. Summary of resource implications

A4.1 Following lengthy discussions with the Environment Agency regarding grant aided funding for flood defence structures at Torquay Harbour, detailed wave modelling analysis works have been undertaken in order to identify the structures that have been identified as flood defence. This modelling work has identified that both Haldon Pier and Princess Pier act as primary flood defence structures for coastal flooding within the Torbay Harbour area. As a result the Environment Agency has recently approved £1.272 million of grant aided funding for the next phase of structural repair work at Haldon Pier and they are currently considering an application from Torbay Council for a further £5.973 million of grant aided funding for structural repairs to both Haldon Pier and the masonry portion of Princess Pier.

A4.2 Although the Princess Promenade structure acts as a flood defence within Torbay Harbour, the value of the assets protected would not provide sufficient benefit/cost ratios to ensure funding through the Environment Agency Flood Defence Grant Aided system. As a result, an alternative source of funding for the repairs to the Princess Promenade will need to be identified. A number of alternative sources of funding options have been considered and these include:

- Capital Funding from Torbay Council;
- Prudential Borrowing by Torbay Council;
- Developer contributions from any future development at the Marina Car Park or Princess Theatre;
- Infrastructure levy for flood defence schemes;
- Heritage Lottery Funding for Princess Gardens and Promenade;

A4.3 At this time funding is most likely to come from Torbay Council Capital funding. An application has been submitted for the following sums:

2011/12	£ 800,000
2012/13	£2,150,000

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

A5.1 The repair and maintenance of the Princess Promenade will provide continued protection to the Princess Gardens and seafront area.

A5.2 As the lower level of the Banjo will be re-opened, the project will include improvements aimed at designing out crime. Specifically this will include lighting and gates allowing the area to be closed at night if required.

A6. Consultation and Customer Focus

A6.1 No official consultation on the proposals have been carried out as the proposals relate to maintenance of an existing structure rather than a material alteration.

A6.2 Whilst Planning Permission is not required officers will work with representatives from the Environment Agency and English Heritage to discuss the finishes to be used.

A7. Are there any implications for other Business Units?

A7.1 The cost of the works will need to be funded from the Council's Capital Programme.

A7.2 The works will affect the operation of the harbour and marina and officers from Engineering Services have met with the Harbour Master to discuss how the impact can be mitigated.

Appendices

None

Documents available in members' rooms

None

Background Papers:

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

Structural Assessments – princess Promenade, Torquay – Structural Appraisal – Volume 2 - Calculations



Title: **Brixham Town Centre and Babbacombe with St Marychurch
Business Improvement District (BID)**

Public Agenda Item: **Yes**

Wards Affected: **Berry Head with Furzeham and St Marychurch**

To: **Council** On: **29 September 2011**

Key Decision: **No**

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

Contact Officer: **Paul Looby**
Telephone: **(01803) 207283**
E.mail: **Paul.looby@torbay.gov.uk**

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

- 1.1 To create a business improvement district within Brixham town centre and the Babbacombe and St Marychurch district of Torquay, to facilitate high profile events, better co-ordinated marketing, environmental improvements (street cleaning) and increased security.

2. Recommendation(s) for decision

- 2.1 **That a ballot of businesses within the prescribed areas in Brixham town centre and the Babbacombe and St Marychurch district of Torquay to assess the wish to establish a Business Improvement District.**
- 2.2 **That the Deputy Chief Executive, in consultation with the Mayor and Group Leaders, be nominated to cast the Council vote.**

3. Key points and reasons for recommendations

- 3.1 The Council and local business community have supported the principle of a BID for the Brixham, and the Babbacombe and St Marychurch area of the bay after extensive consultation and this is to move the project to the next formal stage.

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

Paul Looby, Executive Head of Finance

Supporting information to Report

A1. Introduction and history

A1.1 Torbay Town Centres Company who is acting as the BID proposer has given formal notice requesting the billing authority (Torbay Council) to hold a ballot in relation to this BID Proposal, (in accordance with Regulation 4(2) (ii) of the Business Improvement Districts (England) Regulations 2004). The full details of this and a business plan for the scheme will follow later this year.

A1.2 The ballot period for Brixham will run from **17 October 2011 to 14 November 2011** with **14 November 2011** being the Ballot Day. If successful the BID will be introduced from 1 April 2012.

A ballot of the Babbacombe & St Marychurch area of Torquay is anticipated to be conducted during spring of 2012, which, subject to a successful ballot will be able to operate from summer 2012.

Both ballots will be conducted by post, and will include every business premises shown in the rating list within the BID areas.

The Electoral Commission will be asked to run the ballots on behalf of the Council.

A1.3 The BID area for Brixham is shown on the map attached at Appendix 1 to this report.

The map for Babbacombe and St Marychurch is still to be defined by Torbay Town Centres Company Ltd.

A1.4 The Brixham BID area comprises approximately 350 business hereditaments in the town centre at the time of writing.

The Babbacombe & St Marychurch BID area comprises Fore Street St Marychurch, Babbacombe Downs, Reddenhill Road, part of Babbacombe Road, and part of St Marychurch Road. The number of businesses will depend on the final BID area when agreed.

The proposed levy shall be 1.5% of rateable value which will generate an approximate annual income of £53,000 for the duration of the Brixham BID Business Plan (1st April 2012 – 31st March 2017), and approximately £50,000 each year for the St Marychurch, Babbacombe and Planmoor BID.

A1.5 The BID proposer (The Torbay Town Centres Company Ltd) and its agents have carried out extensive consultation with the business community eligible to vote for this scheme, by way of public meetings, presentations to business groups, street focus groups, one to one meetings and conversations, newsletters and questionnaires. The priorities that have been identified for inclusion in the BID proposal include: high profile events, better coordinated marketing, environmental improvements (street cleaning) and increased security. The Torbay Town Centres Company shall be writing a business plan to reflect these priorities.

A2. Risk assessment of preferred option

A2.1 Outline of significant key risks

A2.1.1 The Council does not allow enough time to implement the vote, however the Council has already been planning this for some time.

A2.1.2. The Council will also have to consider its position as landowner within the BID area and cast its vote in the ballot. It is recommended that the Deputy Chief Executive be nominated as voting on behalf of the Council after consultation with the Mayor and Group Leaders.

A2.2 Remaining risks

A2.2.1 None

A3. Other Options

A3.1 Not to go ahead with the ballot in which case the BID will fail.

A4. Summary of resource implications

A4.1 The Council will need to identify additional resources to fund the ballot. This will be £1,137 for Brixham, and approximately £1,000 for Babbacombe and St Marychurch which will be funded from within existing resources.

A4.2 The liabilities for Torbay Council, should the ballot result prove positive, are set out below:

Torbay Council is the Business Ratepayer (owner or occupier) for 16 hereditaments within the Brixham town centre BID Area:-

Address	Rateable Value £	@1.5% £
Town Hall	26,750	401.25
Town Square Car Park	121,000	1,815.00
Oxen Cove Car Park	6,800	102.00
Harbour Family Centre	4,800	72.00
Library	36,250	543.75
Bathing Station Shoalstone	1,975	29.63
Car Spaces Southern Quay	13,250	198.75
Car Park Freshwater Quarry	48,250	723.75
Public Conveniences Union Lane	5,500	82.50
Public Conveniences Pier	6,400	96.00
Store Breakwater	340	5.10

Address	Rateable Value £	@1.5% £
Store 1 Freshwater Quarry	570	8.55
Store 3 Freshwater Quarry	540	8.10
Store 4 Freshwater Quarry	570	8.55
Boat Store Blackball Lane	910	13.65
Boat Store Berry Head Road	570	8.55
Totals	274,475	4,117.10

Torbay Council is the Business Ratepayer (owner or occupier) for 4 hereditaments within a potential Babbacombe & St Marychurch BID Area (Details yet to be agreed)-

Address	Rateable Value £	@1.5% £
St Marychurch Car Park Hampton Avenue	12,500	187.50
Model Village Car Park Hampton Avenue	29,000	435.00
Princes Street Car Park	10,250	153.75
Chilcote Close Car Park	8,700	130.50
Totals	60,450	906.75

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

A5.1 The priorities that have been identified for inclusion in the BID proposal include: environmental improvements (street cleaning) and increased security.

A6. Consultation and Customer Focus

A6.1 The BID proposer (The Torbay Town Centres Company) and its agents have carried out extensive consultation with the business community eligible to vote for this scheme, by way of public meetings, presentations to business groups, small, street focus groups, one to one meetings and conversations, newsletters and questionnaires.

A7. Are there any implications for other Business Units?

A7.1 The Council and NNDR team will have an increased workload if the BID's are approved with collection and enforcement responsibilities.

Appendices

Appendix 1 - Map of Brixham Town Centre Business Improvement District Area

Documents available in members' rooms

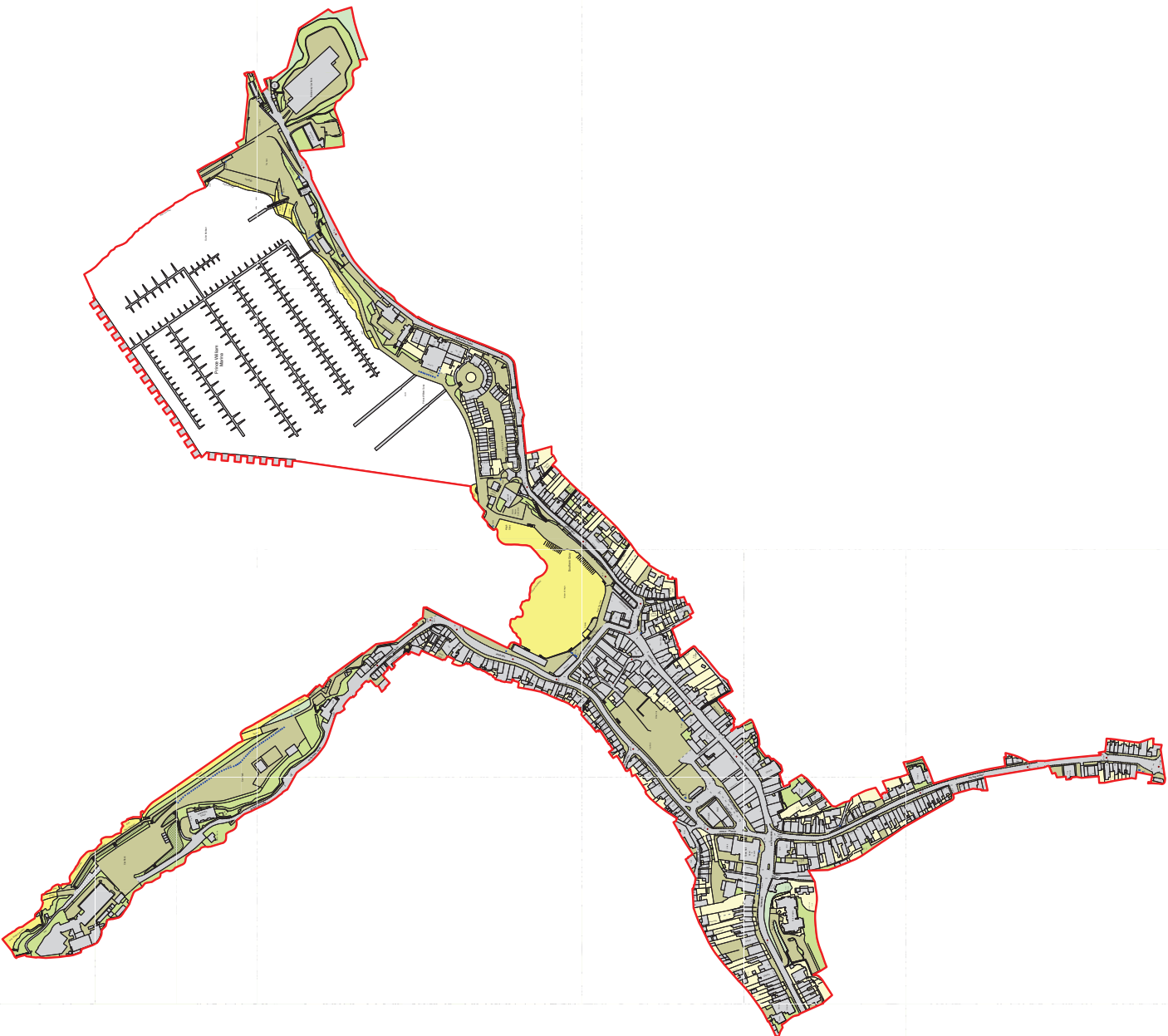
None

Background Papers:

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

Business Improvement Districts (England) Regulations 2004

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Title: **Revenue Income Optimisation (RIO) - Generating Income From Charging For Planning Pre-application Advice**

Public Agenda Item: **Yes**

Wards **All wards in Torbay**

Affected:

To: **Council**

On: **29 September 2011**

Key Decision: **Yes – Ref. I003937**

Change to Budget: **Yes**

Change to Policy Framework: **No**

Contact Officer: **Pat Steward**

☎ Telephone: **01803 208811**

✉ E.mail: **pat.steward@torbay.gov.uk**

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

1.1 This report responds to the need to generate income to help off-set the impact of budget savings in Spatial Planning and to better recover the costs of providing a high quality Spatial Planning service. The report focuses on the income that might be derived over the next 6 months (i.e. the 2011/12 financial year) from charging for pre-application planning advice. It proposes an 'interim' charging schedule for that time period. It also proposes the next 6 months should be used to assess the impact and further potential of pre-application charging such that a full charging schedule can be in place by the beginning of April 2012.

1.2 There are significant advantages associated with not charging for pre-application advice, but these are outweighed by the need to recover the costs of providing such advice and generate income for the Council. Many of the advantages can be maintained by setting up a realistic charging schedule.

2. Recommendation(s) for decision

2.1 That Torbay Council implements the interim charging schedule set out in paragraph A1.7 of this report, with effect from 1 November 2011 to 31 March 2012 at the latest.

2.2 That Torbay Council develops, over the next 6 months, a comprehensive charging schedule for pre-application advice, based on the charging schedule set out in paragraph A1.9 of this report and the further risks / opportunities to be explored.

3. Key points and reasons for recommendations

- 3.1 Torbay Council currently provides free advice at a pre-planning application stage. Such advice provides a number of advantages, including higher quality development, but also incurs significant time / costs. Torbay is, in line with many other Local Planning Authorities / Councils, seeking to make significant savings in its budget and to derive income where possible.
- 3.2 The principle of pre-application charging has already been accepted by Members and senior officers, as part of the (Revenue Income Optimisation) RIO project, reference 1003937. This report adds detail to the proposals set out in RIO Planning & Building Control High Level Business Case (see Appendix 1).
- 3.3 There are a number of risks, within and without the Council's control, associated with implementing a pre-application charging regime. But the success of pre-application charging in other Planning Authorities suggests that these risks can be managed successfully.
- 3.4 The report sets out a two stage approach. Firstly an interim charging schedule will be operated between 1 November 2011 and 31 March 2012. It is intended that this interim approach will not only secure the Council an income of at least £15,000, but also allow time to better explore the risks and opportunities of a more comprehensive charging schedule. Secondly, a more comprehensive approach will operate from 1 April 2012.
- 3.5 The proposed timeframe for the two elements of the project link neatly with the Government's proposed legislative changes to allow Councils to set planning application fees locally. It provides an opportunity for Torbay Council to publish comprehensive pre-application and planning application charging schedules with effect from 1 April 2012.

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

**Les Crump
Executive Head. Spatial Planning**

Supporting information

A1. Introduction and history

- A1.1 Torbay Council currently provides free pre-application advice. Anecdotal evidence suggests applicants and agents welcome Torbay's current approach to pre-application advice. However, increasing pressure on Council budgets has led to many Local Authorities, over the last few years, introducing charges for pre-application advice. Torbay is one of only three Planning Authorities in Devon (Teignbridge and Dartmoor National Park being the others) that do not charge for pre-application advice.
- A1.2 The principle of charging for pre-application advice has already been established through the RIO project, which has itself received Member and senior officer support. It is recognised that savings / income identified via RIO High Level Business cases are "best case" and that, in some instances, those savings / income may not be fully achieved.
- A1.3 The Government is intending to introduce legislation to allow Council's to introduce local fee setting for planning applications. This will replace national fee scales for planning applications and will allow Local Planning Authorities to better recover the costs of providing a comprehensive and high quality planning service. Torbay Council is working closely with other 'benchmark' Authorities, across the UK and in Devon, in preparation for the ability to set fees locally.
- A1.4 The Spatial Planning Business Unit has committed to secure in year (2011/12) budget savings/income. It has been agreed that £15,000 income might be secured through pre-application advice charging for Quarters 3 and 4 of this financial year, with £30,000 income estimated each year for 2012/13 onwards.
- A1.5 A total of 250 hours of pre-application advice was provided by the Major Developments Team during April, May and June 2011. At an hourly charge out rate of £50/hour, which is the 'benchmark' normal across Devon and an average hourly rate of Spatial Planning officers involved in pre-application advice, this equates to potential income of £12,500.
- A1.6 A clear interim charging schedule will be published, following Full Council approval, based on hourly charge out rates of officers, which is itself based on salary and on-costs. The interim charging schedule will be assessed for the 6 month period until April 2012, with a view to revising the schedule at the end of March 2012 in order to set comprehensive pre-application fees for 2012/13.

A1.7 The interim charging schedule will be based on the following:

Category	Comment	Charge out rate	Estimated income to April 2012
Major Developments	Based on a minimum of 10 hours of input	£50/hour	£6,500
Minor (residential)	1 hour per unit	£50/hour	£5,000
Minor (commercial)	1 hour per 100 sq mts	£50/hour	£5,000
Environmental Impact Assessment (EIA)	Covering pre-application screening and scoping opinions; senior officer input required to ensure European legislation compliance	£65/hour	Unknown
Total			£16,500

A1.8 In assessing the income generating potential of pre-application advice the following factors have been taken into account:

- Householder applications (e.g. extensions) will continue to benefit from free pre-application advice until April 2012.
- The major applications expected over the next 6 months have already been the subject of pre-application advice (see para A1.5 above re time given to this in April, May and June 2011).
- EIA Screening advice (i.e. whether or not an EIA is needed) will require 2 hours (£130) of input; Scoping advice (i.e. what an EIA must cover) takes 5 – 10 hours of input (equating to an average £500 cost).

A1.9 The numbers of planning applications received in 2010/11 suggests that, for 2012/13 and beyond, a target income projection of £30,000 is deliverable but needs to be more fully assessed (see risks below) over the next 6 months whilst interim charges (to secure an income of £15,000) are in place. By way of a benchmark, East Devon has budgeted for an income of £50,000 this year. The following table illustrates the potential in Torbay, subject to further assessment:

Category	Anticipated numbers of applications	Charge out rate	Comment	Estimated income from April 2012
Permitted Development / Certificates of Lawfulness	700	£35	Less experienced officers undertake this work.	£24,500
Householder	750	£35		£26,250
Minors	350	£50		£17,500
Majors	20	£50	Min of 10 hours input	£10,000
Total				£78,250

A2. Risk assessment of preferred option

A2.1 Outline of significant key risks

A2.1.1 The following paragraphs outline key risks that are either within or outside the Council's control. Market conditions are outside our control; the reaction of the market to pre-application charging is something we can help manage, but is largely outside our control; the retention of staff and level of charges are largely within our control.

A2.1.2 Without these charges being implemented the income potential, of about £15,000 in the 5 months before April 2012 and in excess of £30,000 per annum thereafter, will need to be found from savings in other areas of the Spatial Planning budget.

A2.1.3 The above figures are based on existing staff numbers in Spatial Planning. Loss of staff, either through usual churn or as a result of further budget cuts, will reduce the Planning Authority's capacity to provide a value-adding pre-application advice service. Consequently a reduction in income can be expected from a loss of staff.

A2.1.4 The above figures are based on recent time recording and planning application data. Consequently they take account of the market downturn, which has had an impact on the number of applications submitted. If the market continues to decline there may be a decline in pre-application advice being sought. The reverse may be true – a tough market, plus a new Core Strategy, may generate more pre-application inquiries.

A2.1.5 The figures take some account of the ability or desire of people to pay for pre-application advice, specifically by continuing (pro tem) householder applications to benefit from free advice. However, for other applications, potential applicants may be reluctant to pay for pre-application advice and, consequently, the target of £15,000 may not be deliverable. Experience from other Planning Authorities (e.g. East Devon) indicates there will be a slight downturn in pre-application inquiries, but this will recover relatively quickly. We will be working with local agents, through the rekindled Agent's Forum, over the next 6 months to help embed pre-application charging.

A2.1.6 Less input at a pre-application stage often results in lower quality planning applications, with a consequent increase in post-application time input (sometimes exceeding the planning application fee).

A2.1.7 Charging for pre-application advice will have an impact on development costs. The smaller the development the greater the impact on costs. However, proposed charges are relatively small and will constitute a very small percentage of major development costs. A clear and published charging schedule will help ensure developers include pre-application charges within development costs. In addition, Spatial Planning will seek to provide integrated Planning and Building Control advice, not only saving investors time but also saving money (in relation to development costs, travel costs, consultant costs etc).

A2.2 Remaining risks

A2.2.1 Over the 5 months between 1 November 2011 and end April 2012 the risks identified above will be further assessed and managed. This will allow a more comprehensive set of pre-application charges to be published in March / April 2012.

A2.2.2 The additional risks to be assessed over the next months include:

- The opportunity to refund pre-application charges if an application is submitted within 3 months of advice first being sought. If the application reflects pre-application advice and a good quality scheme is proposed this could ensure time is 'saved' post-application. The refund would provide an incentive to submit an application, itself generating a fee, and reduce the amount of abortive pre-application advice.
- Pre-application advice charges have the potential to dissuade employment proposals from coming forward. We will assess the opportunity and costs associated with a nil / reduced fee for applications for purely employment development.
- Charging for pre-applications is open to challenge by those being charged. For major applications we will explore the potential of Planning Performance Agreements, including costs, to reduce challenge. In addition, the charging schedule will set out the service to be provided by the Planning Authority. Advice on the service to be provided will also help manage expectations of applicants.
- The timing of these proposals works well alongside Government proposals to allow Local Authorities to set their own planning application fees. The opportunity to publish, at the same time (1 April 2012) clear charging schedules covering pre-application and planning application fees will help reduce the risks to the Council and increase understanding / acceptance by customers.

A3. Other Options

A3.1 Do nothing: Continuation of the status quo would allow free pre-application advice to be given, but would not allow income to be derived, would have a negative impact on other areas of the Council's budget and would not reduce abortive pre-application work.

A3.2 Small charges: Householder proposals will not attract a pre-application charge. Some minor developments could attract as little as a £50 charge. Smaller charges (than proposed) for other developments will not secure the target income of £15,000.

A3.3 First hour free: This option will be further explored over the next 6 months, but it is likely to result in a significant reduction in potential income, given the large numbers of inquiries are expected for smaller proposals.

A4. Summary of resource implications

A4.1 If implemented, the resource required to monitor and collect pre-application charges would fall to Spatial Planning. Mechanisms are already in place to enable this to happen. Successful pre-application charging will help secure a

balanced budget in Spatial Planning and reduce the impact of savings to be made in the Business Unit and the Council. Any surplus, above the target amounts of £15,000 or £30,000 can, under emerging Government legislation, be reinvested – over a three year period – in Spatial Planning.

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

A5.1 The proposals for pre-application charges over the next 6 months take account of the ability of householders to pay for pre-application advice and the impact of such charges relative to the costs of development. Torbay Council will continue to assess this impact and work with other Planning Authorities to ensure Torbay provides a service that compares well with other Councils.

A5.2 Pre-application advice helps reduce poor quality planning applications, secure high quality planning applications and, consequently, secure high quality new development. Charging for pre-application advice is less likely to reduce the number of inquiries for major / high impact proposals, but may lead to a temporary reduction in pre-application inquiries for smaller / more frequently occurring proposals.

A6. Consultation and Customer Focus

A6.1 The principle of charging for pre-application advice has already been established, via the RIO project, with Members and senior officers. Torbay Council has worked with and learnt from other Planning Authorities and, as such, considers the proposals to be acceptable and robust. It is proposed to work closely with agents / architects in the Bay over the next 6 months to help embed the Council's approach to pre-application charging.

A7. Are there any implications for other Business Units?

A7.1 Other Business Units, such as housing, are often involved in pre-application advice and will continue to be involved. The proposed hourly charge out rate approach will cover their costs, but those Business Units will need to be able to account for their time input.

Appendices

Appendix 1: RIO Planning & Building Control High Level Business Case

Appendix 2: East Devon Pre Application Advice

Documents available in members' rooms

None

Background Papers:

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

RIO Planning & Building Control High Level Business Case

East Devon Pre Application Advice

PIP Project Board meeting – minutes 18 July 2011

Northampton Borough Council Pre-application Charges

Guildford Borough Council Pre-application Charges

Spatial Planning 2010/11 and 2011/12 Budget Report

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8. RIO Planning & Building Control High Level Business Case

Appendix 1

Opportunity Title	Planning & Building Control
Subject / Service Area	Planning & Building Control

Opportunity type and description

Cost recovery	Restructured charges	New income stream	Traded service
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Opportunity Description	<p>The Planning & Building Control case contains 7 opportunities for income generation</p> <ol style="list-style-type: none"> 1. Charge for pre-application advice 2. Charge for the Design Review Panel 3. Charge for planning applications 4. Extend the remit of the Design Review Panel 5. Fully recover costs associated with Council Officers responding to reports of dangerous structures using Section 77/78 of the Building Act 1984. <p>These opportunities are largely focused on achieving a greater level of cost recovery against existing services that are heavily subsidised. The result will offer savings to the Council by drawing less on central budgets. Some of the department's work is statutory and non-chargeable (enforcement, applications where permitted development has been removed etc.) and as such the Council we will not be able to achieve 100% cost recovery in Development Management alone.</p> <p>1. Charge for pre-application advice</p> <p>Torbay is one of a few councils in Devon as we understand it, not to charge for pre-application advice. There are significant advantages in not charging for pre-application advice, but it is evident that where possible the costs incurred at this stage in the process need to be recovered. Such charges must include a range of costs, such as those incurred by the Torbay Design Review Panel and by providing advice on EIA screening and scoping for example.</p> <p>There are a number of caveats to be explored:</p> <ol style="list-style-type: none"> a) The pre-application charge is redeemable against application costs, so planning application fees are 'reduced' by the cost of the pre-application charge. Applications would need to be submitted within 3 months of the pre-application advice in order to redeem the pre-application charge. b) Pre-application charges would not be levied for those forms of development (e.g. employment) the Council considers as particularly important to bring forward. This mirrors the current approach to securing S106 contributions, where there is a 'nil' levy for employment generating development. c) The use of 'first hour free' approach – ensuring that every customer gets the benefit of some advice and providing the opportunity to attract investors. d) We must promote the Planning Performance Agreement (PPA) approach for substantial planning applications (this would involve quoting for these applications based on service level provision). e) We will provide a single integrated pre-application response covering both Planning and Building Control and must examine opportunities to tie applicants in to using Torbay's Building Control service. <p>2. Charge for the Design Review Panel</p> <p>The independent Design Review Panel (DRP) is used, during the pre-application stage (in the main), to help ensure development proposals are as high quality as possible. The DRP meets 8 – 10 times per annum and provides advice to the Council and developers. At present scheme promoters get free advice from the DRP.</p>
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8. RIO Planning & Building Control High Level Business Case

Cost recovery	Restructured charges	New income stream	Traded service
	<p>On occasion 'special' meetings of the DRP are held, where a scheme promoter wants a design review but the timeframe of regular meetings doesn't fit with the scheme promoter's timeframe. These 'specials' cost £2000 each and scheme promoters cover this cost.</p> <p>The Panel costs are, in essence, £500 per day (plus travel costs) for the secretariat role and £200 to £350 per day (plus travel costs) for each Panel member. Local Architects and the Chair give their time for free (plus travel). South West Energy and Environment Group (SWEEG) are at a special rate of approximately £425 per day (plus travel) due to an existing not for profit agreement. There are often venue costs to meet. These costs equate to approximately £18,000 p.a. See later comments (under 3. Extending the remit of DRP) about administration costs.</p> <p>It is suggested that three options should be modelled further:</p> <ol style="list-style-type: none"> Profit. Explore the potential to make a marginal profit on each Panel meeting (£1,000). Those who currently provide their services for free or at special rates would expect to make a return so the cost per panel increases to £6,926. Each Panel considers four proposals, so the price per scheme would be £1,700. This seems a relatively high one-off cost but could be included within the pre-application charge. Cover costs. Explore the potential to cover the costs of each Panel meeting. Once again those who give their services for free would expect a return but special rates may be preserved if this is not for profit. The expected cost per panel would be £3851. this equates to asking scheme promoters to pay around £962 per scheme (added to pre-application charge) Reduce costs. Look to reduce the costs of running the Panel, by removing venue costs and reducing secretariat / Panel costs to £250 and £150 respectively. This would save around £300 per Panel meeting – around £3000 p.a. The risk with this is that panel members may step down and reduce the level of expertise on the panel. <p>It is recommended that the Panel operate to Cover costs option b) as the model. Post application proposals would be charged at £962 each; any scheme promoter wanting a specially arranged meeting would be charged £3,851 or a proportion equally split between scheme promoters using the special Panel meeting.</p>		
	<h3>3. Charge for Planning Applications</h3> <p>Changes to the charging regime provide an opportunity to cover the costs of administering and determining major developments, considering Strategic Planning & Implementation Team (SPIT) as a whole. This is likely to cover adequately the costs associated with the majority of planning applications, including those that are currently free to applicants (e.g. Listed Building applications). However, unless carefully managed, it is less likely to cover the full costs of the substantial planning applications (such as Hollicombe for example) which can be very difficult to predict in terms of time commitment.</p> <p>It is evident that for major developments many Local Authorities are already promoting the Planning Performance Agreement (PPA) approach, which themselves focus on outcomes and process and are, as such, a project management tool. Within the umbrella of PPAs there is an opportunity to develop a flexible charging regime which reflects the quality of each application and the amount of work required by the Council to secure an acceptable level of information to support the application.</p> <p>The following areas of charging need to be explored:</p> <ul style="list-style-type: none"> Core fees: set out the level of fee needed to cover a core / essential service to run a major application. This would cover the core costs (e.g. adverts, site visits, Committee reports, S106 / CIL administration; consultation with statutory and key stakeholders). A working assumption is that this core cost would equate to 100% of existing charges. Additional fees: set out the services (to be provided by the Council), and costs associated with those services, to ensure an acceptable proposal. For example, proposals in need of additional community engagement; viability assessment work; additional transport assessment; noise assessment etc. This area of work is unlikely to deliver substantial income as applicants will want to retain control over cost and content wherever possible, and will want to use their own consultants. In order to secure this type of income, the services on offer would have to be at a very competitive cost and be sold as needing to be independently undertaken. <p>For those applications which attract S106 / Community Infrastructure Levy (CIL) contributions we should</p>		

8. RIO Planning & Building Control High Level Business Case

Cost recovery	Restructured charges	New income stream	Traded service
<p>explore the potential for those contributions to cover:</p> <ul style="list-style-type: none"> • Legal costs – which are low and some costs are already covered. • Monitoring – monitoring / investigation posts, specifically over-seeing compliance with and delivery of planning conditions / S106 / CIL requirements. <p>It is anticipated that the S106 / CIL post would be self-financing, would gain Spatial Planning much more visibility (e.g. “This bus is paid for by Spatial Planning”) and could be a service that is sold to, or shared with, other Councils. It is anticipated that a number of developers will seek to renegotiate completed S106 agreements, with those leading such negotiations taking 10% of the savings. Consequently there may also be market opportunities with private sector clients.</p> <p>4. Extend the remit of the Design Review Panel</p> <p>The reduction in CABE and SWRDA funding is forcing Creating Excellence (Design SW) and the South West Design Review Panel to move to a self-sufficient future. For example, Design SW is offering a package of services for £4,000, which includes enabling and design review of projects (through 6 half day surgeries), Building for Life assessment, access to ‘partner’ local design review panels. Design SW is asking for private, public and voluntary sector organisations to buy into this sort of package. The approach reveals demand for such services.</p> <p>Other Local Authorities in (South) Devon don’t have Design Review Panels and are coming under increasing pressure to reduce staff numbers (including staff with design skills). The Council should explore the market and demand for opening the DRP to other Local Authorities, looking to charge those LPAs / scheme promoters at the same rate as for Torbay proposals, but it is believed there is already strong demand for such services.</p> <p>The Council should also look at expanding the remit and role of the DRP to include enabling, focussed specifically on supporting neighbourhoods develop plans, development briefs, development schemes and as the arbiter of Building for Life Assessments (replacing CABE). This activity would need to be procured and paid for (at least in part) by communities and neighbourhoods, and work in tandem with proposals for an arms length community / social enterprise company (utilising existing CVA capacity). This is partly dependent on the financial resources available to neighbourhoods / communities.</p> <p>The administration set-up for the Design Review Panel is already in place, but such duties are undertaken by senior officers. This does not represent good value for money or sensible use of resources. Consequently, it is suggested that implementation costs for an extended DRP must include additional 0.5 FTE (£15,000 p.a.) and administration staff 0.25 FTE - say £5,000 including on-costs). Such a resource will also ensure the pre-application service provided by DRP can be run more efficiently and it is suggested the pre-application charges should ensure coverage of an additional 0.25 FTE (say £5,000) administration cost. It would be prudent to consider the use of an arms-length administrator, to reduce on-costs.</p> <p>5. Fully recover costs associated with Council Officers responding to reports of dangerous structures using Section 77/78 of the Building Act 1984.</p> <p>In 2010, Building Control Officers received 45 formal notifications of potentially dangerous buildings and structures that required a response. These ranged from major fire damaged hotels to loose rainwater guttering.</p> <p>Where emergency action is required to contain the danger and protect the public, Building Control seek out the owners and ascertain if they are in a position to remove the danger. If they are not, the emergency powers contained in Section 78 of the Building Act can be used.</p> <p>Costs associated with the deployment of safety barriers by Tor2 are normally recovered from the owners but none of the costs associated with the work of officers are recovered and are paid out of departmental budgets.</p> <p>Most major incidents will result in insurance claims for losses incurred by the owners of properties and the Council’s costs in providing the emergency response service could be recovered through this process.</p> <p>Section 78 (3) of the Building Act allows the local authority to ‘recover from the owner the expenses reasonably incurred by them’. Expenses incurred by the authority for fencing off buildings or structures are only recoverable for the period up and until the danger has been removed.</p>			

8. RIO Planning & Building Control High Level Business Case

Cost recovery	Restructured charges	New income stream	Traded service
<p>In proceedings to recover expenses a court will enquire whether the Council might reasonably have proceeded instead under Section 77 (by serving notice and giving owners time). If this is so, the Council will not be able to recover any expense. Investigation of dangerous structures which do not result in further action due to owners carrying out immediate remedial works will not be chargeable.</p>			

Current financial position

Service	2010/11 income (£)	2010/11 expenditure (£)	Net position (£)	Cost recovery (%)
Development Management (includes support and conservation)	£610,000	£1,038,000	£428,000	59%
Building Control	£320,000	£454,500	£134,500	70%
Strategic Services (with current grants)	£66,400	£675,700	£609,300	10%
<i>Strategic Services (no grant, next year)</i>	<i>£24,500</i>	<i>£675,700</i>	<i>£651,200</i>	<i>4%</i>
Totals (with current grants)	£996,400	£2,168,200	£1,171,800	46%
Totals (no grant, next year)	£954,500	£2,168,200	£1,213,700	44%

Notes on current financial position:

Figures reflect 2010/2011 data (prior to local fee setting for cost recovery in planning)

Excluded budgets: THI/Capital (£6,346,155), Waste (£1,300,000), PDG reserve (drawn on to balance budget in 2011/12), South Devon Link Road (£395,900), and Concessionary Fares (£3,427,900).

Projected additional income

	2010/11 Pre-Implementation	2011/12 Year 1	2012/13 Year 2	2013/14 Year 3	Total
Gross projected income (£)					
1. Pre application advice		£25,625	£51,250	£51,250	£128,125
2. Cover costs of DRP		£23,000	£23,000	£23,000	£69,000
3. Charge for Planning Applications		0	0	0	0
4. Extend Remit of DRP		£10,000	£20,000	£30,000	£60,000

8. RIO Planning & Building Control High Level Business Case

	2010/11 Pre- Implementation	2011/12 Year 1	2012/13 Year 2	2013/14 Year 3	Total
5. Dangerous structures		£4,800	£4,800	£4,800	£14,400
Total gross income					
Investment costs (£)					
1. Pre application advice	(£5,000)	£0	£0	£0	(£5,000)
2. Charge for DRP		10,000	10,000	10,000	30,000
3. Charge for Planning Applications		0	0	0	0
4. Extend Remit of DRP	(£5,000)	(£8,400)	(£16,800)	(£25,200)	(£45,400)
5. Dangerous structures		£0	£0	£0	£0
Total costs					
Net projected income (£)					
1. Pre application advice	(£5,000)	£25,625	£51,250	£51,250	£123,125
2. Charge for DRP		£13,000	£13,000	£13,000	£13,000
3. Charge for Planning Applications		0	0	0	0
4. Extend Remit of DRP	(£5,000)	£1,600	£3,200	£4,800	£4,600
5. Dangerous structures		£4,800	£4,800	£4,800	£14,400
Total net income					

8. RIO Planning & Building Control High Level Business Case

Notes to calculation and assumptions

1. Charge for pre-application advice

Following the example set by other Councils, e.g. Sedgemoor, we will explore the cost / benefits of pre-application charging as follows:

	Written advice	Meeting	Further work
Small scale	£50	£50	
Minor development	£100	£150 (max 2 hours)	
Major development		£1000 (for written advice and 1 meeting) £2000 - £250 for DRP	£50 / hour

Small scale applications

Based on the above rates an initial estimate of the annual income from small scale pre-application fees in a typical year could be circa £100,000 (based on approximately 1,000 pre-applications). Approximately 5% of pre-application advice cases do not result in submitted planning applications and no refund would be given. The remaining 95% would receive a percentage of their pre-application fee back as a refund.

$5\% \times £100,000 = £5,000$ net income per annum from non-progressed cases

$95\% \times £100,000 = £95,000$; $£95,000 - (0.75 \times £95,000) = £23,750$ net income per annum at 75% refund

$95\% \times £100,000 = £95,000$; $£95,000 - (0.50 \times £95,000) = £47,500$ net income per annum at 50% refund

Minor / Major development

Based on the above rates fees an initial estimate of the annual income from minor and major development pre-application fees in a typical year could be circa £30,000. In this case we will assume that two thirds of these pre-application cases are not progressed as planning applications. The remaining 33% would receive a percentage of their pre-application fee back as a refund.

$67\% \times £30,000 = £20,000$ net income per annum from non-progressed cases

$33\% \times £30,000 = £10,000$; $£10,000 - (0.75\% \times £10,000) = £2,500$ net income per annum at 75% refund

$33\% \times £30,000 = £10,000$; $£10,000 - (0.50\% \times £10,000) = £5,000$ net income per annum at 50% refund

Total annual net income = 25,500 at 100% refund, £51,250 at 75%, or £77,500 at 50%

For the purpose of this business case we have assumed a 75% refund rate.

It is likely that the changes proposed in this opportunity will be implemented in Oct 2011 hence the income projected for Yr1 is half that projected for Yr 2 and 3.

The cost of administering charges for pre-application advice is estimated at 0.25 Admin post, approximately £5,000 per annum. It is anticipated that this post would also administer the expansion of the Design Review Panel at an extra £5,000 per annum.

8. RIO Planning & Building Control High Level Business Case

2. Charge for the design review panel

Currently panel meetings are held on average 6 times a year at a current operational cost to the Council of £18,000. The local agents who attend the panel currently do so as volunteers claiming expenses only. Charging for developers to bring schemes to the panel is likely to result in an increase in operating costs as local agents are likely to want to be paid for their time. It is estimated that by covering costs, the cost of operating the panel will increase to £23,000 per annum (£3,850 per panel meeting).

- a) **Profit.** Explore the potential to make a marginal profit on each Panel meeting (£1,000) total panel cost £6,926. Each Panel considers on average four proposals, so the price per scheme would be £1,731.
- b) **Cover costs.** Explore the potential to cover the costs of each Panel meeting. (£3,850) For example, asking scheme promoters to pay approximately £963 per scheme.
- c) **Reduce costs.** Look to reduce the costs of running the Panel, by removing venue costs and reducing secretariat / Panel costs to £250 and £150 each respectively. This would save around £300 per Panel meeting – around £3000 p.a. The risk with this is that panel members may step down and reduce the level of expertise on the panel.

It is recommended that the Council move to 100% cost recovery for the operation of the panel. Although this means the Council will be paying agents on average £10,000 more per year, there will no longer be a subsidy of £18,000 and hence this will be new income to the Council.

£23,000 gross income - £10,000 new cost = £13,000 new net income per annum.

3. Charge for planning applications

Core fees: 100% cost recovering of core costs (e.g. adverts, site visits, Committee reports, S106 / CIL administration; consultation with statutory and key stakeholders).

The use of planning performance agreements will ensure 100% of the core cost of processing major a planning application is recovered on a **not for profit basis**. The precise guidance on what charges can be levied has not yet been issued by CIPFA but it is clear that some fees may go up and some may go down. Early work completed to date in Torbay would suggest we are not actually very far short of cost recovery where new locally set fees will apply. As a demand led service it is incredibly difficult to predict numbers of applications for future years and it would therefore be unwise to predict any additional income at this stage.

Additional fees: Recover costs associated with additional services needed to ensure an acceptable proposal, i.e. additional community engagement; viability assessment work; additional transport assessment; noise assessment etc.

Whilst there is the potential to recover costs in these areas they will be incorporated in planning performance agreements for Large scale major applications, whilst this will extend the cost recovery principle beyond Development Management and into the wider Spatial Planning business unit, the costs that would be recovered would not be significant.

S106 / Community Infrastructure Levy (CIL)

Legal costs – which are low and some costs are already covered.

Monitoring – monitoring / investigation posts, specifically over-seeing compliance with and delivery of planning conditions / S106 / CIL requirements.

Whilst there is the potential to recover costs in these areas they will be incorporated in planning performance agreements for Large scale major applications, whilst this will extend the cost recovery principle beyond Development Management and into the wider Spatial Planning business unit, the costs that would be recovered would not be significant.

8. RIO Planning & Building Control High Level Business Case

4. Extend the remit of the Design Review Panel

The panel could expand its area of operation to cover other local authorities in South Devon. It is likely that if this were to happen, the number of schemes considered by the panel would gradually increase over 3 years.

It is estimated that panel activity could increase by 2 meetings per annum. It is prudent for the Council to seek to make a profit on this increased activity and it is recommended that for schemes in other local authority boundaries the charge is £1,250, as opposed to the cost recovery rate of £1,050 for Torbay schemes.

Yr1: 2 more panel meetings x (£5000 charge - £4200 costs) = £1,600 net new income

Yr 2: 4 more panel meetings x (£5000 charge - £4200 costs) = £3,200 net new income

Yr 3: 6 more panel meetings x (£5000 charge - £4200 costs) = £4,800 net new income

5. Fully recover costs associated with Council Officers responding to reports of dangerous structures using Section 77/78 of the Building Act 1984.

Detailed job records of officer time spent responding to reports of dangerous structures will be kept for the period up to the final removal of the danger at which point an account will be submitted to the building owner as part of the cost recovery process.

Time will be charged at the current hourly rate stated in the Building Control Fees and Charges scheme (£60 inc VAT per hour).

All notifications that result in additional works being co-ordinated and instructed by the Council will be recharged at the hourly rate plus additional contractor charges (fencing, signage and road closures etc).

The expected number of actionable notification 20

The average estimated hours dealing with each enquiry 4

Total expected income 20 x 4 x £60 £4,800 per annum

Key evidence including relevant benchmarks

1. Charge for pre-application advice

Type of development.	Southhams	Mid Devon	West Devon	Sedgemoor	Taunton Deane	Torbay
LARGE SCALE MAJOR: Residential greater than 150 houses or site area greater than 4ha; Non residential 10,000sqm floorspace or site area greater than 4ha; All Environmental Impact Development; Renewable Energy – (including Wind turbines etc) site area of greater than 4 ha.	To be negotiated	£750 up to 3 meetings and £300 each additional meeting	To be negotiated			£2000 - £250 for use of DRP
MEDIUM SCALE MAJOR: Residential 31- 149 houses or site area 2 – 4 ha; Non residential 5,000 – 9,999 sq m floor space or site area between 2-4 ha; Renewable Energy – (including Wind turbines etc) site area of between 2-4 ha.	£2,400 up to 4 meetings and £360 each additional meeting	£500 up to 2 meetings and £300 each additional meeting	£2300 up to 4 meetings			£1000 for written advice and 1 meeting, £50 per additional meeting

8. RIO Planning & Building Control High Level Business Case

SMALL SCALE MAJOR; Residential 10-30 houses or site area up to 2 ha; Non residential 1,000 – 4,999 sq m or site area between 1 -2 ha; Renewable Energy – (including Wind turbines etc) site area of between 1 – 2 ha	£1,800 up to 3 meetings and £360 each additional meeting	£250 up to 1 meeting and £150 each additional meeting	£2300 up to 4 meetings	£1500 for a meeting and written advice, further meeting £80 per hour	£192 letter £240 meeting	
MINOR: Residential proposals (including holiday lets) involving the erection of or change of use to between 3 – 9 residential units. Non residential 500 – 1000sq m floorspace.	£600 up to 2 meetings and £180 each additional meeting	£100 up to 1 meeting and £50 each additional meeting	£1725 up to 3 meetings	written £80 and meeting £120	£108 letter £156 meeting	£100 written advice and £150 for up to 2 meetings.
SMALL MINOR, All residential schemes for the change of use to or erection of 1 or 2 dwellings (or holiday lets) or conversion of building(s) to 1 or 2 residential units (or holiday lets);All minor non residential schemes for new buildings; Non residential buildings/extensions up to 499 sq m floorspace.	£360 up to 2 meetings and £120 each additional meeting	£75 up to 1 meeting and £50 each additional meeting	350 up to 2 meetings			£50 written and £50 for a meeting
SINGLE REPLACEMENT DWELLING.	£180 up to 1 meeting and £120 each additional meeting					
OTHER: Advertisements, Telecommunications, minor changes of use, renewable energy small site.	£180 up to 1 meeting and £120 each additional meeting	£50 letter or £75 letter and 1 meeting. £50 for each additional meeting		£40 letter and £60 meeting	£60 letter £84 meeting	

Exeter <http://www.exeter.gov.uk/CHttpHandler.ashx?id=11626&p=0>

South Hams http://www.southhams.gov.uk/new_pre-app-enquiry-form-and-guidance-notes-july-2010_20_vat.doc

Mid-Devon <http://www.middevon.gov.uk/CHttpHandler.ashx?id=13411&p=0>

West Devon <http://www.westdevon.gov.uk/doc.asp?doc=15492&CAT=3029>

Sedgemoor <http://www.sedgemoor.gov.uk/CHttpHandler.ashx?id=4469&p=0>

Taunton Deane

<http://www.tauntondeane.gov.uk/irj/go/km/docs/CouncilDocuments/TDBC/Documents/Development%20Management/Pre-Application%20Charges%20Jan%202011.pdf>

Teignbridge do not charge for pre-application advice

Plymouth do charge but do not publish their charges on line

Summary of analysis and consultation

Volume data and prices confirmed by Mark Irving, Pat Steward, Colin Edgecombe & Sally Farley

PwC produced the business case, utilising information provided by the Council.

Issues and Risks

Confidential

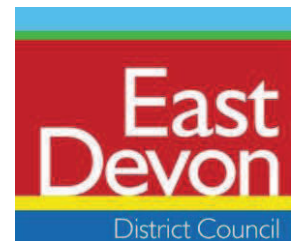
8. RIO Planning & Building Control High Level Business Case

Issue/ Risk	Impact (H / M / L)	Proposed management actions
TDA Planning & Housing team not wishing to charge for pre-application advice	M	New Service Level Agreement between Spatial Planning and TDA to include pre-application charging.
Community Infrastructure Levy – split of monies received, between Council and Community, is not yet defined	M	Ensure CIL directed towards major infrastructure projects that impact on Bay as a whole.
There is likely to be a need to set up a trading arm and expand professional indemnity cover for Building Control to check the quality of finish of a development.	M	Whilst not high risk this will undermine the profitability of such a scheme.

Implementation plan: Key project activity and milestones

Key activity	Period		
	1 to 3 months	4 to 6 months	7 months onwards
Pre-application charging		✓	
Planning Application fees		✓	
DRP cover costs	✓		
Sharing skills	✓		
Dangerous Structures	✓		
Checking of Finish		✓	

**EAST DEVON DISTRICT COUNCIL PLANNING
SERVICE - PRE APPLICATION ADVICE**



**CUSTOMER CHARTER -
Valid from 04 January 2011**

The Council's Planning Service has introduced a scale of charges for pre application advice following the resolution of the Council's Executive Board on 2 December 2009. This Charter sets out the scale of charges, what the Council will expect to receive as part of any pre application enquiry, and what customers can expect of us.

Scale of Charges

Category	Scale of application	Description	Charge per meeting/request for pre application advice(excluding VAT)
1	Large scale Majors	Large scale major schemes including:- <ul style="list-style-type: none"> ➤ Residential development of more than 200 houses. ➤ Non residential floor space of more than 10,000 square metres. ➤ Site area of more than 4 ha. 	£750 (£900 including VAT)
2	Medium major	<ul style="list-style-type: none"> ➤ Residential development of between 31 – 199 houses. ➤ Non residential floor space of 1000 – 9,999 square metres. ➤ Site area of between 2 – 4 ha. 	£625 (£750 including VAT)
3	Small major	<ul style="list-style-type: none"> ➤ Residential development between 10 – 30 houses. ➤ Non residential floor space of 500 – 1000 square metres. ➤ Site area up to 2 ha. 	£500 (£600 including VAT)
4	Minor	Residential proposals (including holiday units) involving the erection of or change of use to between 2 – 9 residential units. All minor non-residential schemes for new buildings or change of use.	£250 (£300 including VAT)
5	Minor	All residential schemes for the replacement or erection of a single dwelling or conversion of a building to one residential unit	£125 (£150 including VAT)

- (i) Any meeting charged for will be overseen by a Senior Planning Officer or above and will include a range of other disciplines and representatives of infrastructure providers as appropriate.
- (ii) The fees for a lawyer present at a meeting to deal with Section 106 requirements will be the subject of separate payment previously negotiated.
- (iii) Advice will be provided in writing following the meeting.
- (iv) All advice will be provided on a **without prejudice** basis.
- (v) The written advice will lay out clearly the issues which would be raised by the development and specify what improvements can be made to the scheme to make it acceptable or if the principle of the development is unacceptable what the grounds for refusal will be.
- (vi) Written advice will identify what level of community consultation will be expected in order to meet the requirements of the Council's Statement of Community Involvement.
- (vii) Advice will be given on the nature and quality of information required including a comprehensive list of supporting documents.
- (viii) Where the application is in the major category a timetable will be established for project managing the application to decision.
- (ix) Advice will be given on the relevant heads of terms that would be included in any Section 106 Agreement as necessary.
- (x) The fee includes a site visit being undertaken by a planning officer if necessary and any research work undertaken prior to any meetings.
- (xi) A Members pre-application panel will constitute 1 meeting.
- (xii) 100% affordable housing schemes or any scheme submitted under the terms of the Interim Affordable Housing Statement during the next 12 months will be exempt from any charge for pre-application advice.
- (xiii) Any other category of planning application which has an exemption/reduced fees will also be exempt from charge for any pre-application advice.
- (xiv) Payments can be made either by cheque or we can invoice with the letter sent out

With regard to householder applications it is anticipated that all agents will have the necessary experience to deal with these schemes without needing specific pre application advice from the planning service. The Council intends in the future to update design guidance. The Council will respond to householder requests from those who do not have agents to assist them. There will be no fee for these.

Submission Details Required

The following advice is aimed at agents acting on behalf of applicants. So that you can think about your proposals and how they may take shape and before contacting the Planning Service for pre-application advice on draft development proposals, we ask you to first wherever possible to:-

- Fully investigate the planning history of the site. Does this tell you anything, which may be relevant to your proposals? All recent previous applications on the site are now scanned to the Council's planning web pages for you to look at.
- Familiarise yourself with the relevant Development Plans and other supplementary planning documents the Council may have adopted which may be of relevance. In addition you may wish to consider any advice available from the Planning Portal and Department for Communities and Local Government web sites. The Planning Portal for instance contains a great deal of information on good practice.
- Provide a site analysis (with photographs) dealing with site characteristics, constraints opportunities and the surroundings. Accurate site survey plans and tree condition surveys and wildlife surveys (where applicable) will be required if a planning application is to be submitted. Therefore, these survey plans are likely to be useful in the process of designing a scheme too.

Once you have gone through the above checklist, you should be in a much better position to begin to design your scheme. The Council appreciates that some schemes will be more difficult to assess than others so we aim to be flexible in the amount of information we expect dependant on the complexity of the scheme. There is no form needed.

A bare minimum however would be an Ordnance Survey location plan showing the site marked in red and any other land in your client's ownership edged blue, sketch layout and if possible elevation plans and some photographs. For major applications the Council will however expect more detailed plans which need to be submitted in advance of any meeting.

The Council also understands that in some cases there may be significant doubt as to whether or not the proposal will be acceptable in principle. In those cases the Council would not wish to impose undue financial burdens on the prospective applicant and will accept a lesser amount of information.

The Council on receipt of your pre application advice request will assess the information to ensure it has enough to give a detailed response. If further information is deemed necessary you will be contacted and asked to provide additional details. The request for advice will be logged on our computer system and given a unique reference number so we can track it.

We do not intend to give officers a target for the written advice because the Council considers it is preferable to provide a quality advice service rather than send out a letter which may be incomplete just to meet an arbitrary deadline. In some cases the Council will need to talk to other parties such as the Highway Authority, Environment Agency and other statutory consultees. Advice received from those bodies will be incorporated into the Council's letter. The Council monitors the performance of its planning teams on any requests to ensure the service offered is not subject to unacceptable delays.

Where a meeting is thought necessary either on site or in the office a member of the appropriate planning team or other senior officer will contact you to arrange a mutually convenient time and place. These meetings may well be attended by other bodies in the case of major schemes.

The District Council Planning Service at present is divided into geographic areas the details of which can be viewed on the following Council web site link.

http://www.eastdevon.gov.uk/planning_team_staff

Once you are ready to contact us or wish to submit written details please send your information in hard copy form to the relevant planning team. At the present time we would like to receive all information in paper form. We are working towards receiving electronic submissions in the future. If you wish to be invoiced then we can arranged for that to be sent with our letter. Alternatively you can submit a cheque with your submission and we will send you a receipt with our letter of response.

Members Advisory Panel

The Council also offers a Members Advisory Panel for major applications. This is a group of senior officers and Councillors and other interested parties who can listen to a presentation from the agent and then through its officers respond in writing. The Council has a protocol for dealing with requests from agents to put a proposal before the MAP. Officers can advise if a particular scheme warrants a submission to the MAP.

The Member's Planning Advisory Group is comprised of:-

- The Chairman of the Development Management Committee.
- The Chairman of a possible Policy sub-committee or Policy Champion.
- Strategic Planning Portfolio Holder.
- Environment Portfolio Holder.
- Economy Portfolio Holder – as appropriate
- Communities Portfolio Holder as appropriate.
- Ward Members.

The system for running this group would be as follows:-

- (i) Developers to make presentation to Member's Planning Advisory Group with Officers present.
- (ii) Members to have previously acquainted themselves with the site in question by a site visit with Officers.
- (iii) Members to ask questions of the Developers, seek clarification, test arguments but not to give any form of view in support or against the proposals.
- (iv) Advice on the way forward or changes to be made to the proposal would be provided by the Officers to the Developers in writing following advice from Members in a debate once the developers have left the meeting.
- (v) Any Member of the Planning Advisory Group who has a personal or prejudicial interesting the proposal should not form part of the group for that particular site.

***E Freeman
Development Manager
January 2011***



Title: **Household Waste Recycling Centre (HWRC) Charging for Waste Rubble or Similar Material that was Previously Free of Charge**

Public Agenda Item: **Yes**

Wards Affected: **All Wards in Torbay**

To: **Council** On: **29 September 2011**

Key Decision: **No**

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

Contact Officer: **Ian Hartley**
Telephone: **01803 208695**
E.mail: **ian.hartley.gov.co.uk**

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

- 1.1 This report responds to the need to make in year budget savings in Spatial Planning, if a balanced budget is to be achieved by year end. These savings are cashable and will count towards targets for 2012/13, with member approval. The scheme will be similar to that introduced by Devon County Council on 1/4/11, where waste rubble that was previously accepted free of charge at the Household Waste Recycling Centre (HWRC), will be charged for.
- 1.2 Such a scheme could potentially generate objections from members of the public, but Devon County Council reported at its last Devon Environmental Service managers group on 14/7/11, that objections to their charging had settled down, with a decreasing number of complaints.
- 1.3 There is the possibility of increased fly tipping with some householders not wishing to pay the new charges, but since Devon County Council introduced its new scheme, fly tipping is only slightly higher than 12 month previous, as at June 2011.

2. Recommendation for decision

- 2.1 That Torbay Council implements a charging system for waste material associated with rubble and for vehicle tyres at the Paignton Household Waste Recycling Centre, six weeks after approval by the Council, as follows (Charges are inclusive of VAT):

- | | |
|--|--------------|
| 1. Soil, rubble, ceramics, paving slabs, bricks, building blocks etc | £2 per bag * |
| 2. Asbestos (a 6' x 3' sheet) or a bag * | £20 |
| 3. Plasterboard (a 8' x 3' sheet) or a bag * | £7 |
| 4. Car Tyres (no commercial) | £2 each |
- * A bag should be no bigger than 20" x 30"

3. Key points and reasons for recommendations

- 3.1 Contrary to popular belief, this waste is not classified nationally as household waste. Torbay Council like all other councils in the UK only has a legal obligation to provide Recycling centre facilities for household waste (which is waste arising from the day to day running of a household). However, items from the repair or improvement of houses (e.g. DIY type waste) is classified as construction waste and there is no requirement for the council to provide any service for the disposal of this material or accept it free of charge. The Audit Commission also states that this type of waste (rubble and soil associated with rubble) is not household waste, so even if it is recycled it cannot be included in the household waste recycling figure.
- 3.2 To avoid confusion, household waste comprises the unwanted contents of the house and not part of the house itself. This means that waste created from landscaping or garden alterations such as dismantling a rockery or digging up a patio/concrete hard standing, cannot be classified as household waste.
- 3.3 In addition, vehicle tyres are also not classed as household waste and therefore there is no requirement for the council to accept them at all and certainly not on a free of charge basis.

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

**Les Crump
Executive Head of Spatial Planning**

Supporting information

A1. Introduction and history

- A1.1 Since 1 April 2011 Devon County Council has charged for items that were previously free of charge at all its Household Waste Recycling Centres (HWRCs).
- A1.2 The materials recommended for charging are not classified as household waste, so even though some can be recycled, they do not count towards Torbay's household recycling rate. Asbestos and plasterboard are both hazardous wastes, and as such currently cost £223 and £55 per ton to dispose of respectively. Based on 2010-11 tonnages the total disposal cost for these materials in a year is around £9,700 to Torbay Council.
- A1.3 Torbay Council is under no obligation to follow what Devon County Council has done, but with the need to make budget savings, Landfill Tax continuing to increase and the likelihood of residents outside Torbay's boundary using Torbay's HWRC as a free tipping site for these materials, then this option needs to be considered.

A2. Risk assessment of preferred option

A2.1 Outline of significant key risks

- A2.1.1 Without these charges being implemented then the saving of about £50k p.a. will need to be found from other areas within the Spatial Planning budget.
- A2.1.2 Certain people may be so averse to paying for this service that they may choose to fly-tip their waste, even though this is a serious crime. Fly tipping is currently collected by TOR2, but if the levels increase significantly as a result of a change in policy, they may require a contract change to cover any increased costs.

A2.2 Remaining risks

- A2.2.1 This change is likely to generate an increase in complaints from the public. Although there is no direct cost to this, officer and member time will undoubtedly be taken up by many enquiries at the start of any implementation until it settles down.

A3. Other Options

- A3.1 Take no action and continue not to charge for this type of material.

Looking at the tonnages that are currently being received at the HWRC most of the materials remain at a constant level. Rubble is an exception to this. When TOR2 started running the HWRC they improved security at the site. Under TOR2's management the average for rubble from September 2010 to March 2011 equates to 43 tons a month. Currently the monthly average from April to August 2011 is 60 tons which if continues means that Torbay could receive an additional 205 tons, which will cost Torbay Council an additional £16,800 to dispose of (see Appendix 1). This is at a time when most other waste tonnages are dropping,

As more people find out that Torbay does not charge, it is likely that there will be a further increase in rubble tonnages as residents from outside the Bay use Torbay's HWRC for free disposal for these materials, with the resultant increase in disposal costs.

A4. Summary of resource implications

A4.1 If implemented the resource to collect the waste and related charges will fall to TOR2 as they currently run the HWRC as part of the Joint Venture contract. Interim negotiations with TOR2 have outlined what they are likely to charge for providing this service on behalf of Torbay Council. After TOR2 have taken their fee, Torbay Council should have a net surplus of approximately £50k p.a. and this should help to balance the Spatial Planning overspend in 2011-12 by around £17k as well as the targets for 2012-13. This is based on approval at full council on the 29/9/11, with proposed implementation on 14/11/11.

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

A5.1 Having to pay for a service that was previously free, will make some people reconsider whether the decision to throw something away that is still perfectly functional is the right option, which is in itself more environmentally sustainable. Waste minimisation is at the top of the national waste hierarchy and is supported within Torbay's Municipal Waste Management Strategy.

There is a possibility that some of this material could be fly-tipped, so incidents of environmental crime may increase due to this change in policy.

A6. Consultation and Customer Focus

A6.1 These recommendations have been discussed at Strategic Leadership Board.

A7. Are there any implications for other Business Units?

A7.1 If fly tipping is increased then the Enforcement Team within Community Protection may have an increased workload due to additional investigations and prosecutions relating to this illegal practice.

Appendices

Appendix 1 HWRC Charging Tonnage comparison

\$2yatkxjr.xls

TOR 2 Sept 2010 to
Average Mar 2011

Code	WasteType	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Total
17	Asbestos	0.00	5.44	0.00	0.00	0.00	0.00	3.60	0.00	0.00	11.48	5.24	6.46	20.74
355	CA Plasterboard	11.92	0.00	13.46	7.48	0.00	8.58	9.30	10.78	0.00	0.00	8.12	13.78	94.90
329	Rubble Recycled	108.18	81.94	111.06	98.56	26.42	39.92	68.22	67.90	15.82	38.42	39.78	77.10	773.32
356	CA Porcelain	28.24	14.14	0.00	14.10	0.00	0.00	0.00	0.00	0.00	0.00	14.60	13.64	84.72
358	CA Tyres	0.00	0.00	0.00	6.30	2.48	5.62	0.86	0.00	0.00	1.40	1.56	0.98	19.20
		148.34	101.52	124.52	126.44	28.90	54.12	81.98	78.68	15.82	51.30	69.30	111.96	992.88

2.19
8.86

43.40

1.49

Code	WasteType	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Total
17	Asbestos	0.00	0.00	4.10	0.00	0.00	0.00							4.10
355	CA Plasterboard	0.00	14.04	11.26	0.00	11.92								37.22
329	Rubble Recycled	63.46	51.52	61.94	56.56	68.70								302.18
356	CA Porcelain	0.00	0.00	0.00	0.00	0.00								0.00
358	CA Tyres	1.82	2.22	1.68	1.68	0.00								7.40
		65.28	67.78	78.98	58.24	80.62	0.00	0.00	0.00	0.00	0.00	0.00	0.00	350.90

0.82
7.44

60.44

1.48

Overall change -83.06 -33.74 -45.54 -68.20 51.72 -178.82

Percentage Change -55.99% -33.23% -36.57% -53.94% 178.96% -35.95%

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Title: **Stop Textile Recycling Credit Payments to Charities and Community Groups**

Public Agenda Item: **Yes**

Wards Affected: **All Wards in Torbay**

To: **Council** On: **29 September 2011**

Key Decision: **No**

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

Contact Officer: **Ian Hartley**
Telephone: **01803 208695**
E.mail: **ian.hartley@torbay.gov.uk**

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

- 1.1 This report responds to the need to make in year budget savings in Spatial Planning, if a balanced budget is to be achieved by year end. These savings are cashable and will count towards targets for 2012/13, with member approval. The area to be looked at is payment of textile recycling credits to charities and community groups.

2. Recommendation for decision

- 2.1 That the Council ceases payment of the recycling credit to charity and community groups that claim credits for items other than furniture, paper and garden waste.
- 2.2 That this decision be implemented six weeks after charity and community groups affected have received a letter from Torbay Council advising them of this decision.

3. Key points and reasons for recommendations

- 3.1 By not paying out a Recycling Credit for textiles the council will save in the region of £40k p.a. Torbay Council is continually trying to reduce costs itself, so it is becoming more difficult to justify the payment of a recycling credit to external organisations now that a comprehensive collection of recyclables from the kerbside is available to every household throughout the Bay.

- 3.2 The amount paid out by Torbay Council for Textile recycling credits in 2009/10 and 2010/11 was about £40k each year, and the figure is likely to increase to £45k for 2011/12. The number of groups claiming recycling credits in 2010/11 was 24, with claims for the year ranging from £41 to £7,091(See appendix 1).
- 3.3 The textiles collected by the charities and community groups, could be collected by TOR2 from the kerbside at no additional cost to the council or TOR2.
- 3.4 The organisations would still receive income from the recycling companies that they sell the materials to, and might be able to renegotiate with them how much they receive for the raw materials. The textile markets are good at this current time, so by maximising their income they could help to offset the loss from the recycling credit payments no longer being available. Current prices for textiles paid to charities are in the region of £500 - £600, (current market prices from letsrecycle.com), so by not paying the £57.76 recycling credit, this is about a 9% reduction.
- 3.5 The furniture can still be collected, and a recycling credit paid, as Torbay Council can claim this amount back from Devon County Council. This is possible due to Torbay Council's partnership working with Devon County Council, being part of the Devon Authorities Waste Reduction and Recycling Committee.
- 3.6 As the community groups only receive £15 per ton for paper from the recycling companies, it was thought that taking away the recycling credit of £57.76 was disproportionate and would almost remove their entire income stream, so this will be continued at least for 2011/12 financial year.

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

**Les Crump
Executive Head of Spatial Planning**

Supporting information

A1. Introduction and history

- A1.1 Torbay Council currently pays recycling credits, a non statutory payment to charities and community groups that collect household waste that is subsequently recycled. As this material is not landfilled, in the past Torbay Council saved the disposal gate fee and it was this saving that was passed on as the recycling credit.
- A1.2 These groups also receive income for the sale of these materials to third party recycling companies, in addition to the recycling credit that Torbay Council currently pays. The materials recycled are mainly textiles and paper, and furniture is re-used therefore also diverting it from landfill.
- A1.3 On 19/7/10 Torbay Council formed the Joint Venture Partnership with May Gurney, known as TOR2 and they introduced kerbside separated recycling to every household in the Torbay. TOR2 are now able to collect textiles directly from each household. By stopping recycling credit payments most of the materials would either be collected from the kerbside or still be collected by the charities and community groups with little ending up back in landfill.

A2. Risk assessment of preferred option

A2.1 Outline of significant key risks

- A2.1.1 Without these charges being implemented then the saving of about £45k p.a. will need to be found from other areas within the Spatial Planning budget.
- A2.1.2 This will have a financial impact on charity and community groups currently participating in the scheme. However, the organisations affected could renegotiate with their recycling contractors to offset some of this loss.

A2.2 Remaining risks

- A2.2.1 Torbay Council may receive some adverse publicity by stopping the payment of recycling credits to charities and community groups.

A3. Other Options

- A3.1 Continue to pay recycling credits to charities and community groups.

A4. Summary of resource implications

- A4.1 There will be no resource implications as ceasing these payments constitute only a very small part of various officers' workloads.
- A4.2 The whole financial saving will come from the ceasing of the payments to the relevant groups.

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

A5.1 The community groups and charities will be disappointed to lose this funding, but just as the council has to make savings, then these groups can renegotiate contracts as the textile markets are very good at present.

A5.2 There will be no impact on waste minimisation as the majority of the material previously collected through recycling credits scheme will be collected at the kerbside.

A6. Consultation and Customer Focus

A6.1 If this policy is accepted a letter will be sent to all charities and community groups that have claimed a recycling credit with in the last two years, to inform them that these payments will cease six weeks from the date of that communication.

A7. Are there any implications for other Business Units?

A7.1 There will be a slight reduction in workload for the payments section.

Appendices

Appendix 1 Recycling Credit Payment list 2009-10 & 2010-11

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Title: **Statement of Accounts 2010/11**

Public Agenda Item: **Yes**

Wards Affected: **All wards**

To: **Audit Committee
Council**

On: **20 September 2011
29 September 2011**

Key Decision: **No**

Change to Budget: **No**

Change to Policy Framework: **No**

Contact Officer: **Martin Phillips**

☎ Telephone: **01803 207285**

✉ E.mail: **Martin.phillips@torbay.gov.uk**

1. What we are trying to achieve

- 1.1 To enable Council to approve the Statement of Accounts for 2010/11 in compliance with the Account and Audit Regulations 2011.

2. Recommendation(s) for decision.

Audit Committee

- 2.1 That Audit Committee consider the accounts and make any recommendations to Council as appropriate.

Council

- 2.2 That the Council's Statement of Accounts for 2010/11, as set out in pages 3 to 139 in Appendix 1 to this report, be approved and;
- 2.3 That following approval in 2.2 above the person presiding at this meeting shall sign and date the accounts on behalf of the Council, to represent the completion of the Council's approval process of the accounts, in the "Statement of Responsibilities for the Statement of Accounts" shown on page 16 of the Statement of Accounts.

3. Key points and reasons for recommendations

- 3.1 To enable the Council to meet its requirements under the Account and Audit Regulations 2011. These regulations require approval of the 2010/11 Statement

of Accounts for the year ended 31 March 2011 by a committee of the Council before 30 September 2011. For Torbay this is the full Council. In addition the Regulations require that the person presiding at the Council meeting shall sign and date the accounts. As a key part of this process the Audit Committee will consider these Accounts prior to Council approval and will also receive and consider the External Auditor's report and opinion on the accounts.

- 3.2 As required by the Account and Audit Regulations 2011 these Accounts were "authorised for issue" by the Council's Chief Finance Officer by 30th June 2011 and have been available on the Council's website since that date. The accounts, as required by the Regulations, were available for public scrutiny for 20 working days during July 2011. The Council's External Auditor was also available from a specified day to deal with any representations from the public.
- 3.3 The annual external audit of the accounts by the Audit Commission's appointed auditor, the Audit Commission, started mid July 2011 and will be completed by 30th September 2011. The Audit Commission are due to report on the Accounts to Audit Committee in September which will allow members to consider the External Auditor's report in their review and approval of the Accounts.
- 3.4 Due to the timing of the external audit and committee meetings the accounts presented to Audit Committee in September were the Accounts as authorised for issue in June 2011. The Accounts presented to Council have been updated for changes and improvements identified by the external audit and officers. If any material alterations in respect of the accounts as presented to Council are recommended by the External Auditor then this will be reported to Members at a future meeting following completion of the audit.
- 3.5 The 2010/11 accounts (and therefore 2009/10 comparative data within these Accounts) are the Council's first Accounts to be produced in line with International Financial Reporting Standards (IFRS).
- 3.6 Council in July 2011 considered specific reports on both revenue and capital spending during the last financial year and those reports are consistent with the financial information in the Statement of Accounts. The final Revenue outturn for 2010/11, after transfers to earmarked reserves was an under spend of £0.3 million and this balance will be transferred to the General Fund reserve.

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

**Paul Looby
Chief Finance Officer**

Supporting information

A1. Introduction and history

- A1.1 The principal legislation relating to the keeping of local authority accounts is contained in the Local Government and Housing Act 1989 and the Accounts and Audit Regulations 2011. Local authority accounts are required to present a “true and fair view” of the financial position of the authority. The audit requirements of accounts is contained in the Audit Commission Act 1998.
- A1.2 The Account and Audit Regulations 2011 regulations require that the responsible financial officer of the Council shall sign by 30th June 2011 the Statement of Accounts and certify that it presents a “true and fair” view of both the financial position of the Council at the end of the year to which it relates and its income and expenditure. The Council’s responsible financial officer, Paul Looby, has certified the accounts at page 17.
- A1.3 The Regulations also require approval of the Statement of Accounts by a committee of the Council before September 30th 2011. For Torbay this is the full Council (although the Audit Committee is able to approve the Accounts). In addition the Regulations require that the person presiding at this meeting shall sign and date the accounts.
- A1.4 The Statement of Responsibilities for the Statement of Accounts to be signed by the person presiding at this meeting is on page 16 within the Statement of Accounts. The intention behind this requirement is that the signature of the person presiding at the meeting shall formally represent the completion of the Council’s approval process of the accounts.

A2. Whole Government Accounts Agenda

- A2.1 The requirement of the Accounts and Audit Regulations 2011 to “authorise for issue” a (pre audit copy) Council’s Accounts by 30th June is part of the Whole Government Accounts (WGA) agenda. This is to ensure that all public sector bodies produce their own “single entity” accounts by 30th June each year. From these accounts each body is required to complete an audited WGA return which excludes all transactions and balances with other bodies, so that HM Treasury can produce a set of accounts that represents the income, expenditure, assets and liabilities of the whole public sector.
- A2.2 These requirements place pressures on finance and service staff to produce the information required in a short time period. It should be noted that although the Statement of Accounts is produced by Financial Services the support of service staff, who order, authorise and control income and expenditure is vital in this process. The Chief Finance Officer and his staff, again, recognise the support given by service staff and without their support this timetable would not have been met.

A3. Group Accounts and Partnership Working

- A3.1 A key issue that affects the closure of the Council's accounts is the requirement to include the accounts of other bodies where the Council has control or significant control.
- A3.2 The Council owns or has influence in a number of private companies including TOR2, PLUS, English Riviera Tourism Company and new for 2011/12 the Economic Development Company.
- A3.3 This information will need to be consolidated within the Council's accounts as Group accounts if material. It is considered that the Council's interests in these companies will be material in 2011/12, which will require the production of Council group accounts alongside its single entity accounts. This will place additional work on finance staff both within the Council and in the companies to produce information on an IFRS basis in a short period to meet the deadline of 30th June.
- A3.3 The partnership for Adult Social care with the Torbay Care Trust requires the Care Trust to provide final account information the Council promptly for inclusion within its accounts. The information has always been provided within agreed timetables.
- A3.4 In addition the Council has to disclose details of all arrangements with other bodies that could be classified as a related party or pooled budget arrangement such as the Devon Audit Shared Services Joint Committee. It is vital that the Council has an understanding of all the "partnerships" and joint working arrangements it has entered into, particularly in terms of legal issues, financial control and any risks and/or rewards the Council has from the arrangement.

A4 2010/11 Statement of Accounts

- A4.1 Appendix 1 to this report shows the annual Statement of Accounts for the financial year ending 31st March 2011. It is a rather technical document with its content and format largely prescribed by guidance and legislation.
- A4.2 In addition to encourage wider understanding of the Council's accounts summary financial information will be in the Council's annual report for 2010/11.
- A4.3 The Council's accounting policies, which underpin the information within the Statement of Accounts, are reviewed on an annual basis by the Chief Finance Office to ensure that the selection of the accounting policies is consistent with the latest guidance and standards (IAS8). The Council's Accounting Policies are shown within the Statement of Accounts on pages 104 to 128 and are part of the Council's approval of the Accounts.

A5. International Financing Reporting Standards (IFRS)

- A5.1 The 2010/11 accounts (and therefore 2009/10 comparative data within these Accounts) are the Council's first Accounts to be produced in line with International Financial Reporting Standards (IFRS). Audit Committee has received reports and updates on this issue over the past two years and the

significant impact this will have on the Council's accounts and the information requirements to support it.

A5.2 As a result of the change to IFRS this has had a significant impact on the format and content of the Council's Accounts. For 2010/11 this has entailed the accounts being completely rewritten with the core statements and supporting notes now presented on an IFRS basis including the use of "proper practice" and examples from CIPFA. This has resulted in significant changes in the 2010/11 accounts (IFRS) compared to the 2009/10 published accounts (under UKGAAP). In the 2010/11 Accounts there is a note outlining the main restatements required by the move to IFRS.

A5.3 It is inevitable that due to the significant changes there will be a period of adjustment as the Council's accounts are "refined" by both the External Auditor and consensus on the appropriate treatment of IFRS amongst Councils and auditors as the new standards "bed in".

A5.4 To support understanding of the change to IFRS, CIPFA have issued a guide to IFRS called "telling the story" to provide an overview of the change to IFRS. This is available on the Councils website at:

http://www.torbay.gov.uk/index/council/financial_services/statementofaccounts.htm

A5.5 If any Member would like additional training or any questions answered on interpreting the Accounts and IFRS you can contact Martin Phillips who will endeavour to help. His contact details are in the heading to this report.

6. Annual Governance Statement (AGS)

A6.1 The Statement of Accounts presented to Council will include the Council's Annual Governance Statement. This statement is required to be published as part of the Council's accounts but it is not an "integral" part of the accounts as the scope of the Governance Statement is wider than just financial control issues. The Statement was presented for review by Audit Committee in June 2011.

A6.2 The Annual Governance Statement in the Statement of Accounts is as presented to Audit Committee in June. It is anticipated that the Annual Governance Statement, when published with the Accounts at the end of September, will have been updated to include any changes identified by both the External Auditor and Council staff since that date.

A7. Other Final Accounts Requirements

A7.1 The Approval of the Council's statutory Statement of Accounts is an important part of the final accounts process; however there are other requirements relating to 2010/11. These include:

- Completion of WGA Return which will be subject to external audit
- Completion of Revenue and Capital Central Government returns on 2010/11
- Completion of Schools related "section 252" return
- Completion of Grant claims which will be subject to external audit
- The publication of both the Statement of Accounts

- Inclusion of financial information in Council's annual report
- Publishing (and advertising) the Accounts and completion of the audit

A8. Support of Staff and External Auditor

A8.1 The Chief Finance Officer would like to take the opportunity of publicly thanking, again, his finance staff and staff within services for their support and commitment in helping to meet the challenging final accounts timetable in particular the significant changes of the move to IFRS. In addition the Chief Finance Officer would like to recognise the support of the Council's External Auditor in the move to IFRS over the past two years.

Paul Looby

Chief Finance Officer

Contact Officer: Martin Phillips
Telephone no. 207285

Appendices

Appendix 1 – Statement of Accounts 2010/11

Financial Services



STATEMENT OF ACCOUNTS

2010/11

Torbay Council, Town Hall, Castle Circus, Torquay, Devon TQ1 3DS

Contents

	Page		Page
Operating and Financial Review 2010/11	3	Note 22 Provisions	63
Financial Certificates	16	Note 23 Borrowing	64
Independent Auditor's Report	18	Note 24 Liabilities	66
Core Financial Statements:-		Note 25 Usable Reserves	68
Movement in Reserves Statement	19	Note 26 Unusable Reserves	70
Comprehensive Income and Expenditure Statement	21	Notes re Cash Flow:	
Balance Sheet	22	Note 27 Operating Activities	75
Cash Flow Statement	24	Note 28 Investing Activities	75
		Note 29 Financing Activities	76
Notes to the Core Financial Statements:-		Supporting Notes:	
General Notes:		Note 30 Amounts Reported for Resource Allocation Decisions	76
Note 1 – Transition to IFRS	25	Note 31 Trading Operations	80
Note 2 Accounting Standards Issued, Not Adopted	33	Note 32 Agency Services	80
Note 3 Critical Judgements in Applying Accounting Policies	33	Note 33 Pooled Budgets	80
Note 4 Assumptions Made about the Future and Other Major Sources of Estimation Uncertainty	34	Note 34 Members' Allowances	81
Note 5 Material Items of Income and Expense	35	Note 35 Officers' Remuneration	81
Note 6 Events After the Balance Sheet Date	35	Note 36 External Audit Costs	83
Notes re Movement in Reserves Statement:		Note 37 Dedicated Schools Grant	83
Note 7 Adjustments between Accounting Basis and Funding Basis under Regulations	35	Note 38 Grant Income	84
Note 8 Transfers to/from Earmarked Reserves	38	Note 39 Related Parties	85
Notes re Comprehensive Income & Expenditure Statement:		Note 40 Impairment Losses	94
Note 9 Other Operating Expenditure	43	Note 41 Contingent Liabilities	94
Note 10 Financing and Investment Income and Expenditure	43	Note 42 Termination Benefits	94
Note 11 Taxation and Non-Specific Grant Income	43	Note 43 Capital Financing	94
Notes re Balance Sheet:		Note 44 Leases	95
Note 12 Property, Plant and Equipment	44	Note 45 Pension Schemes Accounted for as Defined Contribution Schemes	97
Note 13 Investment Properties	49	Note 46 Defined Benefit Pension Schemes	97
Note 14 Intangible Assets	50	Note 47 Summary of Significant Accounting Policies	104
Note 15 Financial Instruments	52	Supplementary Financial Statement:-	
Note 16 Nature and Extent of Risks Arising from Financial Instruments	56	Collection Fund Summary Account	129
Note 17 Investments	59	Notes to the Collection Fund Summary Account	131
Note 18 Assets Held for Sale	61	Glossary	134
Note 19 Debtors	61	Annual Governance Statement	140
Note 20 Cash and Cash Equivalents	62		
Note 21 Creditors	62		

OPERATING AND FINANCIAL REVIEW 2010/11

Welcome

Welcome to Torbay Council's statement of accounts for the 2010/11 financial year ending 31st March 2011. The accounts are compiled in accordance with relevant legislation and guidance – primarily International Financial Reporting Standards (IFRS) and the CIPFA Accounting Code of Practice ("the Code").

The accounts show a "true and fair" financial picture of the Council's total income and expenditure in the financial year and its balance sheet as at 31st March 2011 detailing all the Council's assets and liabilities with supporting notes to add further explanation.

The accounts are prefaced by this Operating and Financial Review which aims to provide a narrative outline on the financial position of the Council for both 2010/11 and in future years.

Pen Picture of Torbay

Torbay Council is a unitary Council in the South West of England serving the three coastal towns of Torquay, Paignton and Brixham with a population in excess of 134,000 of which 74,000 are of working age.

As a unitary Council it is responsible for a wide range of services including schools, social care, transport, culture, housing and waste. The Council budget digest outlines the services that the Council provides and is available on the Council's website.

http://www.torbay.gov.uk/index/council/financial_services/budgetdigest.htm

Torbay Council has an elected Mayor as well as 36 elected ward councillors. The elected Mayor in 2010/11 was Nick Bye. The majority of the 36 ward councillors were Conservative party candidates. The latest full Council and Mayoral elections were in May 2011.

Significant Events in 2010/11

On a national level the May 2010 election resulted in a Coalition Government who introduced an emergency budget in June 2010 which resulted in an in year funding cut for Torbay of £1m.

There were a number of new government initiatives some of which had an impact on the Council in 2010/11. One of these initiatives was the encouragement for schools to seek Academy status. In Torbay, by 31st March 2011, 3 schools had converted to Academies and are now fully independent of the Council.

The Council also continued to look for improved ways for delivering services. During 2010/11 the Council established a Joint Venture Company with May Gurney called TOR2 to provide a range of services including waste collection to the Council which started operating in July 2010. The Council owns 20% of the new company.

In October 2010 the English Riviera Tourist Board Company started operating to provide tourism services. The Council owns 100% of the new company.

The Council also started planning towards reduced funding levels from Central Government in future financial years as announced in October in the Comprehensive Spending Review. As a result in February 2011 the Chief Executive proposed a new (reduced) management structure for the management of the Council, operational from 2011.

The Council, in partnership with Devon and Plymouth City Councils have selected a contractor for the 25 year PFI contract for the provision and operation of an Energy From Waste facility to be built in Plymouth for the disposal on non recyclable waste.

Purpose of Accounts

The purpose of these accounts is to present to the reader a detailed overview of the Council's financial position as at the end of March 2011 giving information as to the Council's assets and liabilities at a point in time and detail on the Council's financial performance during 2010/11. The format of these accounts is this Operating Review followed by the Core Financial Statements for 2010/11 then the supporting notes to those core financial statements.

The form and content of these accounts is highly prescribed, (by the CIPFA Code of Practice), and is produced on an IFRS basis (International Financial Reporting Standards). 2010/11 is the first year that the Accounts have been presented on an IFRS basis. As a result the prior year – 2009/10 has been restated and, where appropriate, the restated balances as at 1st April 2009 are shown as this date was the “date of transition” to IFRS for the Council.

External Audit and Public Inspection of the Accounts

These accounts are subject to a detailed audit by the Council's external auditor. Under the Accounts and Audit Regulations the accounts, with its supporting documents, are available for public inspection for a limited period. Full details are available from Financial Services at Torquay Town Hall or on the council's website at:-

http://www.torbay.gov.uk/index/council/financial_services/accountsinspection.htm

Annual Governance Statement

The Council under the Accounts and Audit Regulations must approve an Annual Governance Statement prepared in accordance with proper practices in relation to internal controls. The 2010/11 statement has been included within these published accounts but are not part of the accounts and is outside the external auditor's opinion.

Rounding

The figures in these accounts are presented to the nearest £100,000 – (i.e. 0.1 million)

Overview of Financial Performance

The Council's financial performance in 2010/11 resulted in a contribution at the end of the year of £0.3 million to its general fund reserve. This was the underspend for the year after carry forwards and reserve movements. This was a result of careful financial management within the Council to ensure that the Council stayed within its 2010/11 budget and for this officers and members should be commended.

The Council's gross expenditure in the year was in the region of £400m for revenue (day to day) spend and £44 million for capital (spend on long term assets such as roads and schools).

The Council's Comprehensive Income and Expenditure account (I&E) is the Council's income and expenditure presented on an IFRS basis. This includes a number of non cash items such as depreciation and pension assumptions and an earlier recognition of grants, based on conditions attached to the grant rather than matching the grant to expenditure, which should then allow the Council's accounts to be comparable to other sector accounts. The total surplus for this account for 2010/11 is a surplus of £85m. The key reason for this surplus is the decrease in the Council's pension fund liability which resulted in two large (one off) credits of £36m and £62m reflecting changes in actuarial assumptions as to the overall pension liability including the move to base pension increases on the (usually) lower CPI instead of RPI. Conversely the account includes impairment charges of £13m relating primarily to the revaluation of Brixham Regeneration development including Brixham Fish Quay and Paignton Library hub based on fair values relating to the operational use and rental streams on those assets.

The total from the Comprehensive Income and Expenditure statement is reflected in the Movement of Reserves statement which then adds the impact of any reserve movements to usable reserves and unusable

reserves to get to the “bottom line” Council position for 2010/11. Within this is the reversal of a number of accounting entries made under IFRS that appear in the Council’s I&E such as depreciation and pension assumptions, which are allowed, under statute, to be reversed in this statement to ensure that these entries do not have a “cash” impact on the Council Tax payer. After these adjustments the Council’s net underspend for the year was £0.3 million. This statement shows that the Council’s usable reserves had a small increase with an increase in both earmarked and general fund reserves offset by use of capital reserves to fund capital expenditure in year.

The Council also spent £44 million on capital projects including schemes such as the rebuild of Torquay Community College, Paignton Library Hub, Royal Terrace Gardens/Rock Walk stabilisation, Tweenaway Cross and Cockington Court.

On the balance sheet there were some significant changes in year. The major change was a £89 million reduction in the Council’s pension liability for the year primarily due to changes arising from the change in future pension increases being linked to the lower CPI compared to RPI and changes in other actuarial assumptions such as higher mortality rates

There were changes in the value of the Council’s non current assets (fixed assets) from the impact of expenditure in the year on these assets of £30 million. The three academy schools that left the Council’s control during 2010/11 had no impact on the balance sheet as all three were previously foundation schools.

The Council increased its long term borrowing by £10 million during the year and in October 2010 converted £20 million of liability to Devon County Council in relation to local government reorganisation in 1998 to PWLB borrowing.

In addition to the Council general fund reserve being increased by £0.3 million to £4.0 million, which is equivalent to 3.2% of the Council’s 2011/12 net revenue budget, there was an overall increase in the level of earmarked reserves which included the establishment of the Comprehensive Spending Review Reserve of £3.5 million during 2010/11 to help meet the financial challenges of the Coalition Government’s reducing the level of funding for the Council over the next four years – potentially up to a 30% reduction by 2014/15.

Overall the Council’s balance sheet was significantly stronger than the previous year primarily due to the £89 million reduction in the Council’s pension liability. In addition expenditure on non current assets exceeded any increase in borrowing. The Council’s cash and investment levels also increased in the year although this is short term as the cash will be used in the medium term as capital projects and reserves are used.

Forward Financial look

The Council has a rolling three year “Medium Term Resource Plan” which supports service planning for future years. There are a number of significant issues that are impacting on the Council, its finances and its service delivery. These include:

Ongoing impact of the Coalition Government’s Comprehensive Spending Review announced in October 2010 which set a target of reducing Council funding by up to 30% over four years 2011/12 to 2014/15.

Ongoing impact of the economic conditions with increased levels of demand for some services such as housing and council tax benefit plus reduced income levels from other services such as lower asset disposal values and from tax collection.

Ongoing impact of the demographic trends within the Council area, such as an increasing demand for adult and children social care plus changes in pupil numbers throughout the area changing demand for school places.

The Council had a Mayoral and full Council election in May 2011 which could result in changes in Council priorities which will impact on services.

The Government is considering significant reform of Council funding for 2013/14 onwards. As a

result the Council has not been notified funding allocations for these years. Changes being considered include Council's retaining NNDR income locally rather than passing the money into a national pool for allocation based on relative need and a complete review of the formula for allocating funding to Councils. This review could have a significant impact on future Council funding.

The Coalition Government is introducing a range of new legislation which impact on public services in Torbay. These include:

Transfer of schools from Councils to become Academy schools funded direct from central government. These schools are independent of the Council so their assets, income and expenditure will not form part of the Council's accounts.

Reform of the Benefit System which included the phased introduction of the Universal Credit, which is expected to be administered on a national basis. This will replace a number of benefits including the Council administered Housing Benefit. The Council currently pays over £60m of this benefit each year with the associated staff and IT support.

Reform of the NHS. It has been announced that Primary Care Trusts are to be disbanded. In Torbay this is the Torbay Care Trust who the Council currently commission to provide adult social care. In addition the public health function of primary care trusts is to transfer to Council's for 2012/13.

It is proposed that the Audit Commission, who is the Council's current appointed auditor will be abolished and Councils from 2012/13 will appoint their own external auditors. This change will be supported by an enhanced, more independent, role of Audit Committees.

There are a number of other central government initiatives that will impact on the Council in the future ranging from the abolition of Regional Development Agencies to the Localism Act which will encourage local communities to have a greater say in local services – maybe even running some Council services themselves.

Summary of spend to budget in year

Revenue Budget:

Funding

In February 2010 the Council set a budget for 2010/11 of £134m, which was to be funded as follows:

	2009/10	2010/11
Net Budget Requirement	£124m	£134m *
Area Based Grant	(£8m)	(£13m) *
NNDR (from national pool)	(£46m)	(£52m)
Revenue Support Grant	(£11m)	(£7m)
Council Tax Payers	(£59m)	(£62m)
Band D Council Tax – Torbay Only	£1,227.40	£1,261.17 **
Band D Council Tax – including Police, Fire and Brixham Town Council	£1,473.45	£1,517.92

* As a result of the Coalition Government's emergency budget in June 2010 the Council budget and funding from the Area Based Grant were reduced in year by £1m

**The increase in the Band D Council tax for Torbay was a 2.75% year on year increase.

Expenditure

In July 2011 the Council received a revenue outturn report detailing income and expenditure in year and reasons for any variances which can be obtained from the Council's website. The summary of budget and expenditure by service in 2010/11 as presented in that report is shown below.

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)
Transfer to Earmarked Corporate Reserves	0	1,076	0	1,076	1,076
Total	132,981	132,128	578	132,706	(275)

Capital Budget

Council in July 2011 is due to receive a capital outturn report detailing income and expenditure in year and reasons for any variances which can be obtained from the Council's website.

Funding

The Council spent £44m on capital expenditure in 2010/11 and this funding and expenditure are shown in the two tables below.

	Latest Budget	Outturn	Variation
	£m	£m	£m
Borrowing – of which	12.3	12.3	0
<i>Supported (by Government 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 Funding	47.3	43.8	(3.5)

Expenditure

The expenditure in the year of £44 million by the four “themes” that the Council reports on for internal reporting are as follows:

	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)

Material Assets or Liabilities acquired

Assets:

The Council spent £44m on capital assets of which £30m was added to the value of the Council's non current assets. The balance of £14m was spent on capital expenditure on assets the Council does not recognise as its own such as Foundation or Voluntary Aided schools.

A summary of capital expenditure in 2010/11 is shown below:

Scheme	Spend 2010/11 £m
Office Accommodation Project	1.7
Paignton Library Hub	2.5
Royal Terrace Gardens/Rock Walk	1.9
Cockington Court	2.0
Torquay Community College – Rebuild	7.4
Paignton College – Sports Hub	1.7
My Place – Parkfield	1.9
Other Schools/Education	9.9
Tweenaway Cross Junction Improvements	2.5
Other Transport	3.6
Waste (TOR2)	1.1

Brixham Regeneration	4.2
Disabled Facility & Renovation Grants	0.9
Affordable Housing	0.6
Other Schemes	1.9
Total	43.8

Liabilities

No significant liabilities were acquired by the Council in 2010/11. The Council's risk for both TOR2 and English Riviera Tourism Company is limited under its ownership, although the Council does retain pension liability for the staff that transferred to TOR2 and the tourism company up to date of transfer.

Significance of Pension liability

The Council's employees can be members of the Devon County Council pension scheme. As a defined benefit scheme the Council is liable for any surplus or deficit on the fund. The Council's liability is calculated on an annual basis by the fund's actuary. This value estimates the liability to the Council if all liabilities were to be realised at a point in time. In reality the impact on the Council is spread over a long period of time (over current and future pensioners lives) with the Council reducing the deficit by its employers' contributions to the fund over the long term (over 25 years).

This liability as at 31st March 2011 is assessed at £77 million, a £89 million decrease from the previous year of £166 million.

This decrease is primarily due to three factors:

- a £8m reduction in liability as a result of staff transferring out of the scheme in relation to service changes to TOR2, English Riviera Tourist board and Academy schools,
- a £28m reduction in liability based on benefits accrued to date following the Coalition government's announcement to link pension increases to the (lower) CPI index rather than the RPI and
- a £50m reduction in liability as a result of changes in actuarial assumptions about the cost of future benefits including future changes in relation to CPI and other factors such as the rate of salary increases.

Explanation of any unusual costs/income

There were a number of unusual costs within the income and expenditure account in 2010/11. These include:

The majority of payments for back pay to April 2007 relating to the job evaluation process were made in 2010/11. These totalled £3.2 million and were funded from the 2010/11 budget for job evaluation costs and provisions and accruals provided for in previous years.

As a result of the 2011/12 budget process and the restructuring of the Council's senior management actual costs and a provision for future costs arising from the staffing reductions was made in 2010/11. These totalled £1.4 million and were funded from the Comprehensive Spending Review Reserve.

In 2010/11 three schools converted to Academy status. As all three schools were previously foundation schools there was no impact on the Council's balance sheet however income and expenditure for these

School's from date of transfer no longer forms part of the Council accounts.

The Council contract with TOR2 started in July 2010. Due to the pattern of contract payments to TOR2, set up costs and the profile of residual costs the Council still pay – such as the repayment of borrowing on vehicles & plant, there were increased costs in 2010/11 that were funded from reserves. There is estimated to be lower costs in future years which will enable reserves to be replenished.

Changes in Accounting Policies

With the introduction of International Financial Reporting Standards (IFRS) for 2010/11 accounts there has been significant changes in accounting policies, formats, terminology and presentation within these accounts compared to the 2009/10 accounts which were presented on a UKGAAP basis (United Kingdom Generally Accepted Accounting Practice). Proper practice for Councils to follow is still provided by CIPFA but the guidance has been completely rewritten and renamed.

As part of the transition to IFRS from 1st April 2009 the comparative financial year (2009/10) has been restated to enable comparison between 2009/10 and 2010/11 so there are no changes in accounting policies between 2010/11 and the restated 2009/10 accounts.

From the Council's published 2009/10 accounts which were based on UKGAAP and 2010/11 accounts based on IFRS there are significant changes. Where these have a material impact these are summarised in note 1 to these accounts. The major changes are around non current assets (fixed assets) where a number of assets have been either removed or recognised on the Council's balance sheet or recategorised and then revalued as say investment properties or Assets Held for Sale. The largest change was the removal of foundation schools from the Council's balance sheet which resulted in a change of £125 million.

The Council has changed its accounting for the South Devon Link Road. In agreement with Devon County Council (as the other Council involved in the scheme) the Council will, from 2010/11, treat expenditure on the scheme until operational as REFCUS (revenue expenditure funded from capital under statute) and charged as income to the Comprehensive Income and Expenditure Account. Expenditure incurred to 31st March 2010 of £0.8m has been removed from assets under construction and charged to Income and Expenditure Account in 2010/11 and then reversed to Capital Adjustment Account through the Movement in Reserves statement. This change will ensure that Torbay Council and Devon County Council's accounting treatment are aligned.

Planned Future Developments in service delivery

There are a number of changes in service delivery that the Council is planning for. These include:

Creation of an Economic Development Company which went live in May 2011 to provide a range of professional services to the Council and other bodies. This involved the transfer of over 70 staff and the transfer, at nil value, of a number of Council properties such as Innovation Centres, Bishop's Place, Vaughan Parade and a number of properties held for regeneration purposes.

Creation of a PFI Energy From Waste Facility in partnership with Plymouth City and Devon County Councils. This facility will be provided by the private sector but the Council's share will be recognised as a Council asset along with the relevant liability to pay the contractor for construction of the facility. The total cost of the construction of the facility is approximately £200 million and will result in an asset and long term liability for the Council when operational.

The Council has an agreement in principal to create a Local Asset Backed Vehicle (a company owned 50% by the Council and 50% by a private developer) to progress, develop and operate the major regeneration of a number of Council assets. The Council will transfer assets to the new company as its contribution while the developer will contribute the funding required. Any future profits to be split between the two owners.

Under the proposed NHS reforms primary care trusts are to be abolished. Within Torbay this generates an issue as the local primary care trust (Torbay Care Trust) is the Council's provider for Adult Social Care. The future service delivery of this function will need to be established.

It is anticipated that more schools will opt for Academy status in addition to the three schools in 2010/11. Some schools have already informed the Council of their decision to transfer in 2011/12. From transfer date the Council's accounts will no longer recognise any assets/liabilities or income/expenditure in relation to those schools.

The impact of the reductions required under the Coalition Government's Comprehensive Spending Review will inevitably impact on the range of services provided and how these services are provided in the future. The Council produces a rolling forward financial plan called The Medium Term Resource Strategy which is available on the Council website. Within that document (November 2010) there is a summary of projected revenue income and expenditure for the next four years.

	2010/11	2011/12	2012/13	2013/14	2014/15
Estimated Income	132.9	126.2	124.1	121.3	118.8
Expenditure	132.9	139.2	145.5	148.8	151.8
Estimated Funding Gap	0	13.0	21.4	27.5	33.0

A number of service reductions were approved as part of the 2011/12 Council budget which will impact to an extent on future service delivery. One change was the restructure from May 2011 of the Council's senior managers. This has seen the deletion of a number of posts.

The Council approved a four year capital plan in February 2011 which is available on the Council website. A summary of anticipated capital spend over the next four years is summarised below.

	2011/12	2012/13	2013/14	2014/15
	£'000	£'000	£'000	£'000
PRIDE IN THE BAY	7,303	5,440	6,970	2,605
NEW ECONOMY	2,403	0	0	0
LEARNING & SKILLS	17,627	1,000	1,000	0
STRONGER COMMUNITIES	3,593	1,318	125	0
CORPORATE HEALTH	11,116	13,049	230	0
Total	42,042	20,807	8,325	2,605

Borrowing & Investments

The Council undertakes borrowing to support its capital expenditure. As at 31st March 2011 the Council had £163 million of borrowing primarily to the Public Works Loans Board. In addition it had a long term liability of £10m to the PFI contractor for Westlands and Homelands schools.

The Council had £115m of investments at year end with a net debt position of £56 million. During 2010/11 the Council increased its borrowing by £10 million. In addition in October 2010 the Council converted £20m of debt owed to Devon County Council arising from assets transferred to Torbay in 1998 on local government reorganisation to PWLB debt. This had no impact on the Council's overall borrowing and long term liabilities.

The control over the level of Council borrowing is supported by the Prudential Code where the Council has to set limits in relation to its treasury management including limits for long term borrowing and liabilities to ensure that this is prudent and affordable. One of these indicators is a calculation called the Capital Financing Requirement which shows the Council's underlying need to borrow based on previous decision on capital expenditure and borrowing offset by any repayment of principal made or other capital funding used.

The key figures, in relation to borrowing and capital financing, are as follows:

	31/3/10	31/3/11
	£m	£m
<u>Balance Sheet Values:</u>		
External Borrowing	133	162
Long Term Liabilities	30	10
External Investments	(109)	(116)
Net Debt	54	56
<u>Treasury Management Limits:</u>		
Capital Financing Requirement	130	138
Authorised Limit	-	224
Operational Limit	-	195
<u>Revenue Income & Expenditure:</u>		
Investment Income	(2.7)	(1.6)
Interest Paid	5.2	6.3
Costs re long term liabilities	2.0	1.0
Minimum Revenue Provision (for repayment of principal)	4.1	4.0

The level of Council borrowing reflects the Council's capital financing requirement plus the borrowing required by the approved four year capital plan. The Council's investments and other cash holdings are sufficient to meet the Council's short and medium term cash requirements for revenue and capital expenditure and any "cash backed" balance sheet items such as reserves and working capital.

Significant Provisions or contingencies

The Council has provisions at year end of £3 million to meet known liabilities. These are primarily in relation to insurance claims – submitted to the Council but are currently being investigated and in relation to costs of staff restructuring decisions taken in 2010/11.

The Council has given a number of pension guarantees as Council staff have transferred to other bodies such as PLUSS. These are unlikely to result in a cash payment so are treated as a contingent liability.

As owner or part owner of several companies the council has some exposure to risk but this is limited by guarantee.

The Council has provided a financial guarantee to other bodies – the significant being a £975k bank and loan guarantee to Torbay Coast and Countryside Trust.

Material events after reporting date

Since 31st March 2011 to the date the Chief Finance officer authorised the accounts (30th June 2011) there are a few significant events to note:

In the Council elections in May 2011 a conservative majority was elected along with a new Mayor – Gordon Oliver who is a conservative party candidate.

In April 2011 an economic development company was set up – limited by share, 100% owned by the Council, which went live in May 2011 when over 70 staff and a number of assets were transferred to the company at nil consideration

Three primary schools converted to academy status in April 2011 becoming independent of the Council.

Links to Other Financial information

The statement of accounts is a key financial document published by the Council. The council's website contains a range of financial information:

http://www.torbay.gov.uk/financial_services.

All financial reports such as monitoring reports and outturn reports are reported on a regular basis to Council Committees. All reports are available on the council website:

<http://www.torbay.gov.uk/index/council/councillorsdecisions/minutesandreports.htm>

The revenue and capital outturn reports that support this document *are due* to be presented to Council on 13th July 2011.

An extract of the website showing the links to the Council's financial information is shown below:



Glossary

There is a glossary at the back of these accounts to help explain the meaning of the some of the local government finance and IFRS accounting terms.

Signed by

Paul Looby BA CPFA

Chief Finance Officer

Torbay Council

30th June 2011

FINANCIAL CERTIFICATES

The Statement of Responsibilities for the Statement of Accounts

The Council's Responsibilities

The Council is required:-

- ◆ to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Council, that officer is the Council's Chief Finance Officer
- ◆ to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets
- ◆ approve the Statement of Accounts

Full Council Approval of the Statement of Accounts 2010/2011

I confirm that the Council completed its approval process of the Statement of Accounts 2010/2011 on the 29th September 2011 at a meeting of the Council.

Councillor Derek Mills

Chairman of the Council

29th September 2011

The Chief Finance Officer's Responsibilities

The Chief Finance Officer is responsible for the preparation of the Council's statement of accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (Code of Practice).

In preparing this Statement of Accounts, the Chief Finance Officer has:-

- ◆ selected suitable accounting policies and then applied them consistently;
- ◆ made judgments and estimates that were reasonable and prudent;
- ◆ complied with the Code of Practice.

The Chief Finance Officer has also:-

- ◆ kept proper accounting records which were up to date;
 - ◆ taken reasonable steps for the prevention and detection of fraud and other irregularities.
-

The Chief Finance Officer's Statement

The Statement of Accounts as required by the Accounts and Audit Regulations 2003 (last amended March 2011) is set out on pages 3 to page 139 and has been prepared in accordance with the accounting policies set out on pages 104 to 128. In my opinion it is a true and fair view of the financial position of the Council at 31st March 2011 and its income and expenditure for the year ended 31st March 2011.

The accounts are audited by the Council's External Auditor, the Audit Commission.

The Statement of Accounts 2010/11 were authorised for issue on the 30th June 2011. This is also the date up to which events after the balance sheet date have been considered.

P LOOBY BA CPFA
Chief Finance Officer
30th June 2011

The Statement of Accounts 2010/11 were authorised for approval by Members and for publication on the 29th September 2011. This is also the date up to which events after the balance sheet date have been considered.

P LOOBY BA CPFA
Chief Finance Officer
29th September 2011

External Auditor's Report

To Follow.

Core Financial Statements

Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the authority, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other 'unusable' reserves. The Surplus or (Deficit) on the Provision of Services line shows the true economic cost of providing the authority's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance for council tax setting. The Net Increase /Decrease before Transfers to Earmarked Reserves line shows the statutory General Fund Balance before any discretionary transfers to or from earmarked reserves undertaken by the council.

	General Fund Balance £m	Earmarked General Fund Reserves £m Note 8	Capital Receipts Reserve £m Note 25	Capital Grants Unapplied £m Note 25	Total Usable Reserves £m Note 25	Unusable Reserves £m Note 26	Total Authority Reserves £m
Balance at 31 March 2009	3.3	27.4	0.4	19.2	50.3	96.7	147.0
<u>Movement in reserves during 2009/10</u>							
Surplus or (deficit) on provision of services	(16.0)	0	0	0	(16.0)	0	(16.0)
Other Comprehensive Expenditure and Income (In I&E Statement)	0	0	0	0	0	(41.7)	(41.7)
Total Comprehensive Expenditure and Income	(16.0)	0	0	0	(16.0)	(41.7)	(57.7)
Adjustments between accounting basis & funding basis under regulations (Note 7)	20.0	0	0	(0.1)	19.9	(19.9)	0
Net Increase/Decrease before Transfers to Earmarked Reserves	4.0	0	0	(0.1)	3.9	(61.6)	(57.7)
Transfers to/from Earmarked Reserves (Note 8)	(3.6)	3.6	0	0	0	0	0
Increase/(Decrease) in 2009/10	0.4	3.6	0	(0.1)	3.9	(61.6)	(57.7)

	General Fund Balance £m	Earmarked General Fund Reserves £m Note 8	Capital Receipts Reserve £m Note 25	Capital Grants Unapplied £m Note 25	Total Usable Reserves £m Note 25	Unusable Reserves £m Note 26	Total Authority Reserves £m
Balance at 31 March 2010 carried forward	3.7	31.0	0.4	19.1	54.2	35.1	89.3
<u>Movement in Reserves during 2010/11</u>							
Surplus or (deficit) on provision of services	24.4	-	-	-	24.4	-	24.4
Other Comprehensive Expenditure and Income (in I&E Statement)	-	-	-	-	-	60.9	60.9
Total Comprehensive Expenditure and Income	24.4	-	-	-	24.4	60.9	85.3
Adjustments between accounting basis & funding basis under regulations (Note 7)	(22.3)	-	0.1	(2.1)	(24.3)	24.3	-
Net Increase/Decrease before Transfers to Earmarked Reserves	2.1	-	0.1	(2.1)	0.1	85.2	85.3
Transfers to/from Earmarked Reserves (Note 8)	(1.8)	1.8	-	0	-	-	-
Increase/(Decrease) in Year	0.3	1.8	0.1	(2.1)	0.1	85.2	85.3
Balance at 31 March 2011 carried forward	4.0	32.8	0.5	17.0	54.3	120.3	174.6

Comprehensive Income and Expenditure Statement

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

2009/2010				2010/11		
Gross Exp £m	Gross Income £m	Net Exp £m		Gross Exp £m	Gross Income £m	Net Exp £m
18.3	(16.3)	2.0	Central services to the public	19.5	(17.4)	2.1
38.0	(14.4)	23.6	Cultural, environmental, regulatory and planning services	46.4	(12.1)	34.3
141.5	(114.5)	27.0	Education and children's services	156.5	(127.7)	28.8
18.6	(8.9)	9.7	Highways and transport services	27.0	(9.8)	17.2
68.5	(66.1)	2.4	Housing services	72.8	(65.1)	7.7
45.9	(1.8)	44.1	Adult social care	47.0	(2.0)	45.0
1.0	0	1.0	Exceptional Items	2.9	(28.0)	(25.1)
6.9	(0.4)	6.5	Corporate and democratic core	5.0	(1.6)	3.4
1.1	0	1.1	Non distributed costs	1.4	(8.8)	(7.4)
339.8	(222.4)	117.4	Cost Of Services	378.5	(272.5)	106.0
38.6	(2.4)	36.2	Other Operating Expenditure (Note 9)	0.7	(0.8)	(0.1)
24.3	(12.3)	12.0	Financing and Investment Income and Expenditure (Note 10)	25.2	(15.0)	10.2
0	(149.6)	(149.6)	Taxation and Non-Specific Grant Income (Note 11)	0	(140.5)	(140.5)
		16.0	(Surplus) or Deficit on Provision of Services			(24.4)
		(4.3)	Surplus or deficit on reval- uation of non current assets			0.6
		0	Surplus or deficit on revaluation of available for sale financial assets			0
		46.1	Actuarial gains / losses on pension assets / liabilities			(61.5)
		41.8	Other Comprehensive Income and Expenditure			(60.9)
		57.8	Total Comprehensive Income and Expenditure			(85.3)

Balance Sheet

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the authority. The net assets of the authority, (assets less liabilities), are matched by the reserves held by the authority. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that the authority may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves is those that the authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

1 April 2009	31 March 2010		Notes	31 March 2011
£m	£m			£m
326.9	325.8	Property, Plant & Equipment	12	333.2
4.1	4.1	Investment Property	13	4.1
0.9	0.7	Intangible Assets	14	0.7
13.6	4.4	Long Term Investments	17	3.0
2.8	3.0	Long Term Debtors	19	3.0
348.3	338.0	Long Term Assets		344.0
61.4	95.6	Short Term Investments	17	112.0
0.4	0.4	Inventories	-	0.1
18.3	11.7	Short Term Debtors	19	12.2
5.7	14.2	Cash and Cash Equivalents	20	2.7
2.4	1.1	Assets Held for Sale	18	1.1
88.2	123.0	Current Assets		128.1
(1.2)	(1.5)	Short Term Borrowing	15	(1.5)
(1.2)	(1.2)	Other Short Term Liabilities	24	(0.4)
(26.8)	(32.8)	Short Term Creditors	21	(35.6)

1 April 2009	31 March 2010		Notes	31 March 2011
£m	£m			£m
(0.5)	(2.3)	Provisions	22	(2.7)
(29.7)	(37.8)	Current Liabilities		(40.2)
(1.2)	(1.3)	Long Term Creditors	21	(1.0)
(2.0)	(0.3)	Provisions	22	(0.3)
(109.5)	(132.6)	Long Term Borrowing	15	(162.7)
(31.2)	(30.0)	Other Long Term Liabilities	24	(9.9)
(112.9)	(166.4)	Pension Liability	46	(76.6)
(3.0)	(3.3)	Capital Grants/Contributions Receipts in Advance	38	(6.8)
(259.8)	(333.9)	Long Term Liabilities		(257.3)
147.0	89.3	Net Assets		174.6
50.3	54.2	Usable reserves	25	54.3
96.7	35.1	Unusable Reserves	26	120.3
147.0	89.3	Total Reserves		174.6

Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the authority during the reporting period. The statement shows how the authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the authority are funded by way of taxation and grant income or from the recipients of services provided by the authority. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the authority's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the authority.

2009/10		2010/11
£m		£m
16.0	Net (surplus) or deficit on the provision of services	(24.4)
(72.6)	Adjustments to net surplus or deficit on the provision of services for non cash movements	(4.1)
2.1	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	0.6
(54.5)	Net cash flows from Operating Activities (Note 27)	(27.9)
68.0	Investing Activities (Note 28)	48.6
(21.9)	Financing Activities (Note 29)	(9.2)
(8.4)	Net (increase) or decrease in cash and cash equivalents	11.5
5.8	Cash and cash equivalents at the beginning of the reporting period (Note 20)	14.2
14.2	Cash and cash equivalents at the end of the reporting period (Note 20)	2.7
8.4	Net increase or (decrease) in cash and cash equivalents	(11.5)

Notes to the Accounts

1. Transition to IFRS

The statement of accounts for 2010/11 is the first to be prepared on an IFRS basis. Adoption of the IFRS based code has resulted in the restatement of various balances and transactions, with the result that some amounts presented in the financial statements are different from the equivalent figures presented in the Statement of Accounts for 2009/10.

The date of transition to IFRS for the Council was 1st April 2009. As a result there is a "third" balance sheet presented at that date.

Terminology changes

With the introduction of IFRS there has been a number of changes to the descriptions of income and expenditure and to the classification of income and expenditure on the Core Statements. There is a glossary at the rear of these accounts which explains some terminology used. Some of the changes in descriptions are listed below:

Description under SORP (UKGAAP)	Description under CODE (IFRS)
Fixed Assets	Non Current Assets
Stock	Inventories
Cash	Cash & Cash Equivalents
Surplus Assets	Assets Held For Sale
FRS (Financial Reporting Standards)	IAS (International Accounting Standards)

IFRS Restatement

The following tables explain the material differences between the amounts presented in the 2009/10 financial statements and the equivalent amounts presented in the 2010/11 financial statements.

Short Term accumulating absences

Short term accumulating absences refers to benefits that employees receive as part of the contract of employment; entitlement to these benefits is built up as employees provide services to the Council. The most significant benefit covered by this heading is holiday pay.

Employees build up an entitlement to paid holidays as they work. Under the Code the cost of providing holidays and similar benefits is required to be recognised when employees render services that increase their entitlement to future compensated absences. As a result the Council is required to accrue for any annual leave earned but not taken at 31st March each year. Under the previous accounting arrangements no such accrual was required.

The Government has issued regulations that mean Councils are only required to fund holiday pay and similar benefits when they are used rather than when the employees take the benefit. To reflect this regulation amounts are transferred to the Accumulated Absences Account until the benefits are used.

Accruing for short term accumulating compensated absences has resulted in the following changes being made to the 2009/10 financial statements.

	£m	£m
Opening Balance Sheet - 1 st April 2009	2008/09 statements SORP	Restatement
Creditors (short term)	(19.9)	(2.9)
Accumulated Absences Account	0	2.9
2009/10	2009/10 statements SORP	Restatement
Income & Expenditure/MIRS		
Cost of Services (Childrens)	33.2	0.5
Adjustments between accounting basis & funding under regulations	(2.2)	(0.5)
Opening Balance Sheet - 31 st March 2010	2009/10 statements SORP	Restatement (cumulative)
Creditors (short term)	(25.4)	(3.4)
Accumulated Absences Account	0	3.4

Investment Properties

Under IFRS, Investment Properties are classified as properties held solely for rental stream or for capital appreciation. These assets are valued on that basis and are not depreciated.

	£m	£m
Opening Balance Sheet - 1 st April 2009	2008/09 statements SORP	Restatement
Property, Plant & Equipment	320.8	0.3
Revaluation Reserve	(48.1)	0.4
Capital Adjustment Account	(172.9)	(0.7)
Opening Balance Sheet - 31 st March 2010	2009/10 statements SORP	Restatement (Cumulative)
Property, Plant & Equipment	329.9	0.3

Revaluation Reserve	(52.0)	0.4
Capital Adjustment Account	(167.6)	(0.7)

Assets Held for Sale

Under IFRS Assets Held for Sale are assets that are expected to be sold in the short term and are valued on that basis and are not depreciated.

	£m	£m
Opening Balance Sheet - 1 st April 2009	2008/09 statements SORP	Restatement
Property, Plant & Equipment	320.8	(4.2)
Assets Held for Sale	0	2.3
Revaluation Reserve	(48.1)	0.6
Capital Adjustment Account	(172.9)	1.3
2009/10	2009/10 statements SORP	Restatement
Income & Expenditure/SMR		
Cost of Services (Childrens)	33.2	(2.1)
Cost of Services (Cultural, Environmental & Planning)	24.2	(0.1)
Gains/Losses on Sale of Fixed Assets	0.4	0.1
Adjustments between accounting basis & funding under regulations	(11.8)	2.1
Opening Balance Sheet - 31 st March 2010	2009/10 statements SORP	Restatement (Cumulative)
Property, Plant & Equipment	329.9	(3.7)
Assets Held for Sale	0	1.1
Revaluation Reserve	(52.0)	(0.1)
Capital Adjustment Account	(167.6)	2.7

Cash and Cash Equivalents

This category includes any investments that are held for liquidity purposes, such as money market

funds, rather than for investment purposes.

	£m	£m
Opening Balance Sheet - 1 st April 2009	2008/09 statements SORP	Restatement
Temporary Investments	61.5	(0.1)
Cash & Bank	5.6	(5.6)
Cash & Cash Equivalents	0	5.7
Opening Balance Sheet - 31 st March 2010	2009/10 statements SORP	Restatement (Cumulative)
Temporary Investments	108.1	(12.5)
Cash & Bank	1.7	(1.7)
Cash & Cash Equivalents	0	14.2

Foundation Schools

Under IFRS the Council's foundation schools are no longer recognised as Council assets.

	£m	£m
Opening Balance Sheet - 1 st April 2009	2008/09 statements SORP	Restatement
Property, Plant & Equipment	320.8	(88.9)
Assets under Construction	23.0	(0.4)
Revaluation Reserve	(48.1)	18.4
Capital Adjustment Account	(172.9)	70.9
2009/10	2009/10 statements	Restatement
Income & Expenditure/SMR		
Cost of Services (Childrens)	33.2	(2.2)
Gains/Losses on Disposal	0.4	35.5
Adjustments between accounting basis & funding under regulations	(11.8)	(33.3)
Opening Balance Sheet - 31 st March 2010	2009/10 statements SORP	Restatement (Cumulative)

Property, Plant & Equipment	329.9	(105.6)
Assets under Construction	39.1	(20.5)
Revaluation Reserve	(52.0)	18.4
Capital Adjustment Account	(167.6)	107.7

Voluntary Controlled Schools

Under IFRS Voluntary Controlled schools are now recognised as Council assets.

	£m	£m
Opening Balance Sheet - 1 st April 2009	2008/09 statements SORP	Restatement
Property, Plant & Equipment	0	6.2
Capital Adjustment Account		(6.2)
2009/10	2009/10 statements SORP	Restatement
Opening Balance Sheet - 31 st March 2010	2009/10 statements SORP	Restatement (cumulative)
Property, Plant & Equipment	329.9	6.2
Capital Adjustment Account	(167.6)	(6.2)

Provisions

Under IFRS provisions are now split into short (under 12 months) and long term provision (over 12 months).

	£m	£m
Opening Balance Sheet - 1 st April 2009	2008/09 statements SORP	Restatement
Provisions	(2.5)	2.5
Provisions greater than 12 mths	0	(2.0)
Provisions less than 12 months	0	(0.5)
Opening Balance Sheet - 31 st March 2010	2009/10 statements SORP	Restatement (cumulative)

Provisions	(2.6)	2.6
Provisions greater than 12 months	0	(0.3)
Provisions less than 12 months	0	(2.3)

Leases

Under the Code leases of property are accounted for as separate leases of land and buildings. Previously each property lease would have been accounted for as a single lease. The change in accounting treatment can result in the land and building element of the lease being accounted for as an operating lease where previously it was treated as a finance lease or vice versa. In addition under the Code the tests to assess a lease as an operating lease or a finance lease have been re defined with the result that more leases are likely to be classified as a finance lease.

	£m	£m
Opening Balance Sheet - 1 st April 2009	2008/09 statements SORP	Restatement
Property, Plant & Equipment	58.2	(2.3)
Long Term Debtor	0.5	2.3
Capital Adjustment Account	(172.9)	0
2009/10	2009/10 statements SORP	Restatement
Income & Expenditure/SMR		
Cost of Services (Cultural, Environmental & Planning)	24.2	0.2
Interest and Investment Income	(3.6)	(0.2)
Opening Balance Sheet - 31 st March 2010	2009/10 statements SORP	Restatement (cumulative)
Property, Plant & Equipment	63.0	(2.3)
Long Term Debtor	0.7	2.3
Capital Adjustment Account	(167.6)	0

Revenue Grants and Contributions

Under IFRS grants and contributions are recognised as income when conditions are met and Council

has “control” over the grant rather than on a matching basis.

	£m	£m
Opening Balance Sheet - 1 st April 2009	2008/09 statements SORP	Restatement
Receipts in Advance	(4.3)	0.2
General Fund Reserve	(3.1)	(0.2)
2009/10	2009/10 statements SORP	Restatement
Income & Expenditure/SMR		
Cost of Services (Childrens)	33.2	0.1
Increase/(decrease) in General Fund	0.6	(0.2)
Cost of Services (Housing)	2.7	(0.1)
Cost of Services (Cultural, Environmental & Planning)	24.2	(0.4)
Adjustments between accounting basis & funding under	(11.8)	0.6
Opening Balance Sheet – 31 st March 2010	2009/10 statements SORP	Restatement (cumulative)
Receipts in Advance	(4.7)	0.6
Earmarked Reserve	(29.7)	(0.6)

Capital Grants and Contributions

Under IFRS grants and contributions are recognised as income when conditions are met and Council has “control” over the grant rather than on a matching basis.

	£m	£m
Opening Balance Sheet - 1 st April 2009	2008/09 statements SORP	Restatement
Government Grants & Contributions Deferred	(77.4)	77.4
Capital Grants & Contributions Unapplied	(21.3)	21.3

Capital Grants & Contributions Reserve	0	(19.2)
Capital Grants & Contributions – Receipts in Advance	0	(3.0)
Capital Adjustment Account	(172.9)	(77.4)
Creditors	(19.9)	0.9
2009/10	2009/10 statements	Restatement
Income & Expenditure/SMR		
Cost of Services (Childrens)	33.2	(2.4)
Cost of Services (Cultural, Environmental & Planning)	24.2	0.4
Cost of Services (Highways, Roads and Transport)	9.1	0.5
Cost of Services (Housing)	2.7	(0.2)
Cost of Services (Social Care)	44.2	(0.1)
Cost of Services (Non Distributed Costs)	1.0	0.1
Taxation and Non Specific Grant Income	(125.2)	(24.4)
Adjustments between accounting basis & funding under regulations	(11.8)	26.1
Opening Balance Sheet – 31 st March 2010	2009/10 statements SORP	Restatement (cumulative)
Government Grants & Contributions Deferred	(103.7)	103.7
Capital Grants & Contributions Unapplied	(21.5)	21.5
Capital Grants & Contributions Reserve	0	(19.1)
Capital Grants & Contributions – Receipts in Advance	0	(3.3)
Capital Adjustment Account	(167.6)	(103.7)
Creditors	(25.4)	0.9

2. Accounting Standards That Have Been Issued but Have Not Yet Been Adopted

Heritage assets are to be recognised as a separate class of assets for the first time in the 2011/12 financial statements, in accordance with IFRS 30 which will require the 2010/11 accounts to be restated. The Council's heritage assets include works of art, civic regalia and museum exhibits.

The carrying amount of these assets (based on current insurance valuations) is expected to be recognised as heritage assets in the 2010/11 financial statements is £6.5m. On recognition of these assets there is likely to be a revaluation gain equal to that value. If the assets are depreciated over 50 years the annual charge will be £0.1m per annum.

3. Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in Note 47, the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements, where others may have made a different judgement, made in the statement of accounts are:

- The Council's interests in various companies (see related parties note 39) are not considered sufficiently material to require the production of group accounts in addition to the Council's "single entity" accounts
- The assets (vehicle & plant) that are leased to TOR2 as part of the contract have been treated as Council assets, while any assets purchased by TOR2 are not recognised as Council assets as these assets are not specified in the contract and are not for the exclusive use of the Council. The Council has considered that there are not any embedded leases within the contract.
- In assessing its existing leases under IFRS guidance the Council has only considered leases where either the value of rent or the value of the asset was material. In addition a ratio of 75% of lease term to asset life has been used as a guide to recognising leases as finance leases.
- In assessing the recognition of grants the Council has determined that if grant conditions have not been met then the grant is not recognised as income but held as a receipt in advance. If a grant could be used to support capital or revenue spend it has been treated as revenue. This would only have an impact between the totals of non specific grant income and gross service income in the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement

4. Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

The statement of accounts contains estimated figures that are based on assumptions made by the Council about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances can't be determined with certainty, actual results could be materially different from the assumptions and estimates.

Apart from the significant change in the actuarial assumptions in relation the pension liability as disclosed in note 46, there are no other changes in accounting estimates in 2010/11 or expected in future years.

The item in the Council's balance sheet at 31st March 2011 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Pension Liability Value 31/3/11 £77 million	<p>The Council's liability as at 31st March is based on a number of complex judgements relating to the discount rate used, the rate at which salaries may change, changes in retirement dates, mortality rates and expected return on pension fund assets</p> <p>A firm of pension actuaries are used to provide this information and every three years there is a detailed actuarial review of the fund.</p> <p>The value of pension assets is estimated (by the actuary) based upon information available at the Balance Sheet date, but these valuations may be earlier than the Balance Sheet date. The actual valuations at the Balance Sheet date, which may not be available until some time later, may give a different value of pension assets, but this difference is not considered to be material.</p>	<p>The effects on the net pensions liability of changes in individual assumptions can be measured. For instance, a 0.1% change in the discount rate assumption would result in a change in the (gross) pension liability of £6 million. Similarly a change in the mortality assumption of 1 year would result in a change of £9 million.</p> <p>However, the assumptions interact in complex ways. During 2010/11, the Authority's actuaries advised that the net pensions liability had decreased by £12 million as a result of estimates being corrected as a result of experience and decreased by £50 million attributable to updating of the assumptions.</p>

5. Material Items of Income and Expense

As described in the Operating Review there were a number of unusual costs within the income and expenditure account in 2010/11. These include:

The majority of payments for back pay to April 2007 relating to the job evaluation process were made in 2010/11. These totalled £3.2 million and were funded from the 2010/11 budget for job evaluation costs and provisions and accruals provided for in previous years.

As a result of the 2011/12 budget process and the restructuring of the Council's senior management actual costs and a provision for future costs arising from the staffing reductions was made in 2010/11. These totalled £1.4 million and were funded from the Comprehensive Spending Review Reserve.

In 2010/11 three schools converted to Academy status. As all three schools were previously foundation schools there was no impact on the Council's balance sheet however income and expenditure for these schools from date of transfer no longer forms part of the Council accounts.

The Council contract with TOR2 started in July 2010. Due to the pattern of contract payments to TOR2, set up costs and the profile of residual costs the Council still pay – such as the repayment of borrowing on vehicles & plant, there was increased costs in 2010/11 that were funded from reserves. There is estimated to be lower costs in future years which will enable reserves to be replenished.

6. Events after the Balance Sheet Date

The Statement of Accounts was authorised for issue by the Chief Finance Officer on 30th June 2011. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2011, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

Since 31st March 2011 to the date the Chief Finance officer authorised the accounts (30th June 2011) there are a few significant events to note:

In the Council elections in May 2011 a conservative majority was elected along with a new Mayor – Gordon Oliver who is a conservative party candidate.

In April 2011 an economic development company was set up – limited by share, 100% owned by the Council, which went live in May 2011 when over 70 staff and a number of assets were transferred to the company at nil consideration

Three primary schools converted to academy status in April 2011 becoming independent of the Council.

7. Adjustments between Accounting Basis and Funding Basis under Regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Authority in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Authority to meet future capital and revenue expenditure.

2010/11	Usable Reserves			Movement in Unusable Reserves £m
	General Fund Balance £m	Capital Receipts Reserve £m	Capital Grants Unapplied £m	
Adjustments involving the Capital Adjustment Account:				
<u>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</u>				
Charges for depreciation and impairment of non current assets	(20.0)	0	0	20.0
Amortisation of intangible assets	(0.3)	0	0	0.3
Revenue expenditure funded from capital under statute	0.4	0	(11.1)	10.7
Amounts of non current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(0.3)	0	0	0.3
2010/11 Capital Grants and Contributions Applied	4.7	0	0	(4.7)
Notional Rent Credit	0.1	0	0	(0.1)
<u>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</u>				
Statutory provision for the financing of capital investment	4.0	0	0	(4.0)
Repayment to Devon County Council in relation to transferred debt	0.4	0	0	(0.4)
Capital expenditure charged against the General Fund	1.9	0	0	(1.9)
Adjustments involving Capital Grant Unapplied Account				
2010/11 Capital Grants & Contributions unapplied credited to the Comprehensive Income and Expenditure Statement	1.4	0	(1.4)	0
Application of (prior year) Grants to capital financing transferred to the Capital Adjustment Account	0	0	14.6	(14.6)
Adjustments involving the Capital Receipts Reserve:				
Transfer of sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	0.5	(0.5)	0	0
Use of the Capital Receipts Reserve to finance new capital expenditure	0	0.4	0	(0.4)
Adjustments involving the Financial Instruments Adjustment Account:				
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	0.1	0	0	(0.1)
Adjustments involving the Pensions Reserve:				
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see Note 46)	20.1	0	0	(20.1)
Employer's pensions contributions and direct payments to pensioners payable in the year	8.2	0	0	(8.2)
Adjustments involving the Collection Fund Adjustment Account:				
Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	0.7	0	0	(0.7)

2010/11	Usable Reserves			
	General Fund Balance £m	Capital Receipts Reserve £m	Capital Grants Unapplied £m	Movement in Unusable Reserves £m
Adjustment involving the Accumulating Compensated Absences Adjustment Account Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	0.4	0	0	(0.4)
Total Adjustments	22.3	(0.1)	2.1	24.3

2009/10 Comparative Figures	Usable Reserves			
	General Fund Balance £m	Capital Receipts Reserve £m	Capital Grants Unapplied £m	Movement in Unusable Reserves £m
Adjustments involving the Capital Adjustment Account: <u>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</u> Charges for depreciation and impairment of non current assets	(10.5)	0	0	10.5
Movements in the market value of Assets Held for Sale	0.2	0	0	(0.2)
Amortisation of intangible assets	(0.3)	0	0	0.3
Revenue expenditure funded from capital under statute	2.5	0	(4.0)	1.5
Amounts of non current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(38.2)	0	0	38.2
Capital Grants and Contributions Applied	11.3	0	0	(11.3)
Notional Rent Credit	0.1	0	0	-0.1
<u>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</u> Statutory provision for the financing of capital investment	4.1	0	0	(4.1)
Repayment to Devon County Council in relation to transferred debt	0.9	0	0	(0.9)
Capital expenditure charged against the General Fund	1.3	0	0	(1.3)
Adjustments involving Capital Grant Unapplied Account Capital Grants & Contributions unapplied credited to the Comprehensive Income and Expenditure Statement	13.1	0	(13.1)	0
Application of Grants to capital financing transferred to the Capital Adjustment Account	0	0	17.2	(17.2)
Adjustments involving the Capital Receipts Reserve: Transfer of sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and	2.2	(2.2)	0	0

2009/10 Comparative Figures	Usable Reserves			
	General Fund Balance £m	Capital Receipts Reserve £m	Capital Grants Unapplied £m	Movement in Unusable Reserves £m
Expenditure Statement				
Use of the Capital Receipts Reserve to finance new capital expenditure	0	2.2	0	(2.2)
Adjustments involving the Financial Instruments				
Adjustment Account:				
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	0.1	0	0	(0.1)
Adjustments involving the Pensions Reserve:				
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see Note 46)	(15.8)	0	0	15.8
Employer's pensions contributions and direct payments to pensioners payable in the year	8.4	0	0	(8.4)
Adjustments involving the Collection Fund				
Adjustment Account:				
Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	1.1	0	0	(1.1)
Adjustment involving the Accumulating Compensated Absences Adjustment Account				
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(0.5)	0	0	0.5
Total Adjustments	(20.0)	0	0.1	19.9

8. Transfers to/from Earmarked Reserves

This note sets out the amounts set aside from the General Fund in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund expenditure in 2010/11.

	Balance at 1 April 2009 £m	Transfer Out 2009/10 £m	Transfer In 2009/10 £m	Balance at 31 March 2010 £m	Transfer Out 2010/11 £m	Transfer In 2010/11 £m	Balance at 31 March 2011 £m
General Fund:							
Budget Issue Reserves	0.4	(0.3)	0.4	0.5	(0.5)	0.9	0.9
Capital Funding Reserve	0.5	(0.6)	1.8	1.7	(0.8)	0.2	1.1
Service Carry Forwards	4.4	(3.6)	5.2	6.0	(5.4)	7.7	8.3

	Balance at 1 April 2009 £m	Transfer Out 2009/10 £m	Transfer In 2009/10 £m	Balance at 31 March 2010 £m	Transfer Out 2010/11 £m	Transfer In 2010/11 £m	Balance at 31 March 2011 £m
Cemeteries Reserve	0.1	0	0	0.1	0	0	0.1
Change Management & Financial Strategy Reserve	2.0	(1.9)	0.8	0.9	(0.6)	0.6	0.9
Comprehensive Spending Issues Reserve	0	0	0	0	(1.3)	4.8	3.5
Disposal and Property Costs Reserve	0.2	0	0.1	0.3	(0.1)	0	0.2
Early Retirement Reserve (schools)	0.5	(0.7)	0.5	0.3	(0.7)	0.5	0.1
Employment Issues Reserve	1.9	(0.9)	1.7	2.7	(2.7)	0.3	0.3
Equipment Reserves	0.6	(0.2)	0.1	0.5	(0.1)	0	0.4
Financial Climate Reserve	0	0	0.2	0.2	(0.2)	0	0
Harbour's Reserve	0.9	(0.1)	0.2	1.0	0	0.2	1.2
Housing – Telecare	0	0	0.3	0.3	(0.1)	0	0.2
JVC Set Up Reserve	0.5	(0.5)	0	0	0	0	0
Insurance Reserves	3.8	(0.2)	0.3	3.9	(0.8)	0.4	3.5
IFRS Restatement	0	0	0.6	0.6	(0.6)	0	0
IT Equipment Reserve	0.7	0	0.1	0.8	0	0.2	1.0
LA Business Growth Incentive	0.4	(0.4)	0.2	0.2	(0.1)	0	0.1
LGR Repayment Reserve	0.1	0	0	0.1	(0.1)	0	0
Misc. Specific Reserves	0.2	(0.1)	0.4	0.5	(0.4)	0.4	0.5
Office Accommodation Reserve	0	0	0.3	0.3	0	0	0.3
Pension Reserve	0.2	0	0	0.2	(0.3)	0.6	0.5
PFI Sinking Fund	4.3	(0.8)	0.8	4.3	(1.4)	0.4	3.3
Planning Reserve	0.4	0	0	0.4	(0.1)	0.1	0.4
Riviera Centre	0.1	0	0.2	0.3	0	0.1	0.4
Schools' Balances held under a delegation scheme	1.0	(1.0)	0.7	0.7	(2.2)	4.0	2.5
Schools Redundancy Reserve	0	0	0	0	(0.1)	0.2	0.1
Seaside Towns	0	0	0	0	0	0.2	0.2
South Devon Link Road	0	0	0	0	0	0.1	0.1
South West Water	0.1	(0.1)	0	0	0	0	0

	Balance at 1 April 2009 £m	Transfer Out 2009/10 £m	Transfer In 2009/10 £m	Balance at 31 March 2010 £m	Transfer Out 2010/11 £m	Transfer In 2010/11 £m	Balance at 31 March 2011 £m
Supporting People Reserve	1.2	(0.2)	0	1.0	(0.2)	0	0.8
TDA Agency Capital Scheme Reserve	0.6	(0.5)	0.2	0.3	(0.3)	0.1	0.1
TPSL Reserve (Housing)	0.1	0	0	0.1	(0.1)	0	0
Trading Reserves (Operations)	0.3	0	0	0.3	(0.3)	0	0
Unsupported Borrowing Reserve	1.1	0	0.2	1.3	0	0.1	1.4
Vehicles and Plant Reserve	0.2	0	0	0.2	(0.2)	0	0
Waste Strategy Reserve	0.6	(0.1)	0.5	1.0	(0.6)	0	0.4
Total	27.4	(12.2)	15.8	31.0	(20.3)	22.1	32.8

The purpose for the reserves held by the Council are:-

<u>Name of Reserve</u>	<u>Description of Reserve</u>
Budget Issues Reserve	To support future budgetary pressures facing the Council in the medium term.
Capital Funding	To reserve funding for items in the approved Capital Plan Budget.
Carry Forwards	Service Carry Forwards - <i>Council 13th July 2011</i>
Cemeteries	To provide a reserve to fund future maintenance issues on Council cemetery sites
Change Management and Financial Strategy	To fund the implementation of high level reviews and other corporate initiatives.
Comprehensive Spending Issues Reserve	To fund costs associated with meeting budget reductions as a result of the Government's comprehensive spending review.
Disposal Costs Reserve	To support the revenue costs associated with the rationalisation of the Council's assets

Early Retirement Reserve	To enable the Council to meet childrens' redundancy-related liabilities as they fall due. Built up from annual budgets for new redundancies.
Employment Issues Reserve	To support employment related issues, such as implication of pay modernisation, equal pay and payroll related issues.
Equipment Fund	To facilitate renewal of equipment within services where the replacement is at irregular periods.
Financial Climate	Reserve established in 2009/10 to support the Council's general fund reserve to reflect the increased risk to Council balances from external issues such as the economic conditions. Not now in use.
Harbours	Torquay, Paignton and Brixham Harbours – To finance Harbour expenditure schemes for the purpose of Harbour Users.
Housing Telecare	Reserve to support supporting people via the use of telecare with Torbay Care Trust
JVC Set Up Reserve	To set aside monies in relation to the Council initiative to establish a Joint Venture Company to deliver a range of services – balance used as at 31/3/10
IFRS Restatement Reserve	A temporary reserve, now cleared, used to reflect the entries required on the transition to IFRS accounting standards.
Insurance Reserve	To set aside amounts to cover the future cost of past uninsured events which result in a loss to the Council. This reserve comprises estimates of potential liabilities arising from the Council's previous insurers Municipal Mutual Insurance Ltd not having sufficient solvency, to meet pre 1998 claims from Devon County Council, amounts for specific uninsured risks and a general reserve to meet as yet unknown insurance claims
IT Equipment	To provide funds for priority driven replacements of IT equipment.
Local Authority Business Growth Incentive Reserve	Reserve for the business incentive grant pending the development of plans for the effective use of this grant.
LGR Repayment	To mitigate the impact of increased Minimum Revenue Provision on the Council's Revenue Account arising from the Council's Local Government Reorganisation Supplementary Credit Approval.
Office Accommodation Reserve	Reserve to help meet the short term revenue costs of the implementation of this major project.

Other Specific Reserves	Includes: Land Charges, Council Elections, Taxi Survey, Devon Audit Partnership, Pearl Assurance House Repair and minor communities reserves.
Pension Reserve	To set aside monies for any potential liability for the pension costs relating to the transfer of staff to Torbay Care Trust in 2005 and any Council pension funding issues.
PFI Sinking Fund	To provide funds to meet the liabilities under the PFI agreement over 25 years (Westlands and Homelands Schools) and to provide funding towards Paignton Community College expansion project.
Planning Reserve	To provide for costs of Local Plan Inquiry held every 4/5 years.
Riviera Centre	Reserve to help support the Riviera Centre and any alternative use of the site
School Balances	Reflects the carry forward by schools of their delegated school budget share.
Seaside Towns	Reflects the balance of a government grant received in 2009/10.
South Devon Link Road	To support the development of the South Devon Link Road
Supporting People Re-provision Reserve	To set aside monies to help in the commissioning of services for the re provision of the supporting people function
TDA Capital Reserve	To support funding of TDA Capital projects such as Brixham Regeneration
TPSL Reserve (Housing)	To set aside amounts for potential costs of returning properties to landlords under the Private Sector Leasing scheme for homeless people.
Trading Reserves	Trading Reserves to support Operational Services. Now not in use post TOR2 contract.
Unsupported Borrowing Equalisation Reserve	Reflects the temporary surplus/deficit arising from the charges to services for the repayment of expenditure under Prudential Borrowing compared to actual interest and Revenue Provision.
Vehicles and Plant	To finance the purchase of vehicles and plant when updating the authority's fleet. Now not in use post TOR2 contract.

Waste Disposal Strategy Reserve	Reflects the reclassification of part of the equipment fund as a specific reserve for Waste Disposal Initiatives.
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9. **Other Operating Expenditure**

2009/10		2010/2011
£m		£m
0.2	Parish council precepts	0.2
0	Work undertaken on an Agency basis	0
36.0	Gains/losses on the disposal of non current assets	(0.3)
36.2	Total	(0.1)

10. **Financing and Investment Income and Expenditure**

2009/10		2010/2011
£m		£m
6.9	Interest payable and similar charges	7.3
9.3	Pensions interest cost and expected return on pensions assets	5.0
(3.9)	Interest receivable and similar income	(1.8)
(0.3)	Income and expenditure in relation to investment properties and changes in their fair value	(0.3)
12.0	Total	10.2

11. **Taxation and Non Specific Grant Incomes**

2009/10		2010/2011
£m		£m
(60.6)	Council tax income	(62.6)
(45.6)	Non domestic rates	(51.5)

(19.0)	Non-ringfenced government grants	(20.3)
(24.4)	Capital grants and contributions	(6.1)
(149.6)	Total	(140.5)

12. Property, Plant and Equipment

Measurement Basis

Non Current assets are valued at fair value for their particular asset type (category). Fair Value will therefore reflect:

Market Value for 'Assets Held for Sale' and 'Investment Properties'

Existing Use Value for most categories of Property Plant and Equipment

Depreciated Replacement Cost for assets of a specialised nature with no readily identifiable market

Depreciated Historical Cost for Community, Infrastructure assets and Vehicles, Plant and Equipment

Historic Cost for Assets under Construction

Depreciation method

Assets are depreciated on a straight line basis over the useful life of each asset to reflect the pattern in which the asset's service potential is expected to be used.

Depreciation is applied to all asset types with the exceptions of Investment Properties, Assets Held for Sale and Land.

Useful lives used

The useful life of an asset represents the period over which an asset is expected to be of use in providing services for the authority.

Movements on Balances

Movements in 2010/11

	Other Land & Buildings	Vehicles, Plant & Equipm't	Infra - structure Assets	Community Assets	Assets Under Const- ruction	Total Property, Plant & Equipm't	PFI Assets Included in Property, Plant & Equipm't
	£m	£m	£m	£m	£m	£m	£m
Cost or Valuation							
At 1 April 2010	234.8	15.0	72.5	9.3	19.8	351.4	3.7
Additions	12.5	1.7	9.9	2.2	2.2	28.5	0
Donations	0	0	0	0	0	0	0
Revaluation increases/ (decreases) recognised in the Revaluation Reserve	(1.1)	0	0	0.1	0	(1.0)	0
Revaluation Increases/ (decreases) recognised in the Surplus/Deficit on the Provision of Services	(12.6)	0	0	0	0	(12.6)	0
Derecognition - Disposals	0	0	0	0	(0.8)	(0.8)	0
Derecognition - Other	(0.6)	0	0	0	0	(0.6)	0
Assets reclassified (to)/from Held for Sale	(0.3)	0	0	0	0	(0.3)	0
Other movements in Cost or Valuation	13.9	0	4.3	0.1	(18.3)	0	0
At 31 March 2011	246.6	16.7	86.7	11.7	2.9	364.6	3.7
Accumulated Depreciation and Impairment							
At 1 April 2010	(7.0)	(7.9)	(10.3)	(0.4)	0	(25.6)	(0.1)
Depreciation charge	(3.2)	(1.3)	(1.7)	(0.2)	0	(6.4)	(0.1)
Depreciation written out to the Revaluation Reserve	0.4	0	0	0	0	0.4	0
Depreciation written out to the Surplus/Deficit on the Provision of Services	0.2	0	0	0	0	0.2	0
Impairment losses/(reversals) recognised in the Revaluation Reserve	0	0	0	0	0	0	0
Impairment	0	0	0	0	0	0	0

losses/(reversals) recognised in the Surplus/Deficit on the Provision of Services							
Derecognition - Disposals	0	0	0	0	0	0	0
Derecognition - Other	0	0	0	0	0	0	0
Other movements in Depreciation and Impairment	0	0	0	0	0	0	0
At 31 March 2011	(9.6)	(9.2)	(12.0)	(0.6)	0	(31.4)	(0.2)
Net Book Value							
At 31 March 2011	237.0	7.5	74.7	11.1	2.9	333.2	3.5
At 31 March 2010	227.8	7.1	62.2	8.9	19.8	325.8	3.6

Comparative Movements in 2009/10	Other Land and Buildings	Vehicles, Plant & Equipm't	Infra-structure Assets	Community Assets	Assets Under Construction	Total Property, Plant & Equipm't	PFI Assets Included in Property, Plant and Equipm't
	£m	£m	£m	£m	£m	£m	£m
Cost or Valuation							
At 1 April 2009	238.9	13.1	66.8	7.2	22.6	348.6	3.7
Additions	10.6	2.1	5.3	1.4	22.9	42.3	0
Donations	0	0	0	0	0	0	0
Revaluation increases/ (decreases) recognised in the Revaluation Reserve	10.4	0	0	(0.1)	0	10.3	0
Revaluation Increases/ (decreases) recognised in the Surplus/Deficit on the Provision of Services	(4.8)	0	0	(0.2)	0	(5.0)	0
Derecognition - Disposals	1.0	(0.2)	0	0	(20.0)	(19.2)	0
Derecognition - Other	(19.8)	(0.1)	(0.1)	0	0	(20.0)	0
Assets reclassified (to)/from Held for Sale	0	0	0	0.6	0	0.6	0
Other movements in Cost or Valuation	(1.5)	0.1	0.5	0.4	(5.7)	(6.2)	0

At 31 March 2010	234.8	15.0	72.5	9.3	19.8	351.4	3.7
Accumulated Depreciation and Impairment							
At 1 April 2009	(6.1)	(6.8)	(8.7)	(0.1)	0	(21.7)	0
Depreciation charge	(4.1)	(1.3)	(1.6)	(0.2)	0	(7.2)	(0.1)
Depreciation written out to the Revaluation Reserve	1.4	0	0	0	0	1.4	0
Depreciation written out to the Surplus/Deficit on the Provision of Services	0.3	0	0	0	0	0.3	0
Impairment losses/(reversals) recognised in the Revaluation Reserve	0	0	0	0	0	0	0
Impairment losses/(reversals) recognised in the Surplus/Deficit on the Provision of Services	0	0	0	0	0	0	0
Derecognition - Disposals	0	0.2	0	0	0	0.2	0
Derecognition - Other	1.0	0	0	0	0	1.0	0
Other movements in Depreciation and Impairment	0.5	0	0	(0.1)	0	0.4	0
At 31 March 2010	(7.0)	(7.9)	(10.3)	(0.4)	0	(25.6)	(0.1)

Contractual Commitments for the acquisition of Property, Plant and Equipment as at 31 March 2011

The significant commitments on capital schemes with a value greater than £0.5 million together with the likely year of spend are shown in the table below:

Contract	Purpose	Total Commitments	2011/12	2012/13
		£m	£m	£m
<u>Education</u>				
Oldway Primary	Provide a new dining hall and enhance changing rooms for disabled children	0.8	0.8	0
Curledge Street Primary	Rationalise places, replace unsuitable accommodation and improve playground facilities	1.2	0.9	0.3
My Place Parkfield	Development of high quality Youth Centre to provide a range of activities and	0.7	0.7	0

	services			
<u>Housing</u>				
Sanctuary HA – Dunboyne	Development to provide 45 no. Extra Care apartments	0.6	0.6	0
New Growth Points – Land Acquisition	Acquisition of land to facilitate future Affordable Housing developments	1.9	1.9	0
<u>Highways</u>				
Tweenaway Cross	Redesign of major road junction aiming to reduce traffic congestion and ease flows	1.1	1.1	0
<u>Economic Regeneration</u>				
Office Rationalisation	Centralisation of Council Offices	1.1	1.1	0
<u>Culture</u>				
Sea Change – Cockington Court	Development of facilities at Cockington Court to provide workshops for Creative Skills Centre	0.8	0.8	0
Total Significant Commitments		8.2	7.9	0.3

Nature and Effects of Changes in Accounting Estimates

Changes to

- Residual Values - the residual value of an asset reflects the value remaining in an asset when it reaches the end of its useful life. Commonly, this represents the land value attached to an asset. Since land is not subject to depreciation, any change in the residual value will alter the amount of depreciation charged.
- Useful lives – extending or reducing the useful life of an asset will also impact on the amount of depreciation charged for the use of an asset.
- Depreciation method – the method of depreciation should reflect the likely pattern of an asset’s service potential. There are two main models popularly used – Straight Line where the annual depreciation charge is maintained across the life of the asset; or Reducing Balance where depreciation in early years is high but reduces as the asset gets older.

Revaluations

The Council’s assets are regularly revalued (at least once during a five year period) by the Council’s appointed qualified valuer. The effective date of revaluation is usually the 1st April of the year on the revaluation.

	Other Land and Buildings	Vehicles, Plant, Furniture and Equipment	Surplus Assets	Total
	£m	£m	£m	£m
Carried at historical cost	0	16.6	0	16.6
Valued at fair value as at:				
31 March 2011	34.0	0	0	34.0
31 March 2010	28.7	0	0	28.7
31 March 2009	79.5	0	0	79.5
31 March 2008	79.8	0	0	79.8
31 March 2007	24.6	0	0	24.6
Total Cost or Valuation	246.6	16.6	0	263.2

13. Investment Properties

Investment Properties are properties that the Council holds for purely a rental stream or for capital appreciation. These assets have no operational purpose for the Council.

The following items of income and expense have been accounted for in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement:

2009/10		2010/11
£m		£m
(0.4)	Rental income from investment property	(0.4)
0.1	Direct operating expenses arising from investment property	0.1
(0.3)	Net (gain)/loss	(0.3)

There are no restrictions on the Authority's ability to realise the value inherent in its investment property or on the Authority's right to the remittance of income and the proceeds of disposal. The Authority has no contractual obligations to purchase, construct or develop investment property or repairs, maintenance or enhancement. The following table summarises the movement in the fair value of investment properties over the year:

2009/10		2010/11
£m		£m
4.2	Balance at start of the year	4.1
(0.1)	Net gains/losses from fair value adjustments	0
4.1	Balance at end of the year	4.1

14. Intangible Assets

The Council accounts for its software as intangible assets. The intangible assets are purchased licenses. There are no material internally generated assets included.

All software is given a finite useful life, based on assessments of the period that the software is expected to be of use to the Authority. The useful lives assigned to the major software suites used by the Authority are:

Useful life	Intangible Assets (purchased)
3 years	TRIPS (National database containing travel information for buses, trains and ferries), Libraries Digitisation
5 years	PARIS (Social Care Client Database), Digital Imaging, Email archiving
10 years	FIMS (Financial Management Information System), Decriminalised Parking

The carrying amount of intangible assets is amortised on a straight-line basis. The amortisation of £0.3 million charged to revenue in 2011/12 was charged to the relevant services within the comprehensive Income and Expenditure Statement or initially to a support service which is then absorbed as an overhead across all the service headings in the Net Expenditure of Services.

The movement on Intangible Asset balances during the year is as follows:

2009/10		2010/11
Intangible assets (purchased)		Intangible assets (purchased)
£m		£m
	Balance at start of year:	
3.2	• Gross carrying amounts	3.3
(2.3)	• Accumulated amortisation	(2.6)
0.9	Net carrying amount at start of year	0.7
	Additions:	
0.1	• Purchases	0.3
(0.3)	Amortisation for the period	(0.3)
0.7	Net carrying amount at end of year	0.7
	Comprising:	
3.3	• Gross carrying amounts	3.6
(2.6)	• Accumulated amortisation	(2.9)
0.7		0.7

There are two items of capitalised software that are individually material to the financial statements:

31 March 2010	Carrying Amount	31 March 2011	Remaining Amortisation Period
£m		£m	
0.2	FIMS (Council's main Financial Management System)	0.2	2 years
0.2	Decriminalised Parking Software (System to manage parking meters)	0.1	3 years

15. Financial Instruments

The following categories of financial instrument are carried in the Balance Sheet:

	Long-term			Current		
	1st April 2009 £m	31 March 2010 £m	31 March 2011 £m	1 st April 2009 £m	31 March 2010 £m	31 March 2011 £m
Investments						
Loans and receivables	13.6	4.4	3.0	46.5	57.9	76.4
Available-for-sale financial assets	0	0	0	0	0	0
Financial assets at fair value through profit and loss	0	0	0	14.9	37.7	35.6
Total investments	13.6	4.4	3.0	61.4	95.6	112.0
Cash & Cash Equivalents						
Cash in hand and at Bank	0	0	0	5.6	1.7	0.7
Available-for-sale financial assets	0	0	0	0.1	12.5	2.0
Debtors (incl. Payments in Advance)						
Soft Loans	0.2	0.2	0	0	0	0
Financial assets carried at contract amounts	0.3	0.5	3.0	17.7	11.2	11.5
Total Debtors	0.5	0.7	3.0	17.7	11.2	11.5
Borrowings/Liabilities						
Financial liabilities at amortised cost	(109.5)	(132.6)	(162.7)	(1.2)	(1.5)	(1.5)
Total borrowings	(109.5)	(132.6)	(162.7)	(1.2)	(1.5)	(1.5)
Other Long Term Liabilities						
PFI liability	(10.5)	(10.1)	(9.7)	(0.4)	(0.4)	(0.4)

Financial Guarantees	(0.2)	(0.2)	(0.2)	0	0	0
Total other long term liabilities	(10.7)	(10.3)	(9.9)	(0.4)	(0.4)	(0.4)
Creditors (incl. receipts in advance)						
Financial liabilities carried at contract amount	(1.2)	(1.3)	(1.0)	(26.8)	(32.8)	(35.6)
Total creditors	(1.2)	(1.3)	(1.0)	(26.8)	(32.8)	(35.6)
Total Financial Instruments	(107.3)	(139.1)	(167.6)	(50.8)	(84.6)	(88.0)

During the year the Council has not reclassified any financial instruments with the exception of a change in classification of a loan from a soft loan to long term debtors (£0.2m) as a loan now being repaid with interest, or transferred any financial instruments that would require a change in the recognition of that instrument. The Council has not pledged any financial assets as collateral for liabilities or contingent liabilities or has any loans payable including interest due in default.

The main measurement bases used by the Council in preparing the treatment of Financial Instruments within its financial statement are as follows:

Financial Instrument	Basis of measurement	Note
Investments – fixed rate	Carrying value adjusted for interest owed at year end	Investment have both fixed term and fixed interest rates
Investments – Money market Funds	Increase in carrying value reflected in Balance Sheet and not recognised in Income & Expenditure Account until realised	Minimal balances at year end as investment realised before year end. Interest rate determinable on 1 st April.
Investments – Fund Manager	Treated as a Financial Instrument at Fair Value through Profit and Loss as the fund is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking.	Fund Manger and Treasury Management advisor have confirmed that the carrying value of the fund at 31 st March is the fair value of the Fund.
Investments – Other	Held at carrying value on basis of materiality	
Soft Loans	Where material soft loans have been measured using an assumed effective interest rate of 5%.	As at 31 st March 2011 there were no soft loans
Contractual Debt/payables	Held at invoiced or billed	

	amount less an estimate of Impairment for the uncollectability of that debt.	
PWLB Debt	Carrying value adjusted for interest due at year end	Borrowing is both fixed term and fixed interest rates
LOBO Debt	Balance measured using the effective interest rate (if a stepped rate) or fixed rate (if a vanilla/flat rate) within the contract for the maximum life of the deal	Rate calculated over full term assuming the options within the contract are not exercised.
Financial Guarantee	Balance measured by applying a range of probabilities to the risk of the guarantee being called.	Only guarantee in this category is to Torbay Coast and Countryside Trust.
Financial Instruments under adverse economic conditions	All financial instruments assessed for impairment from the current economic conditions	As appropriate the impairment for contractual debt has been increased. The Council does not hold any investments which it has assessed to be subject to any impairment.

The Council in compiling its accounts assessed all its financial instruments and there were a number that were not considered material to make adjustment to the carrying value of the asset or liability. These include car loans to staff which are at a market rate, deferred payments and other minor investments.

Income, Expense, Gains and Losses

	2009/10					2010/11				
	Financial Liabilities	Financial Assets	Financial Assets	Financial Assets	Total	Financial Liabilities	Financial Assets	Financial Assets	Financial Assets	Total
	Liabilities measured at amortised cost £m	Loans and receivables £m	Available-for-sale assets £m	Assets and Liabilities at Fair Value through Profit and Loss £m	£m	Liabilities measured at amortised cost £m	Loans and receivables £m	Available-for-sale assets £m	Assets and Liabilities at Fair Value through Profit and Loss £m	£m
Interest expense	3.7	-	-	-	3.7	4.7	-	-	-	4.7
Reductions in fair value re interest due	1.5	-	-	0	1.5	1.5	-	-	0	1.5
Total expense in Surplus or Deficit	5.2	0	0	0	5.2	6.2	0	0	0	6.2

on the Provision of Services										
Interest income	-	(0.4)	(0.1)	-	(0.5)	-	(0.7)	0	-	(0.7)
Increases in fair value	-	(1.3)	-	(0.8)	(2.1)	-	(0.4)	-	(0.4)	(0.8)
Total income in Surplus or Deficit on the Provision of Services	0	(1.7)	(0.1)	(0.8)	(2.6)	0	(1.1)	0	(0.4)	(1.5)
Net gain/(loss) for the year	5.2	(1.7)	(0.1)	(0.8)	2.6	6.2	(1.1)	0	(0.4)	4.7

Fair Values of Assets and Liabilities

Financial liabilities, financial assets represented by loans and receivables and long-term debtors and creditors are carried in the Balance Sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the following assumptions:

For PWLB debt the fair value has been assessed by using PWLB rates for new loans as at 31st March 2011, and then matched, as appropriate, to the duration on an existing maturity. No early repayment or impairment is recognised.

For LOBO debt the fair value has been assessed by using a discount rate for LOBOs of similar length and structure with a comparable lender as at 31st March 2011

For Investments, such as callable deposits (assumed to maturity) and fixed term deposits where the rate is fixed, the fair value has been assessed by using a discount rate for deposits of similar length with a comparable lender as at 31st March 2011

For investments held in higher earning "cash" accounts the fair value is assumed to be the same as the nominal value of the deposit.

The fair value of long term debtors and creditors is taken to be the invoiced or billed amount.

The fair values calculated are as follows:

	1 April 2009		31 March 2010		31 March 2011	
	Carrying amount £m	Fair value £m	Carrying amount £m	Fair value £m	Carrying amount £m	Fair value £m
Financial liabilities:- Borrowings	(110.7)	(108.6)	(134.1)	(128.6)	(162.5)	(148.3)
Other Financial Liabilities	(11.1)	(11.1)	(10.7)	(10.7)	(10.3)	(10.3)
Long-term creditors	(1.2)	(1.2)	(1.3)	(1.3)	(1.0)	(1.0)

Loans and receivables:						
- Cash & Cash Equivalents	0.1	0.1	12.5	12.5	2.0	2.0
- Fund Manager	14.9	14.9	37.7	37.7	35.6	35.6
- Short Term Loans	46.4	45.7	57.9	58.2	76.4	76.5
- Long Term Loans	13.6	14.5	4.5	5.2	3.0	3.0
Long-term debtors	2.8	2.8	3.0	3.0	3.0	3.0

The fair value of the loans and receivables (investments) is marginally higher than the carrying amount because the Authority's portfolio of investments includes a number of fixed rate loans where the interest rate payable is higher than the prevailing rates at the Balance Sheet date. This shows a notional future gain (based on economic conditions at 31 March 2011) arising from a commitment to be paid interest by lenders above current market rates. As the majority of Council investments are under one year and there was as at 31st March a flat profile for interest rates in the short term there is very little difference between the carrying amount and the fair value.

The fair value of the liabilities (borrowing) is significantly lower than the carrying amount because the Council's portfolio of loans includes a number of fixed rates where the interest rate payable is lower than the rates available for similar loans at the balance sheet date. The commitment to pay interest below current market rates reduces the amount the Council would have to pay if the lender requested or agreed to early repayment of the loans.

It should be noted that the PWLB also provided a fair value of the Council's PWLB debt as at 31st March 2011 of £159.8 million (£122.4m 2009/10) This is higher than the carrying PWLB amount of £152.5m as the PWLB has used their "premature redemption rate of interest" to calculate fair value. This rate is a more punitive rate than current rates that only applies if a Council repays debt early and is not a realistic view as it is unlikely that the Council would repay/reschedule loans while they were lower than current levels.

16 Nature and Extent of Risks Arising from Financial Instruments

The Council's activities expose it to a variety of financial risks:

- credit risk – the possibility that other parties might fail to pay amounts due to the authority
- liquidity risk – the possibility that the authority might not have funds available to meet its commitments to make payments
- market risk – the possibility that financial loss might arise for the Council as a result of changes in such measures as interest rates and stock movements

The Council's overall risk management programme (as outlined in its Treasury Management Strategy) focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services. Risk management is carried out by the Council's central treasury team, under policies approved by full Council as set out in the Treasury Management Strategy as presented to Council in February 2010. The Council provides written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk and the investment of surplus cash. The Council's treasury team also, as required, make in year adjustments in the event of changing circumstances such as economic pressures impacting on rates or changes to investment counterparty lists.

Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposure to the Council's customers. Deposits are not made with banks and financial institutions unless they have a sufficiently high credit rating, as designated by independent credit rating agencies, or other strong measure of security such as a central government guarantee with a maximum sovereign rating of "AAA"/"AA+", with a range of investment limits relating to both value and length of deposit depending on rating. The system of counterparty selection includes a sophisticated modelling approach which combines credit ratings, credit watches, credit outlooks and credit default swaps (CDS) spreads in a weighted scoring system for which the end product is a series of colour code bands which indicate the value and durational limits for each counterparty. The Council's fund manager also complies with a list of approved institutions with appropriate maximum holdings.

The following analysis summarises the Council's potential maximum exposure to credit risk, based on experience of default and uncollectability, adjusted to reflect current market conditions.

	Amount at 31/3/11	Historical experience of default	Historical experience adjusted for market conditions at 31/3/11	Estimated maximum exposure to default and uncollectability
	£m	%	%	£m
Deposits with banks and other financial institutions	81.3	0%	0%	0
Deposits held by Fund manager	35.6	0%	0%	0
Trade and other Receivables – Sundry Debt	2.8	0.5%	1%	0.3
Total	119.7			0.3

The Council does not generally allow credit to customers. In reviewing the Council's sundry debt £1.2 million of its sundry debt of the £2.8 million balance is past its due date for payment. The past due amount can be analysed by age as follows:

31/03/10		31/03/11
£m		£m
0.9	Less than 3 months	1.6
0.9	Three months to one year	0.7
0.4	More than one year	0.5
2.2	Total	2.8

At year end the level of impairment for Council debt is assessed and reflected in the value of the impairment disclosed on the balance sheet within the debtors total and disclosed in the debtors note (note 19) .

Liquidity Risk

As the Council has ready access to borrowings from the Public Works Loans Board and a short term overdraft facility, there is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments. Instead there is a risk that the Council will be bound to replenish a proportion of its borrowings at a time of unfavourable interest rates. The Council's treasury team aim to ensure that the Council's borrowing portfolio is spread over a range of maturities by a combination of careful planning of new loans taken out and (where it is economic to do so) rescheduling debt.

The maturity analysis of fixed rate borrowing at fair value is as follows:

£m		£m
31/03/10		31/03/11
1.5	Less than one year	1.5
0	Between one and two years	0
4.0	Between two and five years	4.0
12.0	Between five and ten years	15.0
21.0	Between ten and twenty years	24.8
24.3	Between twenty and thirty years	31.3
71.0	Above thirty years	82.3
133.8	Total	158.9

The Council monitors and manages its cash flow on a daily basis to ensure it has, at all times, short term liquidity to meet payables and other liabilities.

Market Risk

There are three market related risks the Council is aware of: Interest Rate Risk, Price Risk and Foreign Exchange Risk. Further detail of each risk is outlined below:

Interest Rate Risk

The Council is exposed to significant risk in terms of its exposure to interest rate movements on its borrowing and investments. Movements in interest rates have a complex impact on the Council. For example a rise in interest rates would have the following effects:

- borrowings at variable rates – the interest expenses charged to the Income and Expenditure will rise
- borrowings at fixed rates - the fair value of the liabilities borrowings will rise
- investments at variable rates – the interest income credited to the Income and Expenditure will rise

- investments at fixed rates - the fair value of the assets will fall

Where the Council has borrowing on a fixed rate basis there will be no variation between the carrying value and fair value, so nominal gains and losses on fixed rate borrowings would not impact on the Income and Expenditure account or Movement in Reserves Statement (MIRS). However any changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Income and Expenditure and effect the general Fund Balance. Movements in the fair value of fixed rate investments will be reflected in the MIRS.

The Council has a number of strategies for managing interest rate risk. Its policy is to limit its exposure to variable rate loans. (As at 31st March 2011 the Council had £5m of borrowing at variable interest rates along with £10m on market loans (LOBO) where in future years the rates could vary.

The Council's treasury management team has an active strategy for assessing interest rate exposure that supports the setting of the annual budget and which is used to proactively manage the Council's investments and borrowings during a year.

If on the 31st March 2011 the interest rates are 1% higher than the actual interest rates the financial impact would be:

a) Borrowing:

The Council had £5m of variable rate borrowing as at 31st March 2011 so the impact would be £50,000 higher. However the Council could choose to repay the loan if rates increased.

b) Investments

It is reasonable to assume that the Council's investments in "cash" accounts, money market funds and the fund manger should increase by the change in interest rates. If the Council's investment were maintained at the level as at 31st March 2011 for a full financial year, this would generate an additional £1.0m over a year. It should be noted that if the interest rate increase was forecast it is likely the profile of fixed rate deposits would have been invested on that basis.

The impact of a 1% fall in interest rates would be as above but with the movements being reversed. The only additional issue is that if the Council had a number of callable deposits which are more likely to be called (repaid) by the borrower in a falling rate environment, which would result in the Council having to reinvest at potentially lower interest rates.

Price Risk

The Council does not generally invest in equity shares. The Council does have an equity interest in a number of companies (see note 39), of these only the share holding in TOR2 could lead to a realised share of profits.

Foreign Exchange Risk

The Council has no financial assets or liabilities denominated in foreign currencies (except for an occasional non sterling creditor payment) and thus have no exposure to loss arising from movements in exchange rates.

17 Investments

Long Term Investments

As at 31st March 2011 the Council had invested, as part of its treasury management function, £3.0 million (2009/10 £4.0m) with 1 institution with a maturity of greater than one year.

The table below shows an analysis of the Money Market Investments repayments, (principal only):

Total Invested 1st April 2009 £ m	Total Invested 31st March 2010 £ m	Analysis of Investments by due dates	Total Invested 31st March 2011 £ m
9.0	2.0	1 up to 2 years	3.0
2.0	2.0	2 up to 3 years	0
2.0	0	3 up to 4 years	0
13.0	4.0	Total	3.0
13.6	4.4	Fair Value as at 31 st March - including interest due	3.0

Short Term Investments

Temporary investments are short term investments with a maturity less than one year that are held for investment purposes not short term cash flow liquidity. As at 31st March 2011 the Council held £111.3 million (2009/10 £92.5 m) of short-term (money market) investments, of which £35.6 million (2009/10 £35.5m) is held by the Council's fund manager – Scottish Widows.

Total Invested 1 st April 2009 £ m	Total Invested 31st March 2010 £ m		Total Invested 31st March 2011 £ m
		Short Term Investments - less than 1 year	
45.0	45.0	- Cash Deposits	43.7
0	12.0	- Notice/Call Accounts	32.0
14.9	35.5	- Fund Manager *	35.6
59.9	92.5	Total Temporary Investments	111.3
61.5	95.6	Fair Value as at 31 st March - including interest due	112.0

Note * - The Council has designated its holding with Scottish Widows as Fair Value through Profit and Loss as, in substance, the Council's holding is part of a portfolio of identified financial instruments that are managed together and there is evidence of short term profit making.

18. Assets Held for Sale

Assets held solely for rental streams or capital appreciation

	2009/10	2010/11
	£m	£m
Balance outstanding at start of year	2.4	1.1
Assets newly classified as held for sale:		
- Property, Plant and Equipment	0	0.3
Revaluation losses	(0.1)	0
Revaluation gains	0.2	0
Assets sold	(1.4)	(0.3)
Balance outstanding at year-end	1.1	1.1

19 Debtors

Debtors represent monies owed to the Council.

Long Term Debtors

1 st April 2009	31 March 2010		31 March 2011
£m	£m		£m
0.3	0.4	Other Long Term Debtors	0.3
2.3	2.3	Disposal Torquay Marina	2.3
0	0.1	Cremator Replacement	0.2
0.2	0.2	Loan - PLUSS	0.2
2.8	3.0	Total Long Term Debtors	3.0

Short Term Debtors (Due within one year including payments in advance)

1 st April 2009	31 March 2010		31 March 2011
£m	£m		£m
4.8	4.3	Central government bodies	3.9
2.9	1.6	Other local authorities and public bodies	2.4

0.2	0.5	NHS bodies	0.2
3.0	3.2	Council Tax arrears (Council share only)	2.8
1.6	1.6	Housing Benefit	2.0
10.5	5.3	Other entities and individuals	6.2
23.0	16.5	Total	17.5
(4.7)	(4.8)	Impairment on short term debtors	(5.3)
18.3	11.7		12.2

20. Cash and Cash Equivalents

The balance of Cash and Cash Equivalents is made up of the following elements:

1st April 2009	31 March 2010		31 March 2011
£m	£m		£m
5.6	1.7	Bank current accounts	0.7
0.1	12.5	Short-term deposits with Money Market Funds	2.0
5.7	14.2	Total Cash and Cash Equivalents	2.7

21 Creditors

Represents monies owed by the Council

Long Term Creditors

1st April 2009	31 March 2010		31 March 2011
£m	£m		£m
1.0	1.1	PFI Renewal Fund	0.8
0.2	0.2	Other long term creditors	0.2
1.2	1.3	Total Long Term Creditors	1.0

Short Term Creditors (due within one year including receipts in advance)

1st April 2009 £m	31 March 2010 £m		31 March 2011 £m
0.1	1.7	Central government bodies	0.5
5.3	3.7	Other local authorities and public bodies	4.7
5.5	5.2	NHS bodies	8.9
15.9	22.2	Other entities and individuals	21.5
26.8	32.8	Total	35.6

Capital Grants & Contributions – Received in Advance

1st April 2009 £m	31 March 2010 £m		31 March 2011 £m
1.1	2.0	Capital Grants	6.3
1.9	1.3	Capital Contributions	0.5
3.0	3.3		6.8

22. Provisions

Represents monies potentially owed by the Council but the timing and value of the payment is uncertain.

	Insurance £m	Local Pay Review £m	Restructure (staff) £m	Other Provisions £m	Total £m
Balance at 1 April 2009					
- Due under one year	0.3	0	0	0.2	0.5
- Due over one year	0.4	1.6	0	0	2.0

	0.7	1.6	0	0.2	2.5
Balance at 31st March 2010					
- Due under one year	0.3	1.9	0	0.1	2.3
- Due over one year	0.3	0	0	0	0.3
	0.6	1.9	0	0.1	2.6
Additional provisions made in 2010/11	0	0.2	1.4	0.8	2.4
Amounts used in 2010/11	0	(1.9)	0	(0.1)	(2.0)
Balance at 31 March 2011	0.6	0.2	1.4	0.8	3.0
- Due Under one year	0.3	0.2	1.4	0.8	2.7
- Due over one year	0.3	0	0	0	0.3
	0.6	0.2	1.4	0.8	3.0

Description of Provisions held by the Council

Name of Provision

Description of Provision

Insurance	Reflects a reliable estimate of Council liability on all known claims outstanding as at 31 st March, which have yet to be settled. The timing of spend will be up to three years depending on claim type.
Local Pay Review	Provision to meet the costs of implementing the Local Pay Review. The year end balance reflects the estimated value of payments to meet the lump sum payments to staff of implementing the scheme where a reliable estimate can be made. In recognising the potential for such costs the council is not conceding that any such costs will be paid in the future.
Restructure (Staff)	Provision to meet liabilities of implementing the Council's budget reductions for 2011/12 and management restructure based on decisions made by 31 st March 2011.
Other Provisions	There are a number of provisions that individually are insignificant. In 2010/11 additional provision was made in relation to contract claims made on a major contract. It is anticipated that these claims will be resolved in 2011/12. In recognising these provisions the Council does not concede that these costs will be paid.

23 Borrowing

This heading reflects the borrowing undertaken by the Council to fund its approved capital programme. Any costs of borrowing are reflected in the Income and Expenditure Account as interest charges and the Minimum Revenue Provision for the repayment of debt. Central Government will recognise the costs of any "supported" borrowing within the Council's annual funding settlement. Any "unsupported" borrowing undertaken using the Prudential Code will have to be funded from within Council resources.

Total Outstanding 1 st April 2009 Principal £ m	Total Outstanding 31st March 2010 Principal £ m	Borrowing Repayable		Total Outstanding 31 March 2011 Principal £ m
		Amounts falling due within one year		
0	0	Public Works Loans Board & LOBO		0
0	0			0
		Amounts falling due in excess of one year		
10.0	10.0	Money Market (LOBO) - see note 23		10.0
99.3	122.4	Public Works Loans Board		152.5
109.3	132.4			162.5
109.3	132.4	Total		162.5

The table below shows an analysis of the Long Term Borrowing repayable: - (by principal outstanding). This table excludes the one variable PWLB rate loan of £5m the Council has which has a 10 year maximum duration.

Total Principal Outstanding 1 st April 2009 £ m	Total Principal Outstanding 31st March 2010 £ m	Analysis of Loans by Maturity	Average Interest Rate	Total Principal Outstanding 31st March 2011 £ m
0	0			Within 1 year
0	0	1 up to 2 years	-	0
0	0	2 up to 3 years	4.2%	4.0
0	4.0	3 up to 4 years	-	0
4.0	0	4 up to 5 years	-	0
9.0	17.0	5 up to 10 years	3.7%	15.0
7.0	13.0	10 up to 15 years	4.3%	15.0
0	3.0	15 up to 20 years	4.3%	9.8
0	9.0	20 up to 25 years	4.8%	11.6
89.3	86.4	Over 25 years	4.4%	102.1
109.3	132.4	Total	4.3%	157.5

Lenders Option Borrowers Option (LOBO)

The Council has two LOBO loan (Lenders Option Borrowers Option). One with Barclays Bank where after a short initial period of low interest, it then moved to a higher rate during 2009/10. The second, taken in 2008/09 with Dexia has, at inception, a constant rate of interest for the length of the loan but only fixed for the initial period. On both loans the lender has the option to increase the rate beyond the agreed rates after the initial period and at agreed intervals thereafter. The borrower then has the option to continue at the higher rate or repay the loan incurring no penalty. The loan will continue for the full term at the agreed rate unless the lender exercises the option to increase the rate of interest.

24 Liabilities

These relate to contracts or agreements that the council has entered into that guarantee future payments to a third party.

1 st April 2009 £m	31 March 2010 £m		31 March 2011 £m
		Liabilities due within 1 year	
0.9	0.8	DCC Transferred Debt	0
0.3	0.4	PFI Liability	0.4
0	0	Financial Guarantees	0
1.2	1.2	Total due within 1 year	0.4
		Liabilities due over 1 year	
20.5	19.7	DCC Transferred Debt	0
10.5	10.1	PFI Liability	9.7
0.2	0.2	Financial Guarantees	0.2
31.2	30.0	Total due over 1 year	9.9
32.4	31.2	Total Liabilities	10.3

DCC Transferred debt

Deferred Liabilities recognises the "transferred debt" arrangements between Devon County Council and Torbay Council, which arose out of the reorganisation of Local Authorities in England on 1st April 1998. Payments to Devon include principal and interest based upon an apportionment of

Devon's Credit Ceiling prior to transfer as directed by the Local Government changes for England (Payments to Designated Authorities) (Minimum Revenue Provision) Regulations 1995. Payments to Devon County Council are funded by the Council Taxpayers through charges to the Statement of Movement on the General Fund Balance. On 1st October 2010 this debt was repaid by the Council agreeing that the PWLB transfer an equivalent amount of Devon County PWLB debt to the Council. This transfer can be seen in the corresponding increase in the Council's liability to the PWLB.

Transferred Debt principal outstanding at 31st March 2011 is nil, (2009/10 £20.5m).

Westland and Homelands Schools PFI Scheme

A Project Agreement was signed on 31st March 2000 with Torbay School Services Ltd (TSS) for the provision of serviced facilities at Westlands Secondary and Homelands Primary Schools in Torquay. The period of the contract is 26 years from the actual completion of the redevelopment of the Westlands School buildings which occurred on 24th October 2001 (i.e. expires in 2027). Payments under the contract commenced on 1st April 2001 when Phase 1 of Westlands was completed. The contract specifies minimum standards for the services to be provided by the contractor, with deductions from the fee payable being made if facilities are unavailable or performance is below the minimum standards. The contractor took on the obligation to construct the schools and maintain them in a minimum acceptable condition and to procure and maintain the plant and equipment needed to operate the schools. The buildings and any plant and equipment installed in them at the end of the contract will be transferred to the Authority for nil consideration. There were no changes to the contract arrangements during the year.

PFI Property Plant and Equipment

The assets used to provide services at both schools are recognised on the Authority's Balance Sheet. Since the PFI contract started Westlands school became a Foundation School therefore the asset was derecognised. The Council has retained the liability.

PFI Payments

The Authority makes an agreed payment each year which is increased each year by inflation and can be reduced if the contractor fails to meet availability and performance standards in any year but which is otherwise fixed. In relation to this contract the Council recognises as a liability on its balance sheet the element of this annual payment that relates to the construction and purchase of the two schools. The other elements of the contract, finance costs and service charges are recognised on an annual basis in the Council's Income and Expenditure account. Payments remaining to be made under the PFI contract at 31 March 2011 (excluding any estimation of inflation and availability/performance deductions) are as follows:

	Payment for Services * £m	Reimbursement of Capital Expenditure £m	Interest £m	Total £000
Payable in 2011/12	1.6	0.4	0.5	2.5
Payable within 2 to 5 years	6.3	1.8	1.9	10.0

Payable within 6 to 10 years	7.9	2.9	1.8	12.6
Payable within 11 to 15 years	7.9	3.7	0.9	12.5
Payable within 16 to 20 years	2.4	1.3	0.1	3.8
Total	26.1	10.1	5.2	41.4

* The total annual payment for all three elements to the contractor will remain constant (ignoring inflation) until 2027/28 when the contract finishes.

Although the payments made to the contractor are described as unitary payments, they have been calculated to compensate the contractor for the fair value of the services they provide, the capital expenditure incurred and interest payable. The liability outstanding to pay to the contractor for capital expenditure incurred is as follows:

2009/10		2010/11	
£m		£m	
10.8	Balance outstanding at start of year	10.5	
(0.3)	Payments during the year	(0.4)	
10.5	Balance outstanding at year-end	10.1	

Financial Guarantees

Torbay Coast and Countryside Trust

The Council has agreed to act as a guarantor to the Torbay Coast and Countryside Trust for £975,000 (£950,000 2009/10). This is relating to a bank loan and an overdraft facility, in respect of capital work and trading at Occombe Farm. The loan was, in part, restructured by the Trust in January 2010 over a five year period.

As at 31st March 2011 the fair value of this guarantee after amortisation was £182,000 (£171,000 2010/11). This change in value of the fair value of the guarantee has been reflected in the Council's Income and Expenditure Account and balance sheet. Under Statutory Instrument 414/2008 (30F) the Council is allowed to neutralise the overall impact of this guarantee on its accounts until the "risk subsists".

25. **Usable Reserves**

Movements in the Authority's usable reserves are detailed in the Movement in Reserves Statement and in the table below:

1st April 2009	31 March 2010		31 March 2011
£m	£m		£m
3.3	3.7	General Fund Reserve	4.0
27.4	31.0	Earmarked Reserves – see note 8	32.8
0.4	0.4	Usable Capital Receipts Reserve	0.5
19.2	19.1	Capital Grants & Contributions Unapplied	17.0
50.3	54.2	Total Usable Reserves	54.3

Usable Capital Receipts Reserve

This reserve holds the balance of any capital receipts at the end of each financial year that have been received and recognised as income in the Comprehensive Income and Expenditure Account but not yet applied to finance capital expenditure.

2009/10		2010/11
£m		£m
0.4	Balance at 1 April	0.4
2.2	Transfer of sale proceeds credited as part of gains/loss on disposal to the Comprehensive/Income and Expenditure Statement.	0.5
(2.2)	Transfer to Capital Adjustment Account when applied to finance capital expenditure	(0.4)
0.4	Balance at 31 March	0.5

Capital Grants and Contributions Unapplied Reserve

This reserve holds the balance of any capital grants and contributions at the end of each financial year that have been received and recognised as income in the Comprehensive Income and Expenditure Account but not yet applied to finance capital expenditure.

2009/10		2010/11
£m		£m
19.2	Balance at 1 April	19.1
17.1	Transfer of capital grants & contributions recognised in the Comprehensive/Income and Expenditure Statement but not yet applied finance capital expenditure.	12.5
(17.2)	Transfer to Capital Adjustment Account when applied to finance capital expenditure	(14.6)
19.1	Balance at 31 March	17.0

26. Unusable Reserves

Movements in the Authority's unusable reserves are detailed in the Movement in Reserves Statement and in the table below:

1 st April	31 March		31 March
2009	2010		2011
£m	£m		£m
28.7	32.7	Revaluation Reserve	31.4
184.2	171.4	Capital Adjustment Account	167.0
(0.4)	(0.3)	Financial Instruments Adjustment Account	(0.3)
(112.9)	(166.4)	Pensions Reserve	(76.6)
0	1.1	Collection Fund Adjustment Account	1.8
(2.9)	(3.4)	Accumulating Compensated Absences Adjustment Account	(3.0)
96.7	35.1	Total Unusable Reserves	120.3

Revaluation Reserve

The Revaluation Reserve contains the gains made by the Authority arising from increases in the value of its Property, Plant and Equipment [and Intangible Assets]. The balance is reduced when assets with accumulated gains are:

- revalued downwards or impaired and the gains are lost
- used in the provision of services and the gains are consumed through depreciation, or
- disposed of and the gains are realised.

The Reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

2009/10		2010/11
£m		£m
28.7	Balance at 1 April	32.7
4.4	Upward revaluation of assets	1.8
0	Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	(2.5)
4.4	Surplus or deficit on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services	(0.7)
(0.4)	Difference between fair value depreciation and historical cost depreciation	(0.7)
0	Accumulated gains on assets sold or scrapped	0.1
(0.4)	Amount written off to the Capital Adjustment Account	(0.6)
32.7	Balance at 31 March	31.4

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Authority as finance for the costs of acquisition, construction and enhancement.

The Account contains accumulated gains and losses on Investment Properties and gains recognised on donated assets that have yet to be consumed by the Authority.

The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

Note 7 provides details of the source of all the transactions posted to the Account, apart from those

involving the Revaluation Reserve.

2009/10		2010/11
£m		£m
184.2	Balance at 1 April	171.3
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:	
(10.5)	• Charges for depreciation and impairment of non current assets	(20.0)
(0.3)	• Amortisation of intangible assets	(0.3)
(1.5)	• Revenue expenditure funded from capital under statute	(10.7)
0.1	• Notional Rent Credit	0.1
(38.2)	• Amounts of non current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(0.3)
(50.4)		(31.2)
0.4	Adjusting amounts written out of the Revaluation Reserve	0.7
(50.0)	Net written out amount of the cost of non current assets consumed in the year	(30.5)
	Capital financing applied in the year:	
2.2	• Use of the Capital Receipts Reserve to finance new capital expenditure	0.4
11.3	• Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	4.9
17.2	• Application of grants to capital financing from the Capital Grants Unapplied Account	14.6
4.1	• Statutory provision for the financing of capital investment charged against the General Fund	4.0
0.9	• Repayment of Debt Transferred from Devon County Council	0.4
1.3	• Capital expenditure charged against the General Fund	1.9
37.0		26.2
0	Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement	0
0.2	Movements in the market value of Assets Held for Sale debited or credited to the Comprehensive Income and Expenditure Statement	0
171.3	Balance at 31 March	167.0

Financial Instruments Adjustment Account

The Financial Instruments Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for income and expenses relating to certain financial instruments and for bearing losses or benefiting from gains per statutory provisions.

2009/10		2010/11
£m		£m
(0.4)	Balance at 1 April	(0.3)
0	Financial Instruments incurred in the year and charged to the Comprehensive Income and Expenditure Statement	0
0.1	Proportion of costs incurred in previous financial years to be credited to General Fund Balance in accordance with statutory requirements	0
0.1	Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	0
<u>(0.3)</u>	Balance at 31 March	<u>(0.3)</u>

Pensions Reserve - (Funded and Unfunded Liabilities)

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions. The Authority accounts for post employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Authority makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Authority has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

2009/10		2010/11
£m		£m
(112.9)	Balance at 1 April	(166.4)
(46.1)	Actuarial (gains) or losses on pensions assets and liabilities	61.5
(15.8)	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	20.1
8.4	Employer's pensions contributions and direct payments to pensioners payable in the year	8.2
(166.4)	Balance at 31 March	(76.6)

Collection Fund Adjustment Account

The Collection Fund Adjustment Account manages the differences arising from the recognition of council tax income in the Comprehensive Income and Expenditure Statement as it falls due from council tax payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

2009/10		2010/11
£m		£m
0	Balance at 1 April	1.1
1.1	Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	0.7
1.1	Balance at 31 March	1.8

Accumulating Compensated Absences Adjustment Account

The Accumulating Compensated Absences Adjustment Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

2009/10		2010/11
£m		£m
(2.9)	Balance at 1 April	(3.4)
2.9	Settlement or cancellation of accrual made at the end of the preceding year	3.4
(3.4)	Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(3.0)
(3.4)	Balance at 31 March	(3.0)

27. **Cash Flow Statement – Operating Activities**

The cash flows for operating activities include the following items:

2009/10		2010/11
£m		£m
(2.5)	Interest received	(4.5)
6.7	Interest paid	7.3
4.2	Total Interest Received & Paid	2.8

28. **Cash Flow Statement – Investing Activities**

2009/10		2010/11
£m		£m
45.1	Purchase of property, plant and equipment, investment property and intangible assets	32.0
25.0	Purchase of short-term and long-term investments	17.8
(1.8)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(0.9)
(0.3)	Proceeds from short-term and long-term investments	(0.3)
68.0	Net cash flows from investing activities	48.6

29. Cash Flow Statement – Financing Activities

2009/10		2010/11
£m		£m
(25.1)	Cash receipts of short- and long-term borrowing	(10.0)
1.2	Cash payments for the reduction of the outstanding liabilities relating to transferred debt and on-balance sheet PFI contracts	0.8
2.0	Repayments of short- and long-term borrowing	0
(21.9)	Net cash flows from financing activities	(9.2)

30. Amounts Reported for Resource Allocation Decisions

The analysis of income and expenditure by service on the face of the Comprehensive Income and Expenditure Statement is that specified by the Best Value Accounting Code of Practice. However, decisions about resource allocation are taken by the Authority's Mayor and Council on the basis of budget reports analysed across directorates. These reports are prepared on a different basis from the accounting policies used in the financial statements. In particular:

- no charges in relation to capital expenditure are included on the management reports (whereas depreciation, revaluation and impairment losses in excess of the balance on the Revaluation Reserve and amortisations are charged to services in the Comprehensive Income and Expenditure Statement)
- the cost of retirement benefits is based on cash flows (payment of employer's pensions contributions) rather than current service cost of benefits accrued in the year
- expenditure on support services is budgeted for but allocated to services but excluded from management reports.
- Expenditure on capital financing such as minimum revenue provision are included in management reports but not charged to services in the Comprehensive Income and Expenditure Statement.

The income and expenditure of the Council's four directorates recorded in the budget reports for the year is as follows:

Directorate Income and Expenditure	Corporate Support	People	Environment	Operational Support	Total
2010/11	£m	£m	£m	£m	£m
Fees, charges & other					
Service income	(3.9)	(18.6)	(19.1)	(7.5)	(49.1)
Government grants	(2.1)	(103.5)	(2.9)	(80.0)	(188.5)
Total Income	(6.0)	(122.1)	(22.0)	(87.5)	(237.6)

Employee expenses	7.6	86.8	14.4	8.8	117.6
Other service expenses	17.6	100.9	38.2	96.0	252.7
Total Expenditure	25.2	187.7	52.6	104.8	370.3
Net Expenditure	19.2	65.6	30.6	17.3	132.7

Reconciliation of Directorate Income and Expenditure to Cost of Services in the Comprehensive Income and Expenditure Statement

This reconciliation shows how the figures in the analysis of directorate income and expenditure relate to the amounts included in the Comprehensive Income and Expenditure Statement.

	2009/10	2010/11
	£m	£m
Net expenditure in the Directorate Analysis	122.8	132.7
Amounts in the Comprehensive Income and Expenditure Statement not reported to management in the Analysis	6.6	(13.8)
Amounts included in the Analysis not included in the Comprehensive Income and Expenditure Statement	(12.0)	(12.9)
Cost of Services in Comprehensive Income and Expenditure Statement	117.4	106.0

Directorate Income and Expenditure	Corporate Support	People	Environment	Operational Support	Total
2009/10 Comparative Figures	£m	£m	£m	£m	£m
Fees, charges & other service income	(1.7)	(21.5)	(21.4)	(10.4)	(55.0)
Government grants	(0.4)	(103.2)	(3.0)	(73.2)	(179.8)
Total Income	(2.1)	(124.7)	(24.4)	(83.6)	(232.8)
Employee expenses	6.3	88.3	12.5	10.1	117.2
Other service expenses	5.2	103.0	41.2	91.0	240.4
Total Expenditure	11.5	191.3	53.7	101.1	357.6
Net Expenditure	9.4	66.6	29.3	17.5	122.8

Reconciliation to Subjective Analysis

This reconciliation shows how the figures in the analysis of [directorate] income and expenditure relate to a subjective analysis of the Surplus or Deficit on the Provision of Services included in the Comprehensive Income and Expenditure Statement.

2010/11	Directorate Analysis	Amounts not reported to management for decision making	Amounts not included in I&E	Allocations of Recharges	Cost of Services	Corporate Amounts	Total
	£m	£m	£m	£m	£m	£m	£m
Fees, charges & other service income	(49.1)	(35.2)	2.1	12.9	(69.3)	(0.8)	(70.1)
Interest and investment	0	0	0	0	0	(15.0)	(15.0)
Income from council tax	0	0	0	0	0	(62.7)	(62.7)
Government grants and contributions	(188.5)	(15.2)	0.5	0	(203.2)	(77.8)	(281.0)
Total Income	(237.6)	(50.4)	2.6	12.9	(272.5)	(156.3)	(428.8)
Employee expenses	117.6	2.1	0	0	119.7	0	119.7
Other service expenses	252.7	14.3	(15.5)	(12.9)	238.6	0.2	238.8
Depreciation, amortisation and impairment	0	20.2	0	0	20.2	0	20.2
Interest Payments	0	0	0	0	0	25.2	25.2
Precepts & Levies	0	0	0	0	0	0.2	0.2
Gain or Loss on Disposal of Fixed Assets	0		0	0	0	0.3	0.3
Total	370.3	36.6	(15.5)	(12.9)	378.5	25.9	404.4
(Surplus) or	132.7	(13.8)	(12.9)	0	106.0	(130.4)	(24.4)

2009/10 Comparative figures	Directorate Analysis	Amounts not reported to management for decision making	Amounts not included in I&E	Allocations of Recharges	Cost of Services	Corporate Amounts	Total
	£m	£m	£m	£m	£m	£m	£m
Fees, charges & other service income	(55.0)	(0.1)	4.2	11.9	(39.0)	(2.4)	(41.4)
Interest and investment income	0	(0.2)	0	0	(0.2)	(12.3)	(12.5)
Income from council tax	0	0	0	0	0	(60.6)	(60.6)
Government grants and contributions	(179.8)	(4.0)	0.6	0	(183.2)	(89.0)	(272.2)
Total Income	(234.8)	(4.3)	4.8	11.9	(222.4)	(164.3)	(386.7)
Employee expenses	117.0	(1.4)	0	0	115.6	0	115.6
Other service expenses	240.6	0	(16.8)	(11.9)	211.9	0.2	212.1
Depreciation, amortisation and impairment	0	12.3	0	0	12.3	0	12.3
Interest Payments	0	0	0	0	0	24.2	24.2
Precepts & Levies	0	0	0	0	0	0.2	0.2
Gain or Loss on Disposal of Fixed Assets	0	0	0	0	0	38.3	38.3
Total expenditure	357.6	10.9	(16.8)	(11.9)	339.8	62.9	402.7
(Surplus) or deficit on the provision of services	122.8	6.6	(12.0)	0	117.4	(101.4)	16.0

31. Trading Operations

The Council does not have any trading operations that are operated on a fully commercial basis. Where a service does supply to external customers the income and the relevant expenditure is disclosed within the appropriate service heading in the comprehensive income and expenditure statement. This includes services such as harbours, services to school academies and external print work.

32. Agency Services

The Authority provides professional services to the Environment Agency in relation to rivers. The value of this work is less than £200,000.

33. Pooled Budgets

Under section 75 of the NHS Act 2006, the Authority has entered into a pooled budget arrangement with Torbay Care Trust for the joint provision of an equipment store for the purchase and distribution of items to meet the social care and health needs of people living in the Torbay area. The Authority and the Trust have an agreement in place for funding these with the partners contributing funds to the agreed budget equal to a 50% split to each partner. The same proportions are used to meet any deficit or share any surplus arising on the pooled budget at the end of each financial year.

The pooled budget is hosted by the Council as the lead authority on behalf of the two partners to the agreement.

2009/10 £m		2010/11 £m
	Funding provided to the pooled budget:	
0.5	• the Council	0.5
0.5	• the Trust	0.5
<hr/> 1.0		<hr/> 1.0
	Expenditure met from the pooled budget:	
(0.5)	• The Council	(0.5)
(0.5)	• the Trust	(0.5)
<hr/> (1.0)		<hr/> (1.0)
0	Net surplus arising on the pooled budget during the year	0
0	Authority share of 50% of the net surplus arising on the pooled budget	0
£000's		£000's
0	Surplus for the year carried forward to 2011/12	32

34. Members' Allowances

Under the Council's Members Allowances scheme the following amounts were paid to members of the Council during the year.

2009/10 £000's		2010/11 £000's
475	Allowances – Basic and Special Responsibility	466
6	Expenses	5
481	Total	471

The current Allowances' scheme can be found on the Council's website at www.torbay.gov.uk/index/council/councillors-democracy/constitution.htm.

35. Officers' Remuneration

The remuneration paid to the Authority's senior employees is as follows:

		Salary £000	Expenses £	Compen- sation for Loss of Office £	Pension Contribution at "common rate" £	Total
Elizabeth Raikes (Chief Executive)	2010/11	151	1	0	23	175
	2009/10	155	1	0	24	180
Caroline Taylor (Deputy Chief Executive)	2010/11	109	1	0	16	126
	2009/10	109	1	0	16	126
Carol Tozer (People Commissioner & Director of Childrens Services)	2010/11	125	1	0	19	145
	2009/10	125	1	0	19	145
Charles Uzzell (Environment Commissioner)	2010/11	109	1	0	16	126
	2009/10	109	1	0	16	126
Clare Tanner (Operational Commissioner)	2010/11	91	1	0	14	106
	2009/10	91	1	0	14	106
Richard Thorpe Chief Finance Officer	2010/11	78	1	0	12	91
	2009/10	80	1	0	12	93
Anthony Butler (Monitoring Officer)	2010/11	50	0	0	7	57
	2009/10	-	-	-	-	-
Keith Stevens (Monitoring Officer) *	2010/11	5	0	0	0	5
	2009/10	59	0	0	0	59

* The Monitoring Officer was employed on a contractual basis not an employee of the Council.
The number of employees whose taxable remuneration, excluding employer's pension contributions, exceeds £50,000 while employed by Torbay Council is set out in the table below in bands of £5,000. Remuneration for these purposes includes all sums paid or receivable by an employee and sums due by way of allowance (as far as those sums are chargeable to UK income tax) and the money value of any other benefits received other than in cash.

Number of Employees by employer 2009/10			Remuneration Band	Number of Employees by employer 2010/11		
Council	Schools - Council Restated	Schools - Governing Body Restated		Council	Schools - Council	Schools - Governing Body
13	16	18	£50,000 to £54,999	12	13	11
12	5	9	£55,000 to £59,999	7	10	10
2	7	3	£60,000 to £64,999	4	4	8
4	2	1	£65,000 to £69,999	2	3	2
0	0	0	£70,000 to £74,999	3	1	1
2	3	2	£75,000 to £79,999	4	1	1
2	0	0	£80,000 to £84,999	5	1	1
1	1	0	£85,000 to £89,999	0	1	0
2	0	0	£90,000 to £94,999	2	1	0
0	1	1	£95,000 to £99,999	0	1	0
0	0	1	£100,000 to £104,999	0	0	1
2	0	1	£105,000 to £109,999	2	0	0
0	0	0	£110,000 to £114,999	0	0	0
0	0	0	£115,000 to £119,999	0	0	0
0	0	0	£120,000 to £124,999	0	0	0
1	0	0	£125,000 to £129,999	1	0	0
0	0	0	£130,000 to £134,999	0	0	0
0	0	0	£135,000 to £139,999	0	0	0
0	0	0	£140,000 to £144,999	0	0	0
0	0	0	£145,000 to £149,999	0	0	0
0	0	0	£150,000 to £154,999	0	0	0
1	0	0	£155,000 to £159,999	1	0	0
42	35	36		43	36	35

36. External Audit Costs

The Authority has incurred the following costs in relation to the audit of the Statement of Accounts, certification of grant claims and statutory inspections and to non-audit services provided by the Authority's external auditors:

2009/10 £000		2010/11 £000
238	Fees payable to the Audit Commission with regard to external audit services carried out by the appointed auditor for the year	227
16	Fees payable to the Audit Commission in respect of statutory inspections	0
49	Fees payable to the Audit Commission for the certification of grant claims and returns for the year	34
2	Fees payable in respect of other services provided by the Audit Commission during the year	4
305	Total	265

37. Dedicated Schools Grant (DSG)

DSG is a ring-fenced grant and can only be applied to meet expenditure properly included in the Schools Budget. The Schools Budget includes elements for a restricted range of services provided on an authority-wide basis and for the Individual Schools Budget, which is divided into a budget share for each school. Over and under-spends on the two elements are required to be accounted for separately. The Council is able to supplement the Schools Budget from its own resource but for this year it has chosen not to do so.

The Council has fully deployed the DSG grant to support the Schools Budget in accordance with the relevant legislation. This was evidenced by the Chief Finance Officer's certification of the Section 251 (Schools outturn) statement to the Department for Education.

Details of the deployment of DSG receivable for 2010/11 are as follows:

Schools Budget Funded by Dedicated Schools Grant 2010/11			
	Central Expenditure	Individual Schools Budget	Total
	£m	£m	£m
Final DSG for 2010/11	9.5	61.6	71.1
Plus			
Brought forward from 2009/10	0.3	0	0.3
Less			
Carry forward to 2011/12 agreed in advance	0	0	0
Agreed budgeted distribution in 2010/11	9.8	61.6	71.4
Less	(9.4)	-	(9.4)
Actual Central Expenditure			
Less	-	(61.6)	(61.6)
Actual ISB deployed to schools			
Carry forward to 2011/12	0.4	0	0.4

38. **Grant Income**

The Authority credited the following grants and contributions to the Comprehensive Income and Expenditure Statement

2009/10		2010/11
£m		£m
Credited to Taxation and Non Specific Grant Income		
10.5	Revenue Support Grant	7.5
7.9	Area Based Grant	12.2
45.6	NNDR Redistribution	51.5
0.6	Grant re PFI Finance costs	0.6
24.4	Capital Grants & Contributions	6.0
89.0	Total	77.8

2009/10 £m		2010/11 £m
Credited to Services		
70.6	Dedicated Schools Grant (Department of Education)	71.1
73.7	Benefit Subsidy & Admin Grant (Dept of Work & Pensions)	79.4
10.2	Standards Fund (Department of Education)	11.3
7.7	Post 16 Funding (Learning & Skills Council)	12.1
17.4	Other Central Government Grants – Revenue	14.1
9.6	Other Central Government Grants – Refcus	15.2
189.2	Total	203.2

The Authority has received a number of grants and contributions that have yet to be recognised as income as they have conditions attached to them that will require the monies or property to be returned to the giver.

The balances at the year-end are as follows:

1 April 2009 £m	31 March 2010 £m	Capital Grants & Contributions - Receipts in Advance	31 March 2011 £m
1.1	2.0	Grants	6.3
1.9	1.3	Contributions	0.5
3.0	3.3	Total	6.8

39. Related Parties

The Authority is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the council or to be controlled or influenced by the council. Disclosure of these transactions allows readers to assess the extent to which the council might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Authority. Any balances due to/from these related parties are included within the Council's debtor and creditor figures.

Central Government

Central government has effective control over the general operations of the Authority– it is responsible for providing the statutory framework within which the Authority operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Authority has with other parties (eg council tax bills, housing benefits). Grants received from government departments are set out in the subjective analysis in Note 38.

Members

Members of the council have direct control over the council's financial and operating policies. The total of members' allowances paid in 2010/11 is shown in Note 34.

A Members Record of Interests is maintained and is available for public inspection. In addition for 2010/11 the following declarations were made:-

Councillor J Richards declared that she is a director of J & J Catering (Devon)Ltd and was granted a street traders licence during 2010 – value £237.

Councillor D Thomas declared that he is a trustee of Citizens Advice Bureau (Torbay) and holds a street traders licence with Councillor J Richards.

The Council maintains a Members Register of Gifts & Hospitality. During 2010/11 Members received hospitality (over the value of £25) from the following organisations/individuals:-

Plant & Waste recycling show, Preston Community Partnership, TOR2, Mr David Hanbury, PAWRS and Trinity Sailing Trust

Officers

Officers have declared interests in the following

Mrs S Cheriton declared that she is a Director of Torbay Coast and Countryside Trust.

Mrs C Taylor declared that her husband is a freelance musician/composer and occasionally works in schools within Torbay on specific projects and may be involved in cultural projects.

The Council maintains a Register of Gifts & Hospitality. During 2010/11 officers received hospitality and prizes (over the value of £25) in the course of their employment from the following organisations/individuals:-

TOR2, Haulfryn Group, AMF Bowling, Bygones, Clarks Shoes, Cotton Eyed Joes, Dartmouth Steam Railway, Hanbury's Fish Restaurant, HiFlyer, Living Coasts, Matta-Bharat, Marina Restaurant, McKinlay Martin Hair Saloon, Neveah Spa, Number 7 Fish Restaurant, Osborne Hotel, Pizza Express, Simla Spice, Steps Footwear, The Boathouse, The Cut, Toorak Hotel, Torbay Bookshop, Torbay Leisure Centre, Waitrose, Waves Leisure Pool, Yum Sing Restaurant, Serco Local Government, Tribal Consultants, Jacobs Engineering UK Ltd and Ann Johns.

Other Public Bodies [subject to common control by central government]

Torbay Care Trust

In December 2005 the Council entered a "partnership agreement" with Torbay Care Trust, (formally Torbay Primary Care Trust) for the provision of Adult care services formally operated by the Council. The Council remains ultimately responsible for Adult Social Care.

2009/10	Partnership Agreement Memorandum Account	2010/11
£m		£m
45.6	Health Funding	44.1
41.5	Torbay Council Funding	43.5
87.1	Total Pooled Budget Funding	87.6
31.2	Health Commissioned Expenditure	29.2
27.1	Pooled Provider Expenditure	27.9
29.6	Net Social Care Commissioned Expenditure	30.2
87.9	Total Pooled Budget Expenditure	87.3
0.8	(Surplus)/ Deficit	(0.3)

Joint Equipment Store

The Authority has a pooled budget arrangement with Torbay Care Trust for the provision of a joint equipment store. Transactions and balances outstanding are detailed in Note 33.

Joint Committee – Devon Audit Partnership

From April 2009 Torbay set up a Joint Committee with Devon County Council and Plymouth City Council for the provision of a shared internal audit service. The service is also able to provide audit services to other organisations.

Devon County is the "host" Council for the Joint Committee with all staff now employed by Devon County Council. Assets and Liabilities of the Joint Committee are split on an agreed basis (number of FTE's on inception of the Committee). Torbay's share is equal to 27%. Each partner is required to reflect their share of income and expenditure and any assets and liabilities within their accounts. The impact on the Council's accounts of this change is not material. Torbay's contribution to the partnership for 2010/11 was £0.4m (2009/10 £0.4m).

A summary of the Joint Committee's accounts and Torbay's share is shown in the table below:

2009/10	Devon Audit Partnership	2010/11	2010/11
Torbay		Total	Torbay
£m		£m	£m
(0.5)	Income	(1.7)	(0.5)
0.5	Expenditure	1.7	0.5
0	(Surplus)/Deficit transferred to/from reserve	0	0
£m	Balance Sheet:		
0	Current Assets & Liabilities	0.1	0
0	Reserves	(0.1)	0
0		0	0
£000's		£000's	£000's
(24)	(Surplus)/Deficit for Year	(22)	(6)

Precepts

The total cost of these services is disclosed within the Income and Expenditure Account. Within that total the precepts and levies paid in 2010/11 are as follows:

2009/10 £000's		2010/11 £000's
38	Environment Agency	39
55	Devon Sea Fisheries	56
182	Brixham Town Council	187

Entities Controlled or Significantly Influenced by the Authority

TOR2 Ltd

This company, limited by share and part controlled by Torbay Council, started trading in July 2011. The Council holds 19.99% of the shares with the balance being held by May Gurney limited. Council board member is Clare Tanner.

This company was set up as a joint venture after a tender process for a 10 year contract to supply the Council with a range of services previously provided by the Council itself such as waste collection and street cleaning.

For financial reporting this relationship falls within the definition of an associate which, if material, would require the Council to produce group accounts. Under the equity method for accounting for associates prescribed in IAS 31 only the net assets need to be disclosed, these were considered to be immaterial. A summary of the TOR2 accounts for the part year 2010/11 is shown below:-

Torbay Council's 20% share	TOR2 Limited	TOR2	Torbay Council's 20% share
2009/10		2010/11	2010/11
Profit and Loss Account for the period 19th July 2010 to the 31st March 2011			
£m		£ m	£m
-	Gross Turnover	10.8	2.1
-	Less Operating Costs	(11.8)	(2.4)
-	Operating Profit/(Loss)	(1.0)	(0.3)
-	Interest Receivable	0	0
-	Interest Payable	(0.1)	0
-	Profit/ (Loss) before Taxation	(1.1)	(0.3)
-	Less Taxation	0.3	0.1
-	Profit/ (Loss) after Taxation	(0.8)	(0.2)

Balance Sheet as at 31st March 2011			
-	Fixed Assets	2.5	0.5
-	Current Assets	5.6	1.1
-	Less Current Liabilities	(7.3)	(1.5)
-	Total Assets less Current Liabilities	0.8	0.1
-	Less Long Term Creditors & Provisions	(1.6)	(0.3)
-	Net Assets	(0.8)	(0.2)
Profit and Loss Account for the period 19th July 2010 to the 31st March 2011			
-	Share Capital	0	0
-	Retained Earnings	(0.8)	(0.2)
-	Net Equity	(0.8)	(0.2)

English Riviera Tourist Board (ERTC) Limited

This company, limited by share and controlled by Torbay Council, started trading on 1st October 2011. Council board members are Councillor Beryl McPhail and Sue Cheritan.

For financial reporting this relationship falls within the definition of a subsidiary this, if material, would require the Council to produce group accounts. This would require full consolidation of the ERTC accounts within the Council's group accounts. For 2010/11 these were considered to be immaterial. A summary of the ERTC accounts for the part year 2010/11 is shown below:-

ERTC Limited	ERTC	
2009/10	2010/11	
Profit and Loss Account for the period 1st October 2010 to the 31st March 2011		
£m	£ m	
-	Gross Turnover	0.5
-	Less Operating Costs	(0.3)
-	Less Exceptional Items	(0.4)
-	Operating Profit/(Loss)	(0.2)
-	Profit/ (Loss) before Taxation	(0.2)
-	Less Taxation	0
-	Profit/ (Loss) after Taxation	(0.2)

£m	Statement of Total Recognised Gains and Losses for the period ended 31st March 2011	£m
-	Loss for the financial period	(0.2)
-	Actuarial gain/(loss) in respect of defined benefit pension scheme	1.0
-	Total Gains and Losses recognised for the period	(0.1)
£m	Balance Sheet as at 31st March 2011	
-	Current Assets	0.2
-	Less Current Liabilities	(0.2)
-	Total Assets less Current Liabilities	0
-	Less Long Term Creditors & Provisions	0
-	Pension Assets/(Liabilities)	(0.1)
-	Net Assets including pension assets	(0.1)
	Profit and Loss Account for the period 1st October to the 31st March 2011	
-	Profit and Loss Account	(0.1)
-	Members' Funds - non-equity	(0.1)

The movement in the profit and loss account from an operational surplus position to a deficit is due to the impact of the IAS19 retirement benefits assessment as at 31st March 2011.

Torbay Enterprise Agency

Torbay Enterprise Agency Limited is a private company limited by guarantee without share capital under the control of Torbay Council. The nature of the company is to support businesses within Torbay. Torbay Council staff and Councillors comprise all members and directors of this company. The company is now not actively trading but has not yet been closed down.

The PLUSS Organisation Ltd

The PLUSS Organisation Ltd is a company limited by guarantee with no share capital. Devon County Council, Plymouth City Council, Torbay Council and Somerset County Council each have an equal 'share' in the company and equal voting rights. The Company's membership structure does not allow a dividend payment, and all profits are retained by PLUSS Organisation Ltd for the future development of services. Council board member is Councillor Cindy Stocks.

For financial reporting this relationship falls within the definition of an associate which, if material, would require the Council to produce group accounts. Under the equity method for accounting for associates prescribed in IAS31 only the net assets need to be disclosed, these were considered to be immaterial. A summary of PLUSS accounts for the year 2010/11 is shown below:-

Torbay Council's 25% share 2009/10	The PLUSS Organisation Ltd	PLUS	Torbay Council's 25% share
		2010/11	2010/11
	Profit and Loss Account for the period ended 31 March 2011		
5.4	Gross Turnover	23.3	5.8
(5.4)	Less Operating Costs	(23.2)	(5.8)
0	Operating Profit/(Loss)	0.1	0
0	Gains/(Losses) on Disposals	0.1	0
0	Interest Receivable	0	0
0	Interest Payable	0	0
(0.1)	Finance Income	2.5	0.7
(0.1)	Profit/ (Loss) before Taxation	2.7	0.7
0	Less Taxation	(0.6)	(0.2)
(0.1)	Profit/ (Loss) after Taxation	2.1	0.5
£m	Statement of Total Recognised Gains & Losses for the period ended 31 March 2011	£ m	£m
(0.1)	Profit/(loss) for the financial year after taxation	2.0	0.5
(0.4)	Actuarial gain/(loss) on pension scheme movement	4.0	1.0
0.1	Deferred Tax (liability)/asset	(1.3)	(0.3)
(0.4)		4.7	1.2
£m	Balance Sheet as at 31st March 2010		
0.2	Fixed Assets	1.6	0.4
1.1	Current Assets	5.2	1.3
(0.6)	Less Current Liabilities	(4.3)	(1.1)
0.7	Total Assets less Current Liabilities	2.5	0.6
(0.5)	Less Long Term Creditors & Provisions	(1.2)	(0.3)
(1.2)	Pension Assets/(Liabilities)	(0.4)	(0.1)
(1.0)	Net Assets including pension assets	0.9	0.2

Profit and Loss Account for the period ended 31 March 2010 Continued			
Capital and Reserves			
0.1	Profit and Loss Reserve	2.6	0.6
(1.1)	Pension Reserve	(1.7)	(0.4)
(1.0)	Members' Funds - non-equity	0.9	0.2

The movement in the balance sheet from a "net asset" position to a "net liability" position is primarily due to the impact of the IAS19 assessment of as at 31st March.

Arising from the creation of PLUS on 1st August 2005 as a Local Authority controlled company for the provision of supported employment with the Council having an equal share along with Devon County Council, Plymouth City Council and Somerset County Council, the Council entered a number of agreements to support the new company. These include;

- The guarantee of an overdraft to Barclays bank to a value of £0.125 million.
- The issue of a loan to the new company to cover working capital of £0.231 million. This loan is shown in the Council's long term debtors and repayments are due to start in 2011/12.

PLUS has been admitted to the Devon County Pension Fund. The former Council staff are now employed by PLUS and as a result the Council has guaranteed to meet any pension related financial liabilities arising on staff prior to transfer. The estimate of the value of this guarantee in 2005 was £0.4 million.

Connexions Cornwall and Devon Ltd

The company was incorporated on 7 March 1995 as a Company limited by guarantee not having a share capital. The council had an equal share with 13 other public sector bodies. With effect from 1st April 2008 the company resolved to become a local authority controlled company with 4 members. The members are Cornwall County Council, Devon County Council, Plymouth Council and Torbay Council, each member has an equal share in the company. The company aims to help young people and adults engage in learning and work. For financial reporting this relationship falls within the definition of an associate; this technically requires the Council to produce group accounts. Group accounts have not been produced as the net assets and profit are not considered to be material.

Torbay Economic Development Agency Limited (limited by guarantee)

This company has had no financial transactions and is expected to be closed in 2011/12. A new company (limited by share) with the aim of supporting regeneration in Torbay controlled by the Council was set up on the 14th April 2011 and commenced trading on 1st May 2011.

Torbay Development Agency Limited

This company has had no financial transactions and is expected to be closed in 2011/12.

SWERCOTS Ltd

This is the South West of England Regional Co-ordination of Trading Standards and represents the 15 South West Regional Authorities. The company was established in 2004 as a company limited by guarantee to operate 'Consumer Direct' a Central Government funded initiative. The payment of a £10 membership fee gives Torbay Council membership of the board with Torbay represented by a councillor. There are no transactions/liabilities associated with Torbay Council's membership other than the £10 initial one-off fee. For financial reporting this relationship has been treated as an investment.

South West Grid for Learning Trust

The company is limited by guarantee and was incorporated on 9th October 2005 with the 15 South West Regional Authorities as members. The company objectives are the advancement of education as a solely charitable purpose by any means relating to the effective use of information and communication technologies for the benefit of the public. There are no transactions/liabilities associated with Torbay Council's membership other than the nominal initial one-off fee. For financial reporting this relationship has been treated as an investment.

Torbay Town Centres Limited

In 2008/09 the Council with representatives from local businesses formed this company to support the process for establishing Business Improvement Districts in the Torbay area. In March 2010 there was a "yes" vote for a Torquay BID and the levy from business within this district was due from May 2010. For financial reporting purposes this relationship has been treated as an investment. In February 2011 there was a "yes" vote for a Paignton BID,

The Council collects the BID levy on behalf of the Torquay BID on an agency basis. The value of the levy collected by the Council and paid to the company in 2010/11 was £0.2 million. (09/10 n/a)

Entities Funded by the Authority

The Council paid a management fee of £239,000 (2009/10: £210,000) to the Torbay Coast and Countryside Trust. Although the Council has representation on the Trustee Board it is not felt to have a significant influence over Trust policies. The Council has agreed to act as a guarantor to the Torbay Coast and Countryside Trust for £975,000. This is relating to an overdraft facility that was originally in respect of capital work and initial trading at Occombe Farm but now covers the whole TCCT activities.

The Council contributed a deficit funding payment of £752,000 (2009/10 £605,000) to Riviera Centre International Limited, a not for profit company. The Council does not hold assets or liabilities in the Company.

The Council provided £177,000 (2009/10 £208,000) to the Torbay Citizen's Advice Organisations Bureau for its annual agreement plus any additional support. The Council does not have any influence over policies.

Trust Funds

The Council acts as a Trustee for a number of funds. These balances do not form part of the Council's accounts. The value of these funds as at 31st March 2011 was £44,000 (£65,000 2009/10).

Of this balance £38,000 is held within the Council's bank account with the balance of £6,000 relating to the (civic) Mayor of Torbay's charity fund held in a separate bank account.

40. **Impairment Losses**

Impairment losses and impairment reversals are charged to the Surplus or Deficit on the Provision of Services and to Other Comprehensive Income and Expenditure. The impairment by asset class is shown within Notes 12 reconciling the movement over the year in the Property, Plant and Equipment.

During 2010/11, the Authority has recognised an impairment loss of £13.6 in total. Of this sum £4.6 million related to the Brixham Regeneration Project including Brixham Fish Quay and £3.6 million related to the Paignton Library Hub. Both were major capital projects that were substantially completed in 2010/11 and were then subsequently valued on an operational use basis linked to rental streams where appropriate. This valuation on completion gave rise to these two significant impairment losses.

41. **Contingent Liabilities**

The Council has a number of contingent liabilities in relation to pension and overdraft guarantees.

PLUSS has been admitted to the Devon County Pension Fund. The former Council staff are now employed by PLUSS and as a result the Council has guaranteed to meet any pension related financial liabilities arising on staff prior to transfer. The latest estimate of the value of this guarantee is £0.4 million. In addition the Council agreed to guarantee an overdraft to Barclays Bank to a value of £0.125 million.

The Council has also given pension guarantees for a number of services where the Council has an involvement including the Chief Executive for the South West Grid for Learning, Connexions Cornwall & Devon Limited, Torquay Museum, and Eden Catering. There is no pension guarantees for TOR2 as in 2010/11 the Council funded a £0.250 million bond to meet any liabilities. As at 31st March 2011 no pension guarantee was given to ERTC limited but a guarantee is expected to be agreed in 2011/12.

The cost of landfill continues to be a significant issue within Torbay Council, the Council have identified that there is a possibility of total cumulative fines to 2019/20 of £27.5m if action is not taken to address landfill issues and if adequate LATS trading does not take place. The proposed PFI scheme for an Energy From Waste Facility with Plymouth City Council and Devon County Council will mitigate risk and in 2010/11 a preferred contractor (MVV Environmental) was chosen by the three Councils and planning permission for the facility is expected to be submitted in 2011/12.

Linked to the Termination Benefit note (42) the Council as part of the budget reductions required over the next few years is offering the option of voluntary redundancy to its staff. There is uncertainty as to the number of staff who will accept this offer. Where there is some certainty over the timing and costs of staff terminations these have been reflected in the 2010/11 accounts and included in the Termination Benefit note below.

42. **Termination Benefits**

In 2010/11 the Authority started the process to terminate the contracts of a number of employees and announced plans that would result in further terminations in 2011/12, incurring an estimated liability of £1.4 million as at year end. Of this total £0.3 million is payable to 4 Executive Heads of Service in the form of redundancy payments and strain payments to the Devon County Pension fund. The remaining £1.1 million in relation to over 30 officers from a range of services who were made redundant as part of the Authority's budget reductions.

43 **Capital Expenditure and Capital Financing**

The total amount of capital expenditure incurred in the year is shown in the table below (including the value of assets acquired under finance leases and PFI/PP contracts), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Authority, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Authority that has yet to be financed. The CFR is analysed in the second part of this note.

2009/10 £m		2010/11 £m
123.6	<i>Opening Capital Financing Requirement</i>	129.7
	<i>Capital investment</i>	
40.8	Property, Plant and Equipment	29.2
0	Investment Properties	0
0.1	Intangible Assets	0.3
8.0	Revenue Expenditure Funded from Capital under Statute	14.3
	<i>Sources of finance</i>	
(2.3)	Capital receipts	(0.4)
(34.0)	Government grants and other contributions	(28.9)
	Sums set aside from revenue:	
(1.5)	• Direct revenue contributions	(2.2)
(4.1)	• MRP	(4.0)
(0.9)	• DCC Transferred Debt	(0.4)
129.7	<i>Closing Capital Financing Requirement</i>	137.6
	<i>Explanation of movements in year</i>	
4.9	Increase in underlying need to borrowing (supported by government financial assistance)	4.2
6.2	Increase in underlying need to borrowing (unsupported by government financial assistance)	8.1
(5.0)	Provision for repayment of borrowing (MRP)	(4.4)
6.1	<i>Increase/(decrease) in Capital Financing Requirement</i>	7.9

44. Leases

Authority as Lessee

Operating Leases

The Authority has acquired its fleet of refuse collection vehicles by entering into operating leases, with typical lives of seven years. Payments in 2010/11 totalled £0.1 million.

The future minimum lease payments due under non-cancellable leases in future years are:

31 March 2010 £m	Total payments due classified by year of expiry of primary lease term	31 March 2011 £m
0.1	Not later than one year	0
0	Later than one year and not later than five years	0
0	Later than five years	0
<u>0.1</u>		<u>0</u>

From July 2010 all Council operating leases for vehicles were sub-let to TOR2. The Council will not receive any sublease payments where a lease is in its “primary” period. However TOR2 will reimburse the Council for any costs of any leases extended into a “secondary” period.

The Authority has leases for a number of properties, primarily for office accommodation with typical lives of ten years. A number of leases have “break clauses” to enable early exit of the lease if required which could reduce future payments if enacted. Payments in 2010/11 totalled £0.5 million.

The future minimum lease payments due under leases in future years are:

31 March 2010 £m	Total payments due classified by year of expiry of lease term	31 March 2011 £m
0.5	Not later than one year	0.5
2.3	Later than one year and not later than five years	2.2
1.4	Later than five years	0.9
<u>4.2</u>		<u>3.6</u>

Finance Leases

The Council, as lessee, does not have any material finance leases

Authority as Lessor

Operating Leases

The Authority leases out property under operating leases for the following purposes:

- for the provision of services, such as Golf Clubs, Crematorium and Marinas.
- for economic development purposes to provide suitable affordable accommodation for local businesses

The future minimum lease payments receivable under non-cancellable leases in future years are:

31 March 2010	Total payments due classified by year of expiry of lease term	31 March 2011
£m		£m
2.5	Not later than one year	2.5
10.2	Later than one year and not later than five years	9.2
56.3	Later than five years	54.7
69.0		66.4

Finance Leases

The Council, as lessor, does not have any material finance leases.

45. Pensions Schemes Accounted for as Defined Contribution Schemes

Teachers employed by the Authority are members of the Teachers' Pension Scheme, administered by the Department for Education. The Scheme provides teachers with specified benefits upon their retirement, and the authority contributes towards the costs by making contributions based on a percentage of members' pensionable salaries.

The Scheme is technically a defined benefit scheme. However, the Scheme is unfunded and the Department for Education uses a notional fund as the basis for calculating the employers' contribution rate paid by local authorities. The Authority is not able to identify its share of underlying financial position and performance of the Scheme with sufficient reliability for accounting purposes. For the purposes of this Statement of Accounts, it is therefore accounted for on the same basis as a defined contribution scheme.

In 2010/11, the Council paid £5.4 million to Teachers' Pensions in respect of teachers' retirement benefits, representing 14% of pensionable pay. The figures for 2009/10 were £5.4m and 14.0%.

In 2010/11 the employers' contribution was 14.1% and no termination benefits were awarded.

There were no contributions remaining payable at the year-end. The payments for 2011/12 are estimated to be less due to some schools moving to be Academy schools.

46. Defined Benefit Pension Schemes

Participation in pension schemes

As part of the terms and conditions of employment of its officers, the Authority makes contributions towards the cost of post employment benefits. Although these benefits will not actually be payable until employees retire, the Authority has a commitment to make the payments that needs to be disclosed at the time that employees earn their future entitlement.

The authority participates in two post employment schemes:

- The Local Government Pension Scheme, administered locally by Devon County Council – this is a funded defined benefit final salary scheme, meaning that the Authority and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets.
- Arrangements for the award of discretionary post retirement benefits upon early retirement - this is an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. However, there are no investment assets built up to meet these pensions liabilities, and cash has to be generated to meet actual pensions payments as they eventually fall due.

The introduction of IFRS has no impact on the 2009/10 balance sheet values of the pension liability (and reserve).

Analysis of Results:

The Current Service costs are £5 million higher in 2010/11 compared to 2009/10 due to a reduction in the “real discount rate” and changes from results of the triennial review as at 31st March 2010 which included changes in assumptions in relation about mortality rates. Employee and employer contributions are slightly lower compared to the previous year due to the transfer of staff from the scheme in relation to service changes in relation to TOR2, English Riviera Tourist board and Academy schools,

There is a decrease in the net pension interest cost and expected return on pension assets of £4m primarily due to higher returns on scheme assets based the April 2010 position.

The significant changes are on the balance sheet value of the pension liability (and on the corresponding pension reserve). The decrease of £89 million in the liabilities in the fund is primarily due to three factors:

- a £8 million reduction in liability as a result of staff transferring out of the scheme in relation to service changes in relation to TOR2, English Riviera Tourist board and Academy schools,
- a £28 million reduction in liability based on benefits accrued to date following the Coalition government's announcement to link pension increases to the (lower) CPI index rather than the RPI and
- a £50 million reduction in liability as a result of changes in actuarial assumptions including future changes in benefits in relation to CPI and other factors such as the rate of salary increases which increase the “real discount rate”.

Transactions relating to post employment benefits

The cost of retirement benefits are recognised in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge required to be made against council tax is based on the cash payable in the year, so the real cost of post employment/retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year:

	Local Government Pension Scheme £m		Discretionary Benefits Arrangements £m	
	2009/10	2010/11	2009/10	2010/11
Comprehensive Income and Expenditure Statement				
Cost of Services:				
• current service cost	6.0	10.8	0	0
• past service costs	0	(27.3)	0	(0.7)
• settlements and curtailments	0.5	(7.9)	0	0
Financing and Investment Income and Expenditure				
• interest cost	16.7	17.2	0.6	0.5
• expected return on scheme assets	(8.0)	(12.7)	–	–
Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	15.2	(19.9)	0.6	(0.2)
Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement				
• actuarial (gains) and losses	45.3	(60.3)	0.9	(1.2)
Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	60.5	(80.2)	1.5	(1.4)
Movement in Reserves Statement				
• reversal of net charges made to the Surplus or Deficit for the Provision of Services for post employment benefits in accordance with the Code	(60.5)	80.2	(1.5)	1.4
Actual amount charged against the General Fund Balance for pensions in the year:				
• employers' contributions payable to scheme	7.8	7.6		

	Local Government Pension Scheme £m		Discretionary Benefits Arrangements £m	
	2009/10	2010/11	2009/10	2010/11
Comprehensive Income and Expenditure Statement				
• retirement benefits payable to pensioners			0.6	0.6

The cumulative amount of actuarial gains and losses recognised in the Comprehensive Income and Expenditure Statement over five years to the 31 March 2011 is a loss of £16 million. (Cumulative loss of £36m to 31/03/10)

Assets and liabilities in relation to post employment benefits

Reconciliation of present value of the scheme liabilities (defined benefit obligation):

	Funded liabilities: Local Government Pension Scheme £m		Unfunded liabilities: Discretionary Benefits £m	
	2009/10	2010/11	2009/10	2010/11
Opening balance at 1 April	(253.0)	(355.8)	(9.4)	(10.3)
Current service cost	(6.0)	(10.8)	0	0
Interest cost	(16.7)	(17.2)	(0.6)	(0.5)
Contributions by scheme participants	(2.8)	(2.8)	–	–
Actuarial gains and losses	(85.7)	66.2	(0.9)	1.2
Benefits paid	8.3	10.1	0.6	0.6
Past service costs	0	27.3	0	0.7
Curtailments	(0.4)	(0.3)	0	0
Settlements	0.5	19.5	0	0
Closing balance at 31 March	(355.8)	(263.8)	(10.3)	(8.3)

Reconciliation of fair value of the scheme (plan) assets:

	Local Government Pension Scheme £m	
	2009/10	2010/11

Opening balance at 1 April	149.5	199.7
Expected return on scheme assets	8.0	12.7
Actuarial gains and losses	40.4	(5.9)
Employer contributions	7.8	8.2
Contributions by scheme participants	2.8	2.8
Benefits paid	(8.2)	(10.7)
Settlements	(0.6)	(11.3)
Closing balance at 31 March	199.7	195.5

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the Balance Sheet date. Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets.

The actual return on scheme assets in the year was £14.2m (2009/10: £48.4m).

Scheme history

	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
	£m	£m	£m	£m	£m	£m
Present value of liabilities:						
Local Government Pension Scheme	(225.0)	(242.6)	(228.7)	(253.0)	(355.8)	(263.8)
Discretionary Benefits	(9.4)	(9.7)	(9.2)	(9.4)	(10.2)	(8.3)
Fair value of assets in the Local Government Pension Scheme	167.0	183.0	182.1	149.5	199.6	195.5
Surplus/(deficit) in the scheme:						
Local Government Pension Scheme	(58.0)	(59.6)	(46.6)	(103.5)	(156.2)	(68.3)
Discretionary Benefits	(9.4)	(9.7)	(9.2)	(9.4)	(10.2)	(8.3)
Total	(67.4)	(69.3)	(55.8)	(112.9)	(166.4)	(76.6)

The liabilities show the underlying commitments that the authority has in the long run to pay post employment (retirement) benefits. The total liability of £77 million has a substantial impact on the net worth of the authority as recorded in the Balance Sheet reducing the net worth of the Council to £175 million. However, statutory arrangements for funding the deficit mean that the financial position of the Authority remains healthy:

- the deficit on the local government scheme will be made good by increased contributions over the remaining working life of employees (ie, before payments fall due), as assessed by the scheme actuary
- finance is only required to be raised to cover discretionary benefits when the pensions are actually paid.

The total contributions expected to be made to the Local Government Pension Scheme by the council in the year to 31 March 2012 is £7.5 million. Expected contributions for the Discretionary Benefits scheme in the year to 31 March 2012 are £0.6 million.

Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc. Both the Local Government Pension Scheme and Discretionary Benefits liabilities have been assessed by Barnett Waddingham, an independent firm of actuaries, estimates for the Devon County Council Fund being based on the latest full valuation of the scheme as at 1 April 2010.

The principal assumptions used by the actuary have been:

	Local Government Pension Scheme		Discretionary Benefits	
	2009/10	2010/11	2009/10	2010/11
Long-term expected rate of return on assets in the scheme:				
Equity investments	7.5%	7.4%	–	–
Gilts	4.5%	4.4%	–	–
Other Bonds	5.5%	5.5%	–	–
Property	6.5%	5.4%	–	–
Cash	3.0%	3.0%	–	–
Target Return Portfolio	5.0%	5.0%	–	–
Expected Return on Assets	6.6%	6.5%	–	–
Mortality assumptions:				
Longevity at 65 for current pensioners:				

Men	23.1 yrs	20.3 yrs	23.1 yrs	20.3 yrs
Women	25.0 yrs	24.4 yrs	25.0 yrs	24.4 yrs
Longevity at 65 for future pensioners:				
Men	25.4 yrs	22.4 yrs	-	-
Women	27.3 yrs	26.3 yrs	-	-
Rate of inflation (RPI)	3.9%	3.5%	3.9%	3.5%
Rate of Inflation (CPI)	n/a	2.7%	n/a	2.7%
Rate of increase in salaries	5.4%	5.0%	-	-
Rate of increase in pensions	3.9%	2.7%	3.9%	2.7%
Rate for discounting scheme liabilities	5.5%	5.5%	5.5%	5.5%
Take-up of option to convert annual pension into retirement lump sum	50%	50%	-	-

The Discretionary Benefits arrangements have no assets to cover its liabilities. The Local Government Pension Scheme's assets consist of the following categories, by proportion of the total assets held:

	31 March 2010	31 March 2011
	%	%
Equity investments	69	70
Gilts	17	17
Other Bonds	0	0
Property	6	5
Cash	7	7
Target Return Portfolio	1	1
	<hr/>	<hr/>
	100	100

History of experience gains and losses

The actuarial gains identified as movements on the Pensions Reserve in 2010/11 and the previous five years can be analysed into the following categories

	2006/07	2007/08	2008/09	2009/10	2010/11
Local Government Pension Scheme:	£m	£m	£m	£m	£m
Experience of gains and (losses) on assets	1.7	(17.4)	(49.5)	40.4	(5.9)
Percentage experience on assets as % of total assets	1%	(10%)	(33%)	20%	(3%)
Experience gains and (losses) on liabilities	(0.4)	(1.8)	(1.0)	0.4	17.5
Percentage experience on liabilities as % of total liabilities	0%	(1%)	(0%)	0%	6%
Total	1.3	(19.2)	(50.5)	40.8	11.6
Discretionary Benefits:					
Experience gains and losses on liabilities	(9.7)	(9.2)	(9.4)	(10.3)	(8.3)

Contributions to Devon County Unfunded Discretionary Pension

The Council is responsible for a proportion of pension payments awarded by Devon County Council prior to 1st April 1998. It was agreed that the Council would make annual contributions to meet the cost of future payments made by Devon County Council. These amounts do not have sufficient characteristics of liabilities directly in respect of retirements benefits for which IAS19 retirement benefits apply. Therefore these amounts have been disclosed as amounts payable to Devon County Council as they fall due each year. In 2010/11 these amounted to £0.8 million (£0.8 million in 2009/10). It is estimated that, if IAS19 applied to these contributions, the total liabilities in relation to these pre 1998 enhancements at the liability at 31st March 2011 to be £94 million (2009/10: £104m), of which Torbay's share, based on Taxbase, would be £11 million (2009/10: £12 m).

47. Summary of Significant Accounting Policies

1.1 General Principles and Concepts

The Statement of Accounts summarises the Council's transactions for the 2010/11 financial year and its position at the year-end of 31 March 2011. The Council is required to prepare an annual Statement of Accounts (by the Accounts and Audit Regulations 2011). These are prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2010/11 (The Code) and the Best Value Accounting Code of Practice 2010/11, supported by International Financial Reporting Standards (IFRS)

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

1.2 Pervasive Accounting Concepts

- Accruals

The financial statements are prepared on an accruals basis. The accruals basis of accounting requires the non cash effects of transactions to be reflected in the financial statements of the accounting period in which these effects are experienced, and not the period in which any cash is paid or received.

- Going Concern

These accounts are prepared on a going concern basis, i.e the accounts are prepared on the assumption that the Council will continue in operational existence for the foreseeable future. This means in particular that the income and expenditure accounts and balance sheet assume no intention to curtail significantly the scale of operation.

- Primacy of Legislative Requirements

Local Authorities derive their power from statute and their financial and accounting framework is closely controlled by primary and secondary legislation. To the extent that treatments are prescribed by law the accounting concepts outlined above may not apply in all cases. It is a fundamental principle of local Council accounting that, where specific legislative requirements and accounting principles conflict, legislative requirements shall apply.

1.3 Accounting Policies

Accounting Policies are the principles, bases, conventions, rules and practices applied by an entity that specify how the effects of transactions and other events are reflected in the financial statements. These include estimation techniques that have been used in applying the policies. The accounting policies that are significant to the understanding of the Council's accounts are listed below:

1.4 Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. Where the exact amount of the sum is unknown an estimate will be made based on historical knowledge of the type of transaction and the value of similar payments. An exception is where there are regular bills, such as utilities and staff travel payments where, if not material, no accruals have been made as over a period of time the number of payments per year will even out. In addition where the exact value of a transaction or a number of transactions is not yet known estimates of the amounts due/owed have been made.

In particular:

- Revenue from the sale of goods is recognised when the Council transfers the significant risks and rewards of ownership to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Council.
- Revenue from the provision of services is recognised when the Council can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Council.
- Supplies are recorded as expenditure when they are consumed. Where appropriate there is a gap between the date supplies are received and their consumption they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowings, where material, is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.

Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected. This charge is based on an assessment of the impairment of its debt based on the

uncollectability of its debt outstanding. The level of the provision depends on the type and age of debt outstanding. Internal transactions between different sections of the Council, including schools have been netted off so to have no impact on the Council's balance sheet.

1.5 Cash and Cash Equivalents

Cash is represented by cash in Council bank current accounts along with balances held by local payment schools and petty cash/imprest accounts. In practice cash reflects the balance as at 31st March per the "cash book" of its financial systems which reflect the position of the Council after transactions processed through the account have been cleared such as cheques and BACs payments.

Cash equivalents are short term cash investments that are held for the purpose of meeting short term cash commitments rather than for investment purposes. These represent monies held in money market funds (or equivalent) for cash flow purposes. All other cash holdings, such as fund manager holding, fixed term deposits and notice accounts, irrespective of the liquidity of the holding or the length of any fixed term are held for investment purposes and not for meeting short term cash commitments. The Council also uses highly liquid call accounts where an assessment will be made at year end to establish whether the holding at that date is held for short term cash flow or investment purposes.

1.6 Collection Fund

The Council's is the billing authority for the Torbay area. This means that the Council is responsible for the collection of NNDR and Council tax and for the payment of those taxes to central government and the precepting bodies. The Council maintains a separate Collection Fund account for Council tax and NNDR transactions.

National Non Domestic rates (NNDR)

In collecting business rates the Council is acting as agent for central government. The Council then reflects the net value of NNDR collection as at 31st March – such as arrears, impairment, and receipts in advance as an accrual due from/to central government.

Council Tax

The Council only reflects in its balance sheet only its own share of the net value of Council tax collection as at 31st March – such as arrears, impairment, and receipts in advance. The share is calculated on the value of Council's own precept as a percentage of the total Council tax precept from all precepting authorities in a year. The share relating to the other precepting bodies are an accrual due to/from the Devon and Somerset Fire and Devon and Cornwall Police services.

The Council reflects in its Comprehensive Income and Expenditure Account its Council tax income in year as the precept set for the year adjusted for the Council's actual surplus/deficit on the collection fund at year end plus any adjusted required for the previous year's surplus or deficit.

1.7 Exceptional Items

When items of income and expense are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to an understanding of the Council's financial performance.

1.8 Prior period Adjustments, Changes in Accounting Policies and Estimates and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e., in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Council's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

For 2010/11 to reflect the introduction of IFRS the Council's 2009/10 comparative information has been completely restated in line with IFRS which has required the presentation of a "third" balance sheet as at 1st April 2009 which is the date of transition to IFRS.

1.9 Charges to Revenue for Non-Current Assets

Services including support services are debited with the following amounts to record the cost of holding fixed assets during the year:

- depreciation attributable to the assets used by the relevant service
- impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written-off
- amortisation of intangible fixed assets attributable to the service.

The Council is not required to raise council tax to fund depreciation, impairment losses or amortisations. However, it is required to make an annual contribution from revenue (Minimum Revenue Provision - MRP) towards the reduction in its overall borrowing requirement calculated on a prudent basis determined by the Council in accordance with statutory guidance.

Depreciation, revaluation and impairment losses and amortisations are therefore replaced by the contribution in the General Fund Balance (MRP) by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

Services which operate on a ring fenced basis, such as Operational services (up to 19/07/10) and the Harbours accounts, will also be charged a rate of return on their assets based on their opening Balance Sheet value, using a capital interest rate set by CIPFA. However for external reporting these charges will be reversed as they are not part of the "Total Cost" of services.

Services using the Prudential Code to undertake Unsupported Borrowing will be charged interest and principal in their service accounts to recover the cost of the borrowing over an appropriate period on an equalised (annuity) payment basis. This will either be a direct charge to the service or a virement of budget. These internal (non-statutory) charges will be off-set within the relevant service revenue accounts in the Service Reporting presentation of the Comprehensive Income and Expenditure Account. If the charges to services create a significant surplus or shortfall compared to actual interest and Revenue Provision costs in a financial year the balance will be transferred to an Unsupported Borrowing Equalisation Reserve to meet future surpluses or shortfalls or an additional (voluntary) revenue provision will be made.

Annual contribution from revenue (Minimum Revenue Provision)

Provisions in the Local Government Act 2003 require authorities to set aside revenue resources for repayment of debt incurred as a result of funding capital expenditure. The minimum provision (Minimum Revenue Provision - MRP) is calculated in accordance with the relevant Capital Finance Regulations. In general terms the MRP is, as a minimum, 4% of the Council's underlying need to borrow represented by the Capital Financing Requirement, subject to all reductions allowed under the Regulations.

Contributions from services who have undertaken capital projects prior to April 2008 funded from Unsupported Borrowing using the Prudential Code are credited to the Revenue account to offset the increased MRP resulting from such borrowing. Any surplus contributions over this increased MRP are currently credited to the Unsupported Borrowing Equalisation Reserve.

The Local Council (Capital Finance and Accounting) (Amendment) Regulations. (SI 2007/573) changed the method of calculation from 2006/07. If the new calculation leads to a higher MRP than under previous rules, an adjustment can be made to ensure there is no penalty to the Council. The Council applies this option to negate the adverse effect on the Council of the new calculation.

The Local Council (Capital Finance and Accounting) (Amendment) Regulations. (SI 2008/414) supported by statutory guidance on the Minimum Revenue Provision further revised the method of calculation from 2008/09. The Council set a Policy for Revenue Provision that will charge 4% on all capital expenditure funded from borrowing supported by central government and will charge a prudent amount linked to asset life on an annuity basis to assets, once operational, funded from unsupported borrowing.

The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2010 supported by statutory guidance on the Minimum Revenue Provision further changed the method of calculation from 2009/10 in relation to PFI accounting. The Council has set a Policy for Revenue Provision that the value of Revenue provision due on the PFI scheme in a year is equal to the reduction of the long term liability due to the contractor in relation to the PFI scheme.

In 1998 after attaining Unitary status the Council agreed to pay a tax base share of Devon County Council's borrowing as at 31/3/98. On the 1st October 2010 this liability to Devon County Council was converted to an equivalent value of PWLB borrowing which is also reflected as a liability on the Council's balance sheet. The annual cost of this liability is now reflected in the Council's interest costs and a voluntary revenue provision to fund the repayment of the liability over the average life of the new PWLB borrowing. This sum is charged to the Comprehensive Income and Expenditure Account by way of a transaction to the Capital Adjustment Account in the Movement in Reserves Statement.

1.10 Employee Benefits

Benefits Payable During Employment

Short term employee benefits are those due to be settled within 12 months after the year end in which the employee renders the service. A liability is recognised at year end. They include such benefits as wages and salaries and paid annual leave for current employees and are recognised as an expense for services in the year in which employees render service to the Council.

An accrual is made for the cost of holiday entitlements (or any form of leave e.g. "flexi leave") earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. At year end this accrual is assessed as:

For staff with an annual leave entitlement this is based on a sample of a cross section of staff resulting in an average percentage of leave carried forward which is applied equally over all services with this type of employee.

For staff with a term time entitlement, such as teachers this is based on a CIPFA format for assessing the value of leave due as at year end including leave due until the start of the school's summer term.

The Council does not pay any bonuses or any other short term benefits either monetary or non monetary.

The Council does not pay any Long term employee benefit either monetary or non monetary.

The accrual is charged to Surplus or Deficit on the Provision of Services. There is a statutory override for this transaction to nullify the impact of this liability on the Council tax payer reversed out through the

Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs with a corresponding entry in the Accumulated Absences Account.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy. These are charged on an accruals basis to services or shown as an exceptional cost if material in the Comprehensive Income and Expenditure Statement when the Council is demonstrably committed to the termination of the employment of an officer or group of officers or making an offer to encourage voluntary redundancy. If there is uncertainty over the number of employees who will accept an offer of termination benefits the Council will disclose a contingent liability

Post Employment Benefits

Employees of the Council are members of two separate pension schemes:

- The Teachers' Pension Scheme, administered by Capita Teachers' Pensions on behalf of the Department for Education (DfE).
- The Local Government Pensions Scheme, administered by Devon County Council.

Both schemes provided defined benefits to members (retirement lump sums and pensions), earned as employees worked for the Council.

However, the arrangements for the teachers' scheme mean that liabilities for these benefits cannot ordinarily be identified specifically to the Council. The scheme is therefore accounted for as if it were a defined contribution scheme and no liability for future payments of benefits is recognised in the Balance Sheet. The Education and Childrens' Services line in the Comprehensive Income and Expenditure Statement is charged with the employer's contributions payable to Teachers' Pensions in the year.

The Local Government Pension Scheme

The Local Government Scheme is accounted for as a defined benefits scheme:

- The liabilities of the Devon County pension fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method - i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to-date by employees, based on assumptions about mortality rates, employee turnover rates, etc, and projections of projected earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate based on the indicative rate of return on an appropriate high quality corporate bond.

The Pension Fund's Actuary has stated that the pension figures, calculated under IAS 19, supplied for Torbay are consistent with the Code of Practice provided by CIPFA. Further detail is provided in note 46 to the accounts in accordance with IAS 19.

The assets of Devon County Council pension fund attributable to the Council are included in the Balance Sheet at their fair value:

- quoted securities - current bid price
- unquoted securities - professional estimate

- unitised securities - current bid price
- property - market value.

The change in the net pensions liability is analysed into seven components:

- Current service cost - the increase in liabilities as a result service earned this year - i.e as an employee works the value of his pension entitlement increases - allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked
- Past service cost -the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years - debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs
- Interest cost - the expected increase in the present value of liabilities during the year as they move one year closer to being paid - debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement
- Expected return on assets -the annual investment return on the fund assets attributable to the Council, based on an average of the expected long-term return - credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement
- Gains or losses on settlements and curtailments - the result of actions to relieve the Council of liabilities or events that reduce the expected future service or accrual of benefits of employees such as the transfer of staff to an alternative supplier - debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs
- Actuarial gains and losses - changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions - debited to the Pensions Reserve
- Contributions paid to the Devon County Council Local Government pension scheme - cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

The overall amount to be met from Government grants and local taxation has remained unchanged after the impact of all these entries, but the costs disclosed for individual services in 2010/11 are higher after the replacement of employers' contributions by IAS 19 related costs. The net surplus on provision of services is also significantly higher than it would otherwise have been.

The requirement to recognise the net pensions liability under IAS19 has reduced the reported net worth of the Council by 31%. (65% 2009/2010).

Discretionary Benefits

In 2010/11 the Council did not make any discretionary awards of retirement benefits in the event of early retirements.

Torbay Council in 1998 agreed to fund a tax base share of Devon County's enhanced pension payments (unfunded benefits). As this is a liability to Devon County Council and not to a pension fund these costs have not been treated as pension related and therefore IAS 19 does not apply to these costs.

Any costs of discretionary awards in previous years are charged to the Comprehensive Income and Expenditure Statement as the costs are incurred – i.e when the benefits are paid to the pensioner.

1.11 Events After The Balance Sheet Date

Events after the balance sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period - the Statement of Accounts is adjusted to reflect such events
- those that are indicative of conditions that arose after the reporting period -the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

1.12 Financial Instruments

Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost.

Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For most of the borrowings that the Council has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement. (The interest due is shown on the balance sheet as short or long term depending on the timing of the expected cash flow of the interest payment). The exception is the stepped rate LOBO loan the Council has with Barclays. This has been recognised at amortised cost and an effective interest rate calculated for the maximum duration of the loan. This effective interest rate is charged to the Comprehensive Income and Expenditure account.

Gains and losses on the repurchase or early settlement of borrowing (if any) are credited and debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement in the year of repurchase/settlement. However, where repurchase has taken place as part of a restructuring of the loan portfolio that involves the modification or exchange of existing instruments, the premium or discount is respectively deducted from or added to the amortised cost of the new or modified loan and the write-down to the Comprehensive Income and Expenditure Statement is spread over the life of the loan by an adjustment to the effective interest rate.

Where premiums and discounts have been charged to the Comprehensive Income and Expenditure Statement, regulations allow the impact on the General Fund Balance to be spread over future years. The Council has a policy of, where material, spreading the gain or loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid. The reconciliation of amounts charged to the Comprehensive Income and Expenditure

Statement to the net charge required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

Financial Assets

Financial assets are classified into two types:

- loans and receivables (i.e investments and loans) - assets that have fixed or determinable payments but are not quoted in an active market
- available-for-sale assets (i.e investments and cash equivalents) - assets that have a quoted market price and/or do not have fixed or determinable payments.

Loans and Receivables (investments and loans)

Loans and receivables are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the loans that the Council has made, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year in the loan agreement.

However the Council can make loans at less than market rates (soft loans). When soft loans are made, a loss is recorded in the Comprehensive Income and Expenditure Statement (debited to the appropriate service) for the present value of the interest that will be foregone over the life of the instrument, resulting in a lower amortised cost than the outstanding principal. Interest is credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement at a marginally higher effective rate of interest than the rate receivable from the voluntary organisations, with the difference serving to increase the amortised cost of the loan in the Balance Sheet. Statutory provisions require that the impact of soft loans on the General Fund Balance is the interest receivable for the financial year - the reconciliation of amounts debited and credited to the Comprehensive Income and Expenditure Statement to the net gain required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement. This was not applicable to Torbay in 2010/11.

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made, the asset is written down and a charge made to the relevant service (for receivables specific to that service) or the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The impairment loss is measured as the difference between the carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. This was not applicable to Torbay in 2010/11.

Any gains and losses that arise on the derecognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. This was not applicable to Torbay in 2010/11.

Available for Sale Assets

Available-for-sale assets are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Where the asset has fixed or determinable payments, annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the amortised cost of the asset multiplied by the effective rate of interest for

the instrument. Where there are no fixed or determinable payments, income (eg, dividends) is credited to the Comprehensive Income and Expenditure Statement when it becomes receivable by the Council.

Assets are maintained in the Balance Sheet at fair value. Values are based on the following principles:

- instruments with quoted market prices -the market price
- other instruments with fixed and determinable payments - discounted cash flow analysis

Changes in fair value are balanced by an entry in the Available-for-Sale Reserve and the gain/loss is recognised in the Surplus or Deficit on Revaluation of Available-for -Sale Financial Assets. The exception is where impairment losses have been incurred – these are debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement, along with any net gain or loss for the asset accumulated in the Available-for-Sale Reserve.

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made (fixed or determinable payments) or fair value falls below cost, the asset is written down and a charge made to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. If the asset has fixed or determinable payments, the impairment loss is measured as the difference between the carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. Otherwise, the impairment loss is measured as any shortfall of fair value against the acquisition cost of the instrument (net of any principal repayment and amortisation). This was not applicable to Torbay in 2010/11.

Any gains and losses that arise on the derecognition of the asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement along with any accumulated gains or losses previously recognised in the Available-for-Sale Reserve. This was not applicable to Torbay in 2010/11.

Where fair value cannot be measured reliably, the instrument is carried at cost (less any impairment losses).

Assets carried at Fair Value through Profit and Loss

The Council's holding with its funding manager has been designated as a Financial Asset at Fair Value through Profit and Loss. The definition is met as the Council's holding is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent pattern of short-term profit making as the Fund Manger is a set a benchmark target to achieve for each year.

Any changes in the fair value of the asset are reflected in the carrying value of the asset and the changes in year credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

Instruments Entered Into Before 1 April 2006

The Council entered into a number of financial guarantees that are required to be accounted for as financial instruments but have a statutory override to negate the impact on council taxpayers. These guarantees are reflected in the Statement of Accounts to the extent that provisions might be required or a contingent liability note is needed under the policies set out in the section on Provisions, Contingent Liabilities and Contingent Assets.

Pension guarantees are deemed to be outside the scope of financial instruments and have not been recognised. These guarantees are reflected in the Statement of Accounts to the extent that provisions might be required or a contingent liability note is needed.

Financial Instruments – Statutory Overrides

Statutory Instruments have been introduced to negate the impact on Council Tax of the various changes to the Council's accounts as a result of implementing the Financial Reporting Standards for financial instruments. The Council has used the following provision:

- SI 2008 414 – provision to mitigate the impact of Financial Guarantees up to 9th November 2007 and the impact of the recalculation of interest on an amortised costs basis on stepped rate loans. Note the Council has not used the provision in SI 414 2008 to mitigate the ongoing impact of the interest on the stepped rate LOBO with Barclays.

Financial Instruments – interest due at year end

On both investments and borrowings any interest due either to or from the Council is added to the value of the asset or liability and then classified as short or long term depending on the timing of the expected cash flow of the interest payment).

1.13 Government Grants and Contributions

Whether paid on account, by instalments or in arrears, government grants and third party contributions, such as developers' contributions under section 106 agreements, and donations (if any) are recognised on the balance sheet as due to the Council when there is reasonable assurance that:

- the Council will comply with the conditions attached to the payments, and
- the grants or contributions will be received.

Amounts recognised as due to the Council are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor. An obligation to return funds does not arise until it is expected that the condition will be breached. The recognition of grants and contributions is on an accruals basis. Developer contributions under S106 agreements are presumed to have conditions unless clear evidence to the contrary that would require repayment if not met and are recognised as a receipt in advance.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors (receipts in advance). When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions including grants for REFCUS) or Taxation and Non-Specific Grant Income (non-ring-fenced revenue grants such as Area Based Grant and Revenue Support Grant and all capital grants) in the Comprehensive Income and Expenditure Statement. Grants relating to future expenditure or future financial years will be recognised in the year they are received subject to any conditions as above.

Where a grant or contribution is recognised in the Income and Expenditure account but at balance sheet date that grant could be used for either revenue (i.e REFCUS) or capital expenditure it is treated as a revenue grant credited to the appropriate service in the net cost of services.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants (or Contributions) Unapplied Reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants (or Contributions) Unapplied reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

All grants and contributions are subject to a de minimis, where if the value of the grant or contribution is less than £50,000 the income will be recognised in the Comprehensive Income and Expenditure Account immediately.

If a revenue grant or contribution remains unused at the end of a financial year then the funding will be transferred into an earmarked reserve.

Where capital grants relating to expenditure classified as REFCUS are treated for financial reporting as a revenue grant and reported as income within the relevant service, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants (or Contributions) Unapplied Reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants (or Contributions) Unapplied reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

1.14 Business Improvement Districts

A Business Improvement District (BID) scheme was established in the Torquay area in 2010. The scheme is funded by a BID levy paid by non-domestic ratepayers and managed by Torbay Town Centres Limited. The Council acts as an agent under the scheme and charges for and collects the levy on behalf of the company. The only costs in relation to this scheme in the Comprehensive Income & Expenditure Statement are any costs and income associated with the administration costs of the collection of the levy.

1.15 Intangible Assets

Subject to a de minimis of £50,000 expenditure on non-monetary assets that do not have physical substance but are controlled by the Council as a result of past events (e.g. software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Council. Subsequent expenditure is charged to Services in the year it is incurred.

Subject to a de minimis of £50,000 internally generated assets, if any, are capitalised where it is demonstrable that the project is technically feasible and is intended to be completed (with adequate resources being available) and the Council will be able to generate future economic benefits or deliver service potential by being able to sell or use the asset. Expenditure is capitalised where it can be measured reliably as attributable to the asset and is restricted to that incurred during the development phase (research expenditure cannot be capitalised).

Expenditure on the development of the Council websites is not capitalised as the website is solely or primarily intended to promote or advertise the Council's goods or services.

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Council can be determined by reference to an active market. In practice, no intangible asset held by the Council meets this criterion, and they are therefore carried at amortised cost. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement (between 3 -10 years depending on the asset). An asset is tested for impairment whenever there is indication that the asset might be impaired - any losses recognised are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. This was not applicable to Torbay in 2010/11.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and

(for any sale proceeds greater than £25,000) the Capital Receipts Reserve. This was not applicable to Torbay in 2010/11.

The Council did not retain the costs of internally generated assets prior to 2009/10 therefore no retrospective recognition of intangible assets has been made as at 1st April 2009.

1.16 Interests in Companies and other Entities

Companies

The Council has material interests in companies and other entities that have the nature of subsidiaries and associates. In the Council's own single-entity accounts, the interests in companies and other entities are recorded as financial assets at cost, less any provision for losses. For 2009/10 the value of the Council's interests in these companies is not considered to be sufficiently material to require the production of group accounts for the Council.

The Council wholly owns Torbay Enterprise Agency (not trading), Torbay Development Agency Limited (dormant), Torbay Economic Development Agency (new 2010/11 but not trading), English Riviera Tourism Company (new 2010/11) and has representation on the board of SWERCOTS Ltd, SWIGFL, Devon and Cornwall Connexions, Torbay Town Centres Limited, the PLUSS Organisation and TOR2 (new 2010/11) but these companies are not consolidated into the Council accounts, as they are not material in terms of the amounts and impact on the Council.

Details of the companies that the Council has an interest in are listed in the Related Parties note 39 to these accounts. Further details on some of these interests are summarised below:

TOR2

This private company, a joint venture between Torbay Council and May Gurney, started trading on 19th July 2010 taking over a number of services and staff previously undertaken by the Council. The Council own 19.99% of the shares with May Gurney owning 80.01%. This investment is recognised at historic cost (£19.99) as a long term investment on the Council's balance sheet. May Gurney plc, as parent company, has provided a guarantee to cover any liabilities for TOR2 Ltd. Depending on TOR2's trading there is profit share payable to the two owners but not applicable in 2010/11. The assets owned by the council and licensed to TOR2 remain as Council assets on the balance sheet, while any assets purchased by TOR2 are recognised on TOR2's balance sheet as the Council's contract with TOR2 does not specify the use of specific assets and TOR2 is expected to use their assets on other contracts. The Council in 2010/11 has funded the purchase of a bond to cover any future pension liabilities in relation to the council staff that transferred to the new company and the Council will fund TOR2 for any employer contributions in excess of the rate applicable on date of transfer. These costs will be recognised in the year that they arise.

Torbay Care Trust

The Council entered a "partnership agreement" with Torbay Care Trust (formally Torbay Primary Care Trust) on the 1st December 2005. This partnership was to enable the Care Trust to provide Adult Care Services delegated by the Council. Council staff working in Adult Social Care transferred employment to the Care Trust. The Council however remains accountable for adult social care. In 2010/11 any under/overspends on the adults social care function provided by the Torbay Care Trust is the Council's responsibility subject to an agreed calculation of the split of any overspend between the Council and Torbay Care Trust.

Section 76 of the NHS Act 2006 permits Primary Care Trusts to exercise various local Council functions and for local authorities to exercise various Primary Care Trust functions. The Torbay Primary Care Trust was re designated as a Care Trust under the Health and Social Care Act 2001. The Care Trust remains within the Department of Health accounting boundary.

The Council and the Care Trust are accounting for the partnership on the basis that the Council is funding the Care Trust to undertake delegated activities. The Care Trust will continue to provide the former Primary Care Trust activities. The Care Trust will account for income and expenditure on the Adult Social Care functions in the appropriate service category and will account for the funding received for the Council as "providing" income. The Council will show the funding paid to the Care Trust for providing the delegated functions within its Income and Expenditure Account. The partnership will also be part of the Related parties note.

As the Council is accountable for social care, government grants are accounted for within the Council's Income and Expenditure Account and then passed to the Care Trust as part of the overall funding. In addition the Council continues to support a number of functions on behalf of the Care Trust, in particular, a debtor's function for charges for social care.

In addition the Council is the lead body for a pooled budget with the Torbay Care Trust for the Joint Equipment Store.

1.17 Inventories and Long Term Contracts

The Council has valued all inventories at the lower of cost or current replacement cost subject to a general de minimis for recognition of £50,000. This valuation is assumed to be broadly equal to an average cost valuation of the inventory. The value of inventories includes, if material, all costs of purchase and/or conversion. Inventories are assessed at year end for any write down of the value of the inventory which is recognised as a cost in that year.

In relation to the Joint Equipment Store, managed as a pooled budget with the Torbay Care Trust, due to the nature of the purchases the costs are directly charged to revenue as they are incurred.

Long term contracts, where applicable, are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the value of works and services received under the contract during the financial year.

Any provision of services charged for, usually professional fees, and any costs incurred in relation to a construction contract undertaken by the Council for a third party are only recognised as income and/or expenditure in the year to the value of the work actually undertaken.

1.18 Investment Property

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale. The Council has assumed that all properties have an operational purpose such as tourism or regeneration unless it is clear that there is no direct service benefit and the properties are used solely to earn rentals and/or for capital appreciation

Investment properties are measured initially at cost and subsequently at fair value, based on the amount at which the asset which could be exchanged between knowledgeable parties at arm's-length. Properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £25,000) the Capital Receipts Reserve.

1.19 Jointly Controlled Operations

Jointly controlled operations are activities, such as Joint Committees, undertaken by the Council in conjunction with other venturers that involve the use of the assets and resources of the venturers rather than the establishment of a separate entity. The Council recognises on its Balance Sheet the assets that it controls and the liabilities that it incurs and debits and credits the Comprehensive Income and Expenditure Statement with the expenditure its incurs and the share of income it earns from the activity of the operation.

Devon Audit Partnership

This is a Joint Committee established by Torbay, Plymouth and Devon County Council for the provision of internal audit services to the three Councils. The three Councils recognise in their accounts their share of the partnerships' income, expenditure, assets and liabilities.

1.20 Leases

The Council's leases relate mainly to accommodation where the Council both leases in and leases out property.

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee.

The Council has considered all its leases for possible classification as finance or operating leases. The Council presumes a lease to be an operating lease unless there is evidence to the contrary and it is material to the accounts that a lease is classified as a finance lease. The Council in assessing the existence and materiality of a finance lease considered the following issues:

- "Footprint" of building is less than 5% of total land area
- Lease term is greater than 75% of asset life
- Value of gross value of asset is greater than £0.1m
- Value of annual rent is greater than £10,000
- Minimum Lease payment calculation will use PWLB rates at inception of lease
- Minimum Lease payment is 75% of current asset value

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification. The land value is presumed to be 20% of the total value of the asset unless there is evidence to the contrary.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

All lease transactions, such as recognition, smoothing of operating lease payments/receipts are subject to a de minimis of £50,000.

Where an asset has a long term lease over 99 years it will be recognised in the Council's accounts as a disposal and written out of non current assets and reflected as either a capital receipt, if the tenant has paid a lump sum, or as a long term debtor if the tenant is making ongoing annual payments.

The Council as Lessee

Finance Leases

Property, plant and equipment held under finance leases is recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation to pay the lessor. Initial direct costs of the Council are added to the carrying amount of the asset. Premiums paid on entry into a lease are applied to writing down the lease liability. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Lease payments are apportioned between:

- a charge for the acquisition of the interest in the property, plant or equipment - applied to write down the lease liability, and
- a finance charge (debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

Property, Plant and Equipment recognised under-finance leases is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life (where ownership of the asset does not transfer to the Council at the end-of the lease period).

The Council is not required to raise council tax to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual contribution is made from revenue funds towards the deemed capital investment in accordance with statutory requirements. Depreciation and revaluation and impairment losses are therefore substituted by a revenue contribution in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

This was not applicable to Torbay in 2010/11.

Operating Leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefitting from use of the leased property, plant or equipment. Charges are made, if material, on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (eg, there is a rent-free period at the commencement of the lease).

The Council as Lessor

Finance Leases

Where the Council grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain, representing the Council's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal), matched by a lease (long-term debtor) asset in the Balance Sheet.

Lease rentals receivable are apportioned between:

- a charge for the acquisition of the interest in the property - applied to write down the lease debtor (together with any premiums received), and

- finance income (credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement)

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund Balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund Balance to the Capital Receipts Reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund Balance to the Deferred Capital Receipts Reserve in the Movement in Reserves Statement. When the future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the Capital Receipts Reserve.

The written-off value of disposals is not a charge against council tax, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

This was not applicable to Torbay in 2010/11.

Operating Leases

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the relevant service line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life-of the lease, even if this does not match the pattern of payments (e.g., there is a premium paid at the commencement of the lease). Where material Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

Crematorium

In 2008/09 the Council entered into a 25 year contract with Westerleigh Crematorium Services Ltd for the operation of its crematorium. The contractor pays a fixed annual sum for this contract however the contract specifies that the contractor is to construct a replacement cremator at the end of the contract that will be passed back to Council ownership at the end of the contract period. The Council has recognised this future asset as a long term debtor which is increased each year by notional rent credits which are sufficient over the life of the lease to equal the estimated value of the replacement cremator. At the end of the contract when the asset transfer the debtor will be reversed and a non current asset recognised on the Council balance sheet.

1.21 Overheads and Support Services

The costs of overheads and support services are charged to those that benefit-from the supply or service in accordance with the costing principles of the CIPFA Best Value Accounting Code of Practice 2010/11 (BVACOP). The total absorption costing principle is used - the full cost of overheads and support services are shared between users in proportion to the benefits received, with the exception of:

- Corporate and Democratic Core. - costs relating to the Council's status as a multi-functional, democratic organisation.
- Non Distributed Costs -the cost of discretionary benefits awarded to employees retiring early and, if applicable, impairment losses chargeable on Assets Held for Sale.

These two cost categories are defined in BVACOP and accounted for as separate headings in the Comprehensive Income and Expenditure Statement, as part of Net Expenditure on Continuing Services.

The majority of the costs of management and administration and central services have been charged to services based on an appropriate (fair) basis. E.g. accommodation on floor area, personnel on head count.

The Council is required to present the service expenditure analysis in accordance with the CIPFA Best Value Accounting Code of Practice 2010/11 (BVACOP). This analysis is in some service areas different to the Council's internal budgeting and monitoring arrangements

1.22 Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e., repairs and maintenance) is charged as an expense when it is incurred.

A general de-minimis limit of £25,000 is applied to recognition of expenditure on Property, Plant and Equipment. Exceptions to the de-minimis limit are made for projects or individual purchases under £25,000 where there are specific service requirements to do so e.g. school minor improvement works which are funded under Special Government Initiatives and fleet vehicle purchases.

The Council's recognition of the different types of school assets are as follows:

Community Schools:

The land and buildings are owned by the Council who provide a service from these properties. These assets are recognised as Council assets. If a community school becomes an Academy school the asset is treated as a disposal at nil value on the relevant date.

Academy Schools:

The land and buildings for the three academy schools within Torbay are owned by the charitable trusts that operate these schools. These schools are funded directly from central government and are not recognised as Council assets.

Foundation Schools:

The land and buildings are vested in the governing bodies of the schools. The governing bodies control admission to the schools and employ all the staff. These are not recognised as Council assets. This includes the Council's one foundation school which is also a PFI funded school. Torquay Community College became a Foundation school in February 2010. For the 2009/10 accounts the date of transfer has been taken to be 31st March 2010 therefore any capital expenditure and related grants in 2009/10 has been treated as Council capital expenditure. Any subsequent expenditure and grants in 2010/11 onwards will be recognised as revenue (REFCUS)

Voluntary Aided Schools:

The land and buildings are owned by the charitable trusts that operate these schools. The charitable trusts control admission to the schools and employ all the staff. These are not recognised as Council assets.

Voluntary Controlled Schools:

The land and buildings are owned by the charitable trusts that operate these schools. Although the Council has no benefit to any residual value of the asset, the Council does control the service provided, the admission to the schools and employs all the staff. Therefore the land and buildings for these schools are recognised as Council assets.

Measurement

Assets are initially measured at cost, comprising:

- the purchase price
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management

The Council does not capitalise borrowing costs incurred whilst assets are under construction.

The cost of assets acquired other than by purchase is deemed to be its fair value. Donated assets, if any, are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-Specific Grant Income line of the Comprehensive Income and Expenditure Statement, unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Account. Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement. Not applicable to Torbay in 2010/11.

List of asset categories & their definitions

Land and Buildings – Assets used for operational purposes

Vehicles. Plant & Equipment – Assets used for operational purposes

Community Assets - assets which the authority intends to hold in perpetuity, which may have an indeterminate life and may have restrictions on disposal.

Surplus Assets – assets which are surplus to service needs but do not meet the criteria to be classified as Investment Properties or Assets Held for Sale.

Infrastructure Assets – assets which form the underlying framework of the physical environment and by their nature cannot be sold. They include highways, footways, coastal defence, and drainage systems.

Assets are then carried in the Balance Sheet using the following measurement bases:

- Infrastructure – depreciated historical cost. Their value is usually increased as expenditure is incurred unless the asset is not available for use, when it will be treated as an Asset under Construction. Infrastructure assets transferred from Devon County Council upon Local Government re-organisation in 1998 are held at the value disaggregated by the County Council using tax base, subject to depreciation.
- Community Assets – (depreciated) historical cost and, as with Infrastructure Assets, generally their value is increased as capital expenditure is incurred.
- Assets under construction (Work in Progress) – where capital projects are incomplete and the assets under construction are not yet operational at the year end, the added value of any significant works in progress is assessed by the Council's valuer pending the issue of a revaluation certificate upon completion of the works or expenditure to date is used in proxy. For assets valued at historical cost (infrastructure and community assets) costs are disclosed under operational fixed assets as they are incurred. The value of assets under construction from a prior year where a new valuation is issued,

to the extent that valuation is in excess of the capital expenditure, is cleared to the Revaluation Reserve.

- Surplus Assets (if any) - Lower of net current replacement cost or net realisable value. Net current replacement cost is calculated on the basis of Market Value. Fair value as measured by Existing Use Value (EUV) but since, as Surplus assets, they will not have an existing use the valuation will be based on its use before it was decommissioned.
- Vehicles, plant & equipment - lower of net current replacement cost or net realisable value in existing use. For non-specialised operational assets, net current replacement cost is calculated on the basis of Existing Use Value (EUV); for specialised operational assets, net current replacement cost is calculated on the basis of Depreciated Replacement Cost (DRC). Since these assets often have relatively short useful lives and/or low individual values, Depreciated historical cost is used as a proxy for fair value.
- all other assets - fair value, determined as the amount that would be paid for the asset in its existing use (existing use value - EUV)

Where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of fair value.

Where non-property assets that have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for fair value.

Where an asset is recategorised during a financial year it will be revalued according the measurement relevant to that category of asset. If material the asset will be revalued in year, otherwise the asset will be revalued as part of the rolling 5 year programme.

Assets included in the Balance Sheet at fair value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their fair value at the year-end, but as a minimum every five years. All asset valuations are carried out in accordance with the Statements of Asset Valuation Practices and Guidance notes published by RICS and CIPFA. The management of property valuations is undertaken by Chris Bouchard A.R.I.C.S. who, from May 2011, is an employee of Torbay Economic Development Company. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to a service.

Assets where a material change (e.g. capital expenditure on improvement or enhancement) occurs during the year are revalued as at the time of the change. Where there is a revaluation in year and capital expenditure has occurred in the year, the revaluation is assumed to have reflected the value of the expenditure in year.

Where a fixed asset is included in the balance sheet at current value, the difference between the amount at which the asset was included in the balance sheet immediately prior to the latest revaluation and the new value is credited or debited to the Revaluation Reserve.

Where capital expenditure has occurred and a new valuation certificate has not been issued, the expenditure in year is deemed to have increased the current value of the asset by a "pound for pound" amount. Where expenditure is assessed as not adding value to the asset, the corresponding value will be written off as impairment.

The Revaluation Reserve contains revaluation gains recognised since April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

From April 2010 when an asset has been revalued on a component basis and the asset is leased out, the asset will, if material, be reassessed under IAS17 to consider if all or part of the lease will be categorised as a finance lease. Not applicable for Torbay in 2010/11.

Impairment

Assets are assessed at each year-end as to whether there is any indication that an asset type or range of assets may be materially impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for by:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Where capital expenditure in year has not added value to an asset the expenditure is written off to the Income and Expenditure account as impairment.

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives as estimated by the Council's Valuer, making an allowance for any residual value. Annual depreciation is calculated based upon the opening Balance Sheet value for each asset unless a material change has occurred during the financial year, in which case a pro-rata adjustment is made.

An exception is made for assets without a determinable finite useful life (i.e. freehold land and certain Community Assets) and assets that are not yet available for use (i.e. assets under construction).

Depreciation is calculated on the following bases:

- buildings - straight-line allocation over the useful life of the property as estimated by the valuer
- vehicles, plant, furniture and equipment - a percentage of the value of each class of assets in the Balance Sheet usually over periods between 3 to 10 years depending on the nature of the asset. Straight – line allocation over the expected useful life of the asset.
- infrastructure - straight-line allocation generally over 40 years.

Where an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately. The Council only assess an asset for componentisation (beyond the standard land and buildings split) if the asset has a gross value of more than £2m and the value of a type of component within an asset has a value in excess of £0.5m. Where appropriate for assets of a similar operational purpose, (such as schools), standard percentage splits over significant components will be used. Where, if material, expenditure in year is incurred on a replacement component and no revaluation of the asset has occurred the value of the old component (adjusted for depreciation to date) will be removed.

The Council has determined the following components:

Land

Building/Structure

Plant & Machinery

Furniture & Equipment

Infrastructure

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Disposals and Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale.

To be an asset held for sale the Council is actively taking actions to dispose of the site – such as the active marketing of the site. If the asset sale is expected within 12 months it is classified as a current asset and if sale not expected within 12 months it is held as a non current asset.

The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease in fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previous losses recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale.

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale; adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as Held for Sale, and their recoverable amount at the date of the decision not to sell. Any changes in criteria apply from the next balance sheet date therefore no restatement of opening balances is required.

Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. Receipts below the de-minimis level of £10,000 (with reference to the Capital Finance Regulations 2003) are not recognised as capital receipts and are retained in the Comprehensive Income & Expenditure Account. The balance of receipts is required to be credited to the Capital Receipts Reserve, and can then only be used for new capital investment or set aside to reduce the Council's underlying need to borrow.

The Council could also receive capital receipts not directly related to the disposal of an asset. These include the Council's share of Right to Buy Receipts arising from the Council's housing stock which was transferred to Riviera Housing Trust in 2001. These are regarded as deferred receipts arising from the original disposal and are accounted for as a refinement of the estimated gain/loss made on the original disposal, and hence posted as gains/losses in the Income and Expenditure Account of the year of receipt.

Other capital receipts, not directly or indirectly linked to an asset such as repayment of renovation grants will be credited to the relevant service and then reversed in the Statement of Movement on the General Fund Balance.

Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement. The written-off value of disposals is not a charge against council tax, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

Costs of disposal are not charged to gains/losses on disposal unless material. The Council has taken the option allowed by legislation to charge costs of disposal up to 4% of the value of a capital receipt and this is reflected in the Council's Capital plan. This option was not used in 2010/11.

1.24 Private Finance Initiative (PFI) and Similar Contracts

PFI and similar contracts are agreements to receive services, where the responsibility for making available the property, plant and equipment needed to provide the services passes to the PFI contractor. As the Council is deemed to control the services that are provided under its PFI schemes, and as ownership of the property, plant and equipment will pass to the Council at the end of the contracts for no additional charge, the Council carries the assets used under the contracts on its Balance Sheet as part of Property, Plant and Equipment and depreciated in the same way as property, plant and equipment owned by the Council.

Westlands and Homelands Schools – Private Finance Initiative.

The Council has entered into a 26 year contract with a private sector partner, for the provision of serviced facilities at Westlands Secondary and Homelands Primary Schools in Torquay. The Project Agreement was signed on 31st March 2000 with Torbay School Services Ltd. The contract became effective on 10th May 2000 at which time both parties agreed that the conditions precedent had been satisfied. The contract is a "design, build, finance and operate" PFI contract.

The original recognition of these assets at fair value (based on the cost to purchase the property, plant and equipment) was balanced by the recognition of a liability for amounts due to the scheme operator to pay for the capital investment. For Westlands and Homelands Schools, the liability was written down by an initial capital contribution of £16m. The asset relating to one of the PFI schools, Westlands, which is a foundation school, is not recognised although the long term liability is.

The amounts payable to the PFI operators each year are analysed into three elements:

- fair value of the services received during the year - debited to the relevant service in the Comprehensive Income and Expenditure Statement.
- finance cost - an interest charge on the outstanding Balance Sheet liability, debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.
- payment towards liability - applied to write down the Balance Sheet liability towards the PFI operator. In addition the Council makes an annual revenue provision to the Capital Adjustment Account that is equal to the annual reduction in the liability to the contractor and correspondingly reduces the Council's Capital Financing Requirement.

The Council is in receipt of Government support for part of the cost of the scheme. The Council set up a sinking fund reserve to set aside some of the grant proceeds so that the scheme can be funded evenly from Government support over its operational life.

1.25 Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are made where an event has taken place that gives the Council a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the Council may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Council becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year - where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (eg from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Council settles the obligation.

Landfill Allowance Schemes

Landfill allowances, whether allocated by DEFRA or purchased from another Waste Disposal Council (WDA) are recognised as current assets and are initially measured at fair value. Landfill allowances allocated by DEFRA are accounted for as a government grant.

After initial recognition, allowances are measured at the lower of cost and net realisable value. For 2010/11 the Council has assessed this value to be nil.

As landfill is used, a liability and an expense are recognised. The liability is discharged either by surrendering allowances or by payment of a cash penalty to DEFRA (or by a combination). The liability is measured at the best estimate of the expenditure-required to meet the obligation, normally the market price of the number allowances required to meet the liability at the-reporting date.

However, where some of the obligation will be met by paying a cash penalty to DEFRA, that part of its liability is measured at the cost of the penalty.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Council a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably. Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

Contingent Assets

A contingent asset arises where an event has taken place that gives the Council a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

1.26 Reserves

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against council tax for the expenditure. The purpose of each of the Council's reserves is explained within the notes to the core financial statements.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirement and employee benefits and do not represent usable resources for the Council - these reserves are explained in the relevant policies.

1.27 Revenue Expenditure Funded from Capital under Statute

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year (e.g. payments to third parties such as Private Sector Renovation Grants or spend on Foundation schools). Any grants or contributions received used to fund this expenditure, or expected to be used to fund REFCUS in the future, will also be treated as a revenue income. Where a grant has been received and as at year end it is not confirmed whether the grant will be spent on capital or REFCUS expenditure the Council has treated this as revenue grant. The grant will then, via the Movement in Reserves Statement be transferred to either the Capital Adjustment Account if expenditure has been incurred or to the capital grants unapplied reserve if expenditure has not yet been incurred.

Where the Council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the level of council tax.

Although REFCUS, for financial reporting is treated as revenue expenditure, it is still, by statute, capital expenditure therefore the costs and sources of funding for REFCUS will appear within the notes for capital expenditure and financing.

1.28 Value Added Tax (VAT)

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

COLLECTION FUND SUMMARY ACCOUNT 2010/2011

This account reflects the statutory requirements for billing authorities to maintain a separate Collection Fund, which shows the transactions of the billing authority in relation to non-domestic rates and the council tax, and illustrates the way in which these have been distributed to preceptors and the General Fund.

2009/10			2010/11	
£ m	£ m		£ m	£ m
		Income		
(57.4)		Council Tax Receivable	(59.0)	
(14.6)		Transfers from General Fund - Council Tax Benefits	(15.6)	
	(72.0)			(74.6)
	(31.3)	Income from business ratepayers (NNDR)		(32.1)
	<u>(103.3)</u>	Total Income		<u>(106.7)</u>
		Expenditure		
		<i>Precepts and Demands:-</i>		
7.2		Devon & Cornwall Police Authority	7.6	
3.3		Devon Fire Authority	3.5	
59.5	70.0	Torbay Council's own Demand (including Brixham Town Council)	61.4	72.5
	0.0	<i>Distribution of previous years estimated collection fund surplus. Note D</i>		0.7
		<i>National Non-domestic Rates (NNDR):-</i>		
30.6		Payments to NNDR Pool	31.5	
0.2	30.8	Cost of Collection Allowance	0.2	31.7
		<i>Bad and Doubtful Debts/Appeals:-</i>		
		<u>Council tax</u>		
0.5		Write Offs for uncollectable amounts	0.5	
0.2	0.7	Allowance for Impairment	0.1	0.6
		<u>NNDR</u>		
0.4		Write Offs for uncollectable amounts	0.4	
0.1	0.5	Allowance for Impairment	0.0	0.4
	<u>102.0</u>	Total Expenditure		<u>105.9</u>
	<u>(1.3)</u>	Surplus for year		<u>(0.8)</u>

£m	Movement of Fund Balance	£m
0	Balance brought forward as at 1 st April	(1.3)
(1.3)	Surplus for the year	(0.8)
<u>(1.3)</u>	Balance carried forward as at 31 st March	<u>(2.1)</u>
<u>(0.2)</u>	Balance attributable to major precepting bodies. <i>Note E.</i>	<u>(0.3)</u>
<u>(1.1)</u>	Balance attributable to Torbay Council. <i>Note E.</i>	<u>(1.8)</u>

Note: Brixham Town Council, a local precepting authority, was established in May 2007. The Town Council 'precepts' on Torbay Council as a billing authority to fund its activities, the precept for 2010/11 was £0.186m (£0.182m in 2009/10) and is received from council taxpayers in the town council's area. This precept is included in Torbay Council's demand on the collection fund.

NOTES TO THE COLLECTION FUND SUMMARY ACCOUNT

These notes represent the statutory requirement for a billing Council to maintain a separate Collection Fund. The accounts are consolidated with the Council's main accounts.

A) Council Tax Base 2010/11

For Council tax purposes the number of domestic properties in each band converted to a Band D equivalent for 2010/11 was as follows:

Valuation Band	Ratio to Band D	Amount payable by all council tax payers			Additional amount payable by council tax payers resident in the Brixham Town Council area		
		No Dwellings in valuation list	No of Dwellings Band D Equivalent	Average Council Tax Per Dwelling £	No Dwellings in valuation list	No of Dwellings Band D Equivalent	Average Council Tax Per Dwelling £
A	6/9	13,048	6,851	993.03	1,399	734	18.92
B	7/9	16,905	11,378	1,158.53	2,218	1,506	22.07
C	8/9	16,102	12,775	1,324.04	2,428	1,931	25.22
D	1	9,676	8,807	1,489.54	1,492	1,355	28.38
E	11/9	4,924	5,554	1,820.55	634	730	34.69
F	13/9	2,263	3,017	2,151.56	312	411	40.99
G	15/9	1,200	1,770	2,482.57	88	136	47.30
H	2	117	159	2,979.08	6	5	56.76
TOTAL		64,235	50,311		8,577	6,808	
Less Allowance for Non Collection @ 3.5% (3.5% 2009/10)			(1,762)			(238)	
TAX BASE 2010/11			48,548.86			6,569.82	

The number of dwellings Band D equivalent for 2010/11 is required for the setting of the Council Tax. It is calculated prior to the start of the financial year by using the number of dwellings on the valuation list adjusted to set the number of chargeable dwellings per band. This is then adjusted for an appropriate level of reduced assessments (discounts) prior to the number of dwellings in each band being put in a ratio compared to Band D.

B) Council Tax Income 2010/11

Precepts and Demands:

The following Authorities made a demand on the Collection Fund in 2010/11.

	£ m
Torbay Council (see note below)	61.415
Devon and Cornwall Police Authority	7.603
Devon & Somerset Fire & Rescue Authority	3.484
Total Demands on Collection Fund 2010/2011	72.502
Divided by Council Tax Base:-	
Torbay Council Tax Base	48,548.86
Brixham Town Council Tax Base	6,569.82
Band D Council Tax (excluding Brixham Town Council precept)	1,489.54
Band D Council Tax (including Brixham Town Council precept)	1,517.92

Note: Brixham Town Council's precept is included in Torbay Council's demand on the collection fund.

The income credited to the Collection Fund in 2010/11 can be analysed as follows.

	£ m
Gross Council Tax Payable for Year	85.9
Reduced Assessments (discounts)	(11.3)
Actual Income from Council tax	74.6
Less Council Tax Benefit	(15.6)
Total Council tax Income 2010/11	59.0

The difference of £2.1 million between the actual Council Tax income (£74.6m) and the estimated income (£72.5m) is due to changes during the year in the Council Tax Base and collection rates. These changes include the number of eligible properties, discounts and the actual and estimated tax collection rate.

C) Income from Business Rates

Under the arrangements for uniform business rates, the Council collects non-domestic rates for its area, which are based on local rateable values multiplied by a uniform rate. The total amount, less certain reliefs and other deductions, is paid to a central pool (the NNDR Pool) managed by Central Government, which in turn pays back to Authorities their share of the pool based on a standard amount per head of the resident population. The total rateable value as at 31st March 2011 was £100.5m (2009/2010: £78.3m).

In line with the Local Government Act 2003, from 1st April 2005, there are two multipliers, the small business non-domestic rating multiplier, which is applicable to those that qualify for the small business relief; and the non-domestic rating multiplier, which includes the supplement to pay for small business relief. The small business non-domestic rating multiplier for 2010/11 was 40.7 pence per pound of rateable value and the non-domestic rating multiplier was 41.4 pence per pound.

As part of the NNDR regulations, all commercial premises have been revalued by the Valuation Office and a new rating list put into effect from 01/04/10. As part of this process the total rateable value increase offset by a decrease in the multiplier.

D) Distribution of previous years' estimated collection fund surplus/(deficit)

2009/2010		2010/2011
£000's		£000's
0	Torbay Council	543
0	Devon and Cornwall Police Authority	66
0	Devon & Somerset Fire & Rescue Authority	31
0	Total	640

E) Accounting for the Collection Fund balance

The opening balance for the Collection Fund for 2010/11 was £1.3m. The balance as 31 March 2011 was £2.168m surplus. Surpluses and deficits are shared with the other major precepting bodies that make a demand on the fund. The Council accounted for the Collection Fund balance in its 2010/11 Statement of Accounts as follows.

Major Precepting Bodies:-	2010/11
	£000's
Torbay Council	1,837
Devon and Cornwall Police Authority	227
Devon and Somerset Fire and Rescue Authority	104
	2,168

In the Balance Sheet as at 31 March 2011 the Council included the disaggregated amounts for Devon & Cornwall Police Authority and Devon and Somerset Fire and Rescue Authority as a creditor. The surplus attributable to Torbay Council has been treated as a credit on the Collection Fund adjustment account.

In addition to the statutory Collection Fund Statement, the Council in its Income & Expenditure account now reflects, as income in year, its share, based on precepting values, of the year end Collection Fund position. The Council on its balance sheet reflects its share of year end assets (arrears and impairment) and liabilities (prepayments) attributable to the Collection Fund. The balance is shown in the accounts of the individual precepting bodies

GLOSSARY OF TERMS

A

Actuarial Gains & Losses – For a defined pension scheme, the changes in actuarial deficits or surpluses that arise because events have not matched previous assumptions and/or actuarial assumptions have changed.

Agency – Under an agency arrangement the Council acts on behalf of other bodies, so in effect any monies that flow through the Council's accounts under that arrangement are not the Council's asset or liability.

Amortisation - a term used to refer to the charging of the value of a transaction or asset (usually related to intangible assets or deferred charges) to the Income and Expenditure Account over a period of time, reflecting the value to the authority (similar to the depreciation charge for tangible fixed assets).

Amortised Cost – the fair value of a financial instrument valued using the effective interest rate inherent in the contract.

Area Based Grant – a general government grant that was introduced in 2008/09 replacing a number of service specific grants and the Local Area Agreement Grant.

Assets Held For Sale – a category of property where the property is expected to be sold and is to be actively marketed so is classified as as a current asset rather than a non current asset.

Assets Under Construction – expenditure incurred to date on an asset that is being constructed and at balance sheet date is not operational.

Authorised for Issue Date – The date up to which the Council will have included latest information of financial transactions that would have a significant impact on both the Accounts for the year or on the readers understanding of the Council's financial position.

B

Borrowing - Councils borrow to fund Capital expenditure or for temporary cash flow requirements. The majority if Council borrowing will be from Central Government by means of the Public Works Loans Board. Council's are free to use other borrowing options provided they are within the Council's treasury management arrangements.

C

Capital Expenditure - payments made for the acquisition, provision or improvement of assets, which will be of a long-term value to the Council, e.g., land and buildings.

Capital Adjustment Account - The Capital Adjustment Account represents the capital funding used to finance capital investment immediately from capital receipts and directly from revenue. It also contains amounts which in the past were required by statute to be set aside from capital receipts for the repayment of external loans. The Account is also used to compensate the General Fund Revenue Account for any excess of charges paid in respect of depreciation of assets over the statutory Minimum Revenue Provision which Council Taxpayers are required to bear.

Capital Financing Requirement - The Capital Financing Requirement shows the underlying need to borrow as a result of capital investment and resources set aside in the year. The CFR was introduced from 1 April

2004 by the Prudential Code for Capital Finance and reflects the movement in the Balance Sheet Accounts for Fixed Assets, Capital Financing Account, Government Grants Deferred and the Fixed Asset Restatement Account.

Capital Receipts - money received from the sale of assets or the repayment of grants and loans which is available for financing future capital expenditure.

Cash & Cash Equivalents – cash, bank balances and short term investments that are held for the primary purpose of short term cash flow purposes and not for investment purposes.

CIPFA – The Chartered Institute of Public Finance and Accountancy – the accounting institute that helps regulate and support accountants in the public sector.

Code – The CIPFA Accounting Code of Practice – the guidance for Council's in producing their IFRS compliant accounts.

Corporate and Democratic Core – All activities which the Council engage in specifically because they are elected, multi-purpose authorities.

Current Service Costs (pension) – The increase in the present value of a defined benefit scheme's costs due to the employee service in the current period.

Current Value – The value that the majority of fixed assets are held at in the Council's balance sheet. This value reflects the most recent valuation of that asset or pending a valuation the current value is increased by capital expenditure on that asset.

Curtailement – For a defined benefit scheme, an event that reduces the expected years of future service of employees.

Creditors - amounts owed by the Council for work done, goods received or services rendered but for which payment had not been made by the end of the year.

D

DCLG – the Department for Communities and Local Government, the central government department responsible for local government.

DFE – the Department of Education, the central government department responsible for a number of service including schools. (Formerly the DCSF – Department for Children, Schools and Families).

Debtors - sums of money due to the Council but unpaid at the end of the year.

Defined contribution / defined benefit schemes (Pension costs) – There is an important distinction between defined contribution and defined benefit schemes in terms of pension accounting. The key features of each scheme are as follows:

Defined contribution:

- employer pays fixed amounts into the scheme and has no obligation to pay further amounts if the scheme does not have sufficient assets to pay employee benefits
- accounted for by charging employer contributions to revenue as they become payable

Defined benefit:

- retirement benefits are determined independently of the investments of the scheme and employers have obligations to make contributions where assets are insufficient to meet employee benefits
- accounted for by recognising liabilities as benefits are earned (ie employees work qualifying years of service), matching them with the organisations attributable share of the scheme's investments

Depreciation - Amounts set aside from the revenue account which represent the wearing out, consumption or loss of value of a fixed asset spread over the useful life of the asset.

E

Emoluments – Employees expenses allowances.

Exceptional Items – Events or transactions that fall within the ordinary activities of the Council and need to be disclosed separately due to their size to give fair presentation of the accounts.

Expected Rate of Return on Pension Assets – The average rate of return, including income but net of scheme expenses, expected over the remaining life of the pension.

Extraordinary Items – Abnormal material items, which fall outside the ordinary activities of the Council and which are not expected to recur.

F

Fair Value – the price an asset could be exchanged for in an arm's length transaction less any grant.

Fair Value through Profit and Loss – A classification of a type of financial asset. The Council's fund manager holding has been designated into this category as this holding meets the definition of this type of financial instrument – i.e. the holding is part of a portfolio of investments managed as a whole.

Finance Lease – A finance lease is a lease that transfers substantially all the risks and rewards of ownership of an asset to the lessee. Accounting guidance requires that it should be presumed that such a transfer of risks and rewards occurs if at the inception of a lease the present value of the minimum lease payments including any initial payment, amounts to substantially all (normally ninety per cent or more) of the fair value of the leased asset. The present value is calculated by using the interest rate implicit in the lease.

Financial Instrument – a general term relating to a number of contractual arrangements, such as investments, borrowing, debtors and creditors, that a Council may incur. Based on this classification there are a number of additional accounting requirements relating to the fair value of an arrangement which may be different to the contractual amount due to an assessment of risk or value.

Funded Pension Liabilities – These are liabilities relating to pensions due in the future to members of a pension fund based on the "standard" entitlements within the scheme.

G

Grants – Receipts in Advance – a grant from central government or other body that has conditions that will require repayment of the grant if not complied with. These grants are not recognised as income until the conditions are met.

H

Historical Cost – the historical or original cost of a fixed asset which can be increased by capital expenditure on that asset.

I

Impairment – A reduction in the value of a fixed asset, below its balance sheet value.

Intangible Assets – see Assets

Interest Costs for Pensions – The expected increase in value for a defined benefit scheme, as it draws closer to settlement.

Investment Properties – land and buildings held only for the income stream or for capital appreciation.

IFRS – International Financial Reporting Standards. These are the financial “rules” that Council accounts will have to comply with for reporting periods from 2010/11. These rules should be consistently applied throughout all bodies throughout the world.

J

Joint Arrangement – An arrangement under which the participants engage in joint activities but do not create a legal entity because it would not carry on a trade or business of its own.

Joint Committee – a formal committee of local authorities established under the provisions of Local Government Act 1972 usually for the management of a shared service.

L

Liquid Resources – Current asset investments that are readily disposable by the Council without disrupting its business.

Local Pay Review – Council are required to evaluate the pay of all staff (except teachers) to ensure equality of pay for all staff. This is due to be implemented with an effective date of April 2007.

LOBO – A “Lender Option, Borrowing Option” loan. Such a loan has a set rate for a defined period, after which point, the lender has the option of changing the rate. If that option is actioned the borrower then has the option to either accept the new rate or repay the loan.

M

Minimum Revenue Provision - The minimum amount which must be charged to a Council’s revenue account each year and set aside as provision for repayment of debt as required by the Local Government Act 2003. For assets funded from unsupported borrowing this must be a “prudent” amount.

N

Net Book Value – The amount at which fixed assets are included in the balance sheet.

Net Debt – The Council’s borrowings less cash investments.

NNDR – National Non Domestic Rates, a national tax collected on a local level formally known as business rates.

Non Current Assets – assets, primarily land and buildings, that have an asset life of over one year and its not used for trading purposes.

Non Distributed Cost – It’s a category that within the Council’s cost of services that represents past service costs (see below) and other costs that have not been attributed to specific services.

O

Operating Lease – An operating lease is a lease other than a finance lease (please see above). The future obligations relating to operating leases are disclosed to provide the reader with an estimate of the outstanding undischarged obligations in relation to such leases.

P

Past Service Cost – The increase in the present value of a defined benefit scheme, as a result of improvements to, retirement benefits.

PFI - Private Finance Initiative – A method of using private investment to fund public sector schemes often supported by central government. The private sector typically builds an asset such as a school and then charges the Council over a period of typically 25 years to use and pay for the asset.

Post Balance Sheet Events – Those events, both favourable and unfavourable, which occur between the balance sheet date and the date on which the Statement of Accounts is signed.

Prior Period Adjustments – Those material adjustments applicable to prior years arising from changes in accounting policies or from the correction of fundamental errors. A fundamental error is one that is of such significance as to destroy the validity of the financial statements.

Precept - A levy made by one statutory body on another to meet the net cost of its services.

Precepting Body – the statutory body that makes a “precept” on a Council that is responsible for collecting Council Tax in an area. Town and parish Council are classified as a Minor Precepting body which means they precept their tax requirement on the Council who then include that amount in their precept.

Projected unit method (Pensions costs) – an accrued benefits valuation method in which the scheme liabilities make allowance for projected earnings. An accrued benefits valuation method is a valuation method in which the scheme liabilities at the valuation date relate to:

- the benefits for pensioners and deferred pensioners (i.e. individuals who have ceased to be active members but are entitled to benefits payable at a later date) and their dependants, allowing where appropriate for future increases, and
- the accrued benefits for members in service on the valuation date. The accrued benefits are the benefits for service up to a given point in time, whether vested rights or not.

Property, Plant & Equipment – a category of non current assets that show the carrying value of the Council’s operational assets.

Provisions - amounts set aside for the purposes of providing for any liability or loss which is likely or certain to be incurred but is uncertain as to the amount or the date on which it will arise, e.g., bad debts.

Prudential Code – The CIPFA Prudential Code for Capital Finance in Local Authorities which is the guidance applicable from April 2004 for the greater freedom for Councils to borrow to fund capital investment (under the Local Government Act 2003). This Code requires the Council to set and monitor a suite of Prudential Indicators, including its Affordable Borrowing Limit, and establish its policy for using the new freedoms.

PWLB – see Borrowing

R

Related Party Transaction – Is the transfer of assets or liabilities, or the provision of services to or for a related party, irrespective of whether a charge is made.

Relative Needs Formula (RNF) - the notional amount of Torbay Council’s “need” for funding that the DCLG has assessed Torbay Council as required to spend on its revenue activities within a financial year. Central Government funding from Revenue Support grant and National Non Domestic rates are based on this figure.

REFCUS – Revenue Expenditure Funded from Capital Under Statute. This represents expenditure that qualifies as capital for the purposes of government controls, but does not result in the acquisition, creation or

enhancement of a tangible fixed asset. As a result the expenditure in this category and related grants or contributions are reported as revenue income and expenditure.

Retirement Benefits – All forms of consideration given by an employer in exchange for services rendered by employees that are payable after the completion of employment.

Reserves - available for meeting general, future expenditure, for example, capital expenditure on new projects or unforeseen occurrences. Reserves may also be used to smooth the cost of certain activities over a number of years, e.g., crematoria replacement.

Revaluation Reserve – this reserve reflects the accumulated differences in a fixed assets current value compared to its historical cost. The balance on this account when introduced as at 1st April 2007 was set at zero.

Revenue Contribution to Capital Outlay - the financing of capital expenditure directly from revenue or reserves, rather than from borrowing or other sources.

Revenue Expenditure - expenditure on day-to-day expenses consisting mainly of employees, running expenses of buildings and equipment and capital financing costs.

Revenue Support Grant – a General Government Grant funded from national taxation to support the Council's net expenditure.

S

Scheme Liabilities – Money due on a defined benefit scheme due after the valuation date.

Supported Borrowing – the amount of Council Borrowing towards which the Government provides financial support through the annual Revenue Support Grant

T

Total cost – the actual cost of services reflects all of the direct, indirect and overhead costs that have been incurred in providing the service, even where the expenditure is not under the control of the service's chief officer.

U

Unfunded Pension Liabilities – these are pension costs arising from additional service awarded by a Council on a discretionary basis.

Unsupported (or Prudential) Borrowing – any borrowing the Council undertakes that is above and beyond the level of Supported Borrowing which the Government helps to fund and which therefore the Council has to fund completely from its own resources.

Usable Reserves – a heading that reflects the Council's reserves that can be used for supporting service delivery including capital expenditure in the future.

Unusable Reserves – a heading that reflects the Council's reserves that can not be used for supporting services. These tend to be the result of notional accounting entries such as those that reflect previous capital financing, asset revaluations and the pension reserve.

ANNUAL GOVERNANCE STATEMENT FOR THE FINANCIAL YEAR 2010/11

Introduction

The purpose of the annual governance statement is to provide for Members, stakeholders and other interested parties an accurate representation of the governance (the management and decision making) arrangements in place during the year. It should also evidence how the authority gets its assurance that these arrangements are operating as planned and are robust. The annual review should also highlight those areas where improvement is required and reflect upon improvements that have been implemented since the previous statement.

Scope of responsibility

Torbay Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. Torbay Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Council is also responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

Torbay Council has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*. A copy of the code is on the Council's website at [The Council's Constitution](#) or can be obtained from Democratic Services. This statement explains how Torbay Council has complied with the code and also meets the requirements of regulation 4 (2) of the Accounts and Audit regulations 2003 as amended by the Accounts and Audit (Amendment) (England) Regulations 2006 in relation to the publication of a statement on internal control.

The purpose of the governance framework

The governance framework comprises the systems and processes, and culture and values, by which the authority is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Torbay Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at Torbay Council throughout the year ended 31st March 2011 and up to the date of approval of the annual report and statement of accounts.

The Governance framework

The key elements of Torbay Council's governance framework are summarised below:

(A) Arrangements for identifying and communicating the authority's vision of its purpose and intended outcomes for citizens and service users

Both the Council and the Torbay Strategic Partnership have a clear vision of the future for Torbay, driven by the Community Plan for Torbay. The most recent Community Plan was published in 2007 and this has driven the priorities for the area. A refresh of the Community Plan will be published in the summer of 2011. More specifically the Council has refreshed, annually, its own Corporate Plan to reflect the Council's contribution to the achievement of the Community Plan.

The Mayor and fellow Council Members have undertaken consultation with the public through the "Torbay Connect" caravan and other mediums on a regular basis. Members and officers have also undertaken consultation with stakeholders when new strategies and policies have been developed.

As part of its Priorities and Budget setting arrangements the Council co-ordinates a series of public events to gain an understanding of the communities views. The Council's main partners, the Care Trust, Police, Fire and Rescue and the Voluntary Sector also attend these events so that the local community has a comprehensive understanding of its local public and voluntary sectors.

The Council works closely with and supports the work of the Torbay Strategic Partnership. This developed the Community Plan referred to above and is fully accepted by all. The partnership has held a number of events with the wider community, to look at aspects of how priorities identified in the Community Plan contribute to all the themes. The outcomes have been fed into the overall planning for the delivery of the expected outcomes.

The Council has continued with the ideas developed in the "Mayoral Vision", originally launched in October 2007, and which has been fully described in previous years' Annual Governance Statements. The Council, through its Economic Development Function, has progressed a number of these projects and engaged the community in meaningful and constructive consultation.

The Council and the Care Trust, together with the Police and other partners have worked together to identify the needs of the area, including Health matters, and published a **Joint Strategic Needs Assessment**. With full agreement of the Torbay Strategic Partnership the latest version of the JSNA covered more than just the Health issues within the area and now represents a true needs assessment for many communities within the Bay and is the basis for commissioning services to meet most needs. Once again this followed considerable consultation with stakeholders.

The Corporate Plan and Business Plans are reviewed annually as part of the Council's Annual Planning Cycle.

Further information in respect of planned outcomes is contained within the Council's Local Area Agreement and Annual Report.

The Council's **Communication Strategy**, as approved by full council, is communicated to staff, and all stakeholders via regular internal and external updates using promotional material, the web, the intranet, resident's magazine, staff newsletter and consultation caravan.

The strategy has had a number of recent successes. The Torbay Together Campaign was a national award winner in the 2010 LG Reputation Awards. This year the council's new internal communication strategy 'It's good to talk' is shortlisted for two prestigious national awards. The CIPR Excellence Awards (the only local authority in its category) and the 2011 LG Communication Awards.

The Council has, in recent years, made much more use of the **Community Partnerships** where local ward members and stakeholders can discuss concerns and issues with their constituents. These were used to help assess the impact and proposals included in the following year's budget and are gradually developing into major influencing and responsible bodies within the Community.

(B) Arrangements for reviewing the authority's vision and its implications for the authority's governance arrangements

The short term aims of the Community Plan have been delivered through the Local Area Agreement. The Performance Indicators and stretch targets included in the LAA were monitored on a quarterly basis through the TSP Executive Board, which reports to the full TSP. The success of this approach is verified by Torbay being the second highest achiever in terms of percentage of stretch targets achieved in the South West.

The Council has recognised the growing importance and influence of partnerships in delivering the outcomes for the community. To this end it has completed an audit of existing partnerships and produced a Policy and Guidance for all partnerships, existing and future. This Policy and Guidance includes the governance arrangements for partnerships and identifies clear accountability for ensuring such arrangements are in place.

The authority has also kept under review other key initiatives such as the actions arising from the Joint Strategic Needs Assessment for Health and Well Being, development of an Older Persons Strategy etc. and where appropriate have adapted the priority issues facing the Council. The Council has refreshed its Local Area Agreement with new targets agreed for those indicators most affected by the current economic climate.

Regular consultation events were also used to inform the development and review of the Authority's vision. These have continued to be used to obtain feedback on both service delivery and proposed plans and developments.

The budget setting process includes detailed scrutiny of proposals and their links to the Council's vision, priorities and stakeholder views, including meetings with representatives of the Community Partnerships from within the Torbay area.

Issues identified in the Community Plan are monitored and tracked through the Corporate Plan and Business Plans and performance against targets is recorded on SPAR and reported through the scorecard to the appropriate body, the senior management team on a monthly basis and the Cabinet and Overview and Scrutiny quarterly.

The Council is also very mindful that the staff are also key stakeholders and as such, senior officers and Members have taken part in road shows. Internal communication approaches have been reviewed to ensure all staff are aware of all issues and new policies and practices.

(C) Arrangements for measuring the quality of services for users, for ensuring they are delivered in accordance with the authority's objectives and for ensuring that they represent the best use of resources

The Council has continued to improve its collection and use of performance information and has made significant improvements in its data collection and verification of Performance Indicators. In addition it has developed a range of Balanced Scorecards from the Strategic level down to Business Unit level, to measure performance across a basket of performance indicators linked to Customer, Pounds, Process and Employees. In essence the scorecard measures the activities, processes and outcomes that are most important in delivering the agreed outcomes.

Surveys of users in service specific groups and Place Survey results are used together with specific Viewpoint and YEP (Youth Panel) surveys to assess quality of service and policy changes to be made in light of user feedback. All these surveys and results are publicly accessible on the Council website. In addition the Council also encourages user involvement in appropriate services areas, examples being SPOT within the learning disabilities and TTIG for consultation groups.

The Council records performance information using performance-reporting software (SPAR) and action on areas of poor performance is closely scrutinised, monthly by the senior management team and quarterly by Cabinet and Overview and Scrutiny members. The performance reporting system is based on exceptions and where performance is identified as a concern, appropriate corrective action will be considered, scrutinised and monitored.

The Council participates in a range of Benchmarking clubs including those provided by CIPFA, SOCITM, PWC, as well as the Audit Commission comparative data sets. It uses the data to measure performance against comparators and to identify authorities from whom the Council could learn.

There is also a range of consultation and feedback mechanisms for obtaining feedback from customers.

(D) Arrangements for defining and documenting the roles and responsibilities of the executive, non executive, scrutiny and officer functions, with clear delegation arrangements and protocols for effective communication

The **Council's Constitution** sets out how the Council operates, how decisions are made and the procedures that are followed to ensure that these are efficient, transparent and accountable to local people. Following a referendum, Torbay moved to an Elected Mayor form of governance with the first Elected Mayor taking up office in October 2005. The full Council of 37 elected Members, including the Mayor, is responsible for approving the Mayor's budget and the policy framework. The Mayor is responsible for decisions within this framework and has been supported by a cabinet of up to 7 other Members who oversee and advise on specific areas of Council business. Prior notice of matters for Mayoral or Officer level decisions, which are classed as key decisions, are published within the Forward Plan. Cabinet meetings are public and notice of all areas for discussion is published in advance. Matters outside of the budget and policy framework are referred to full Council for decision.

The **Council's Constitution** is designed to ensure the Council acts lawfully at all times and to ensure compliance with its policies and procedures. The Constitution includes Standing Orders, Financial Regulations, Contract Procurement rules and the budget and policy framework. These are underpinned by Codes of Conduct for officers and Members, Gifts and Hospitality rules, local protocols and by the Authority's Code of Corporate Governance.

The **Schemes of Delegation** to Officers and Members are contained within the Constitution and are subject to regular review. The Council has a well developed and successful Scrutiny function with the Overview & Scrutiny Board which undertakes a range of reviews into policies and performance. The Board also has the facility to 'call-in' Mayoral decisions or Officer key decisions and makes recommendations to the Cabinet / Council as appropriate. Overview and Scrutiny arrangements were reviewed in 2009, through a peer review, to reflect the new Community and Corporate Plans.

The Council also created a "stand alone" Audit Committee in 2008-09, taking this function out of the Overview and Scrutiny Board remit. The Committee has taken responsibility for all internal and external audit matters along with some other Governance associated matters.

Some regulatory functions remain the responsibility of the Council rather than the Mayor and most of these are delegated to a small number of regulatory committees appointed annually by the Council.

All meetings are open to the public but a small number of confidential matters are considered in private when the press and public are formally excluded from meetings. It is the Council's objective to keep these private papers to a minimum with only the confidential elements being kept exempt from the press and public. This ensures open and transparent decision making is undertaken at all times. Council officers provide appropriate advice at the points of consideration and decision, and report to Members on progress and outcomes of decisions taken.

The council has further improved its approach to safeguarding by the appointment of an independent chair for child and adult safeguarding. This is in line with best practice and ensures appropriate challenge to the council and partners in exercising their statutory responsibilities. However external assessors have recently highlighted weaknesses in both the Children's and Adult Social care areas of service provision and both the Council and the Care Trust have put in place a plan of action to improve the position.

Since its publication, Torbay Council has complied with the principles enshrined within the original CIPFA/SOLACE code on Corporate Governance and has developed a revised code of Corporate Governance based around the CIPFA/SOLACE Framework "Delivering Good Governance in Local Government".

The Authority has developed a number of **Local Protocols** (including in relation to Member and Officer Relations; Planning Matters and the role of the Monitoring Officer), all in line with good Corporate Governance. These documents are available on the Council's website. In addition, the Council's Standards Committee has a majority of Independent Members (six independent members, four Torbay councillors and 3 Brixham Town councillors) and is chaired by an Independent Member. This far exceeds the legal requirement for involvement of Independent Members and the Committee has been given responsibility for promoting high ethical standards amongst Members; monitoring the operation of the Members' Code of Conduct (including observing performance at public meetings and training members); and dealing with complaints against Members under the Local Protocols.

The Council has an approved organisational structure with job descriptions for all officers and Members supported by a relevant scheme of delegation.

(E) Arrangements for developing, communicating and embedding codes of conduct, defining the standards of behaviour for members and staff

The Council's intranet contains a range of policies, procedures and guidance for all staff including Human Resources (HR) policies, Computer Security Policy, Freedom of Information Policy and Data Protection Policy and the Corporate Plan and Constitution. This is supported by regular updates from HR in respect of new policies and guidance.

Regular HR updates are produced and Newsflash system monitors press releases which reflect external legislative change issues. These are also communicated widely to staff by a number of methods.

Corporate induction courses are run on a regular basis and managers have the responsibility to ensure that all new staff attend these induction events. They are also responsible for more local induction arrangements. All officers who are in politically restricted posts and those responsible for negotiating contracts etc are required to provide HR with a register of their personal interests.

The Council has a Fraud and Corruption Policy which is reviewed regularly and has been communicated to all staff and is available on the Council's Intranet. That has been discussed and approved by the Council's Standards Committee.

The Standards Committee's remit includes monitoring the conduct of Members and investigating complaints in respect of individual Members and is comprised of a majority of independent co-opted Members. The Standards Committee develops an annual work programme to promote and embed ethical standards and this is reported to the Council.

The Standards Committee's independent members also observe Council, Cabinet and other meetings and provide feedback reports on probity and conduct issues. This has resulted in improvements to the Constitution, procedures and a coaching programme for individual councillors.

(F) Arrangements for reviewing and updating Standing Orders and Financial Regulations, a scheme of delegation and supporting procedure notes/manuals, which clearly define how decisions are taken and the processes and controls required to manage risks

The Council's Constitution is continually reviewed throughout the year by the Monitoring Officer, Section 151 Officer and Democratic Services Manager in consultation with the Mayor and Group Leaders to ensure the Council's governance arrangements reflect best practice. It includes various codes of conduct and local protocols, as well as defining the relative responsibilities of the Council, the Mayor, Scrutiny and senior officers. This also includes the Council's Standing Orders and Financial Regulations, and is based upon recommendations from officers in order that the Council continues to operate in an efficient and effective way.

The Council underwent a major restructuring during 2008-09 to move to a Commissioning organisation. As a consequence a full review of the Standing Orders was undertaken and Council approved the revised document in June 2009. Since that time further amendments have been implemented in accordance with agreed procedures.

Commissioners and Executive Heads are responsible for risk management within their departments, with advice and support from the Council's Risk Management officer. Business Plans identify the key risks affecting Business Units and identify control measures where applicable. The Executive Head of Governance has been given responsibility for overseeing the implementation and monitoring of the risk management strategy and policy and provides regular progress reports to the Audit Committee which has responsibility for monitoring the approach to Risk Management. The overall risk register has been considered by the Audit Committee and Cabinet as part of the process.

The Council completed a detailed review of its Risk Management Policy and Strategy and the Strategic Risk Register in the current year. Council officers review the risk register on a quarterly basis and the key risks and significant changes are reported up through the organisation.

The Council, when considering any matter, will have a risk assessment within the report in which officers identify both the risks attached to the decision and the consequences of not undertaking the recommendation.

The Council fully recognises the need to continue to control risks in all projects and, as part of standard procedures Prince II and MSP are the adopted approaches that are applied to all such exercises.

(G) Ensuring the Authority's financial management arrangements conform with the governance arrangements of the CIPFA statement on the role of the CFO in local government.

Following the implementation of the commissioning strategy within Torbay Council, the Chief Financial Officer (CFO) has direct access to the Chief Executive on all matters and has direct access to all Members and senior officers of the Council.

The Council follows a number of well established practices to ensure it makes best use of its resources. The CFO ensures that the Commissioning Officer Group (COG) receive regular monitoring statements on both volatile or key budgets and the overall position which indicate possible trends and reports on management actions necessary to bring any budgets at variance back on track. These then get reported formally to members on a quarterly basis but the Cabinet member with responsibility for finance has monthly briefings. This applies to both revenue and capital budgets. All new monies received by the Council are reported at the earliest opportunity along with recommendation regarding its use.

All reports to Members that are brought forward include a section on the resource implications of the recommendations and these are cleared before publication by the CFO or one of his senior staff. These reports also cover value for money and benchmarking implications where appropriate and available.

The Council takes its financial responsibilities very seriously and to this end, the full Council approves the Treasury Strategy on an annual basis and all Members are briefed on key financial issues.

The CFO also has responsibility for ensuring that the Council operates secure and reliable financial and accounting systems and the Devon Audit Partnership undertake the role of auditing these systems to give the assurance needed. This is described in more detail in section M.

The Council undertakes a long term view about its financial requirements and, to aid this process, publishes a Medium Term Resource Plan (MTRP) on an annual basis. However, as events are taking place all the time that impact on the MTRP, this is a working document that reflects the latest projections and which is used to inform recommendations that appear in reports to Members. A more detailed plan though is developed through the annual budget process and is against which the Council monitors its financial performance and is used to deliver its expected outcomes.

(H) Undertaking the core functions of an Audit Committee, as defined in CIPFA's *Audit Committees – Practical Guidance for Local Authorities*

As indicated earlier, a stand alone Audit Committee was established during 2008-09 and meets on a quarterly basis where reports from both Internal and External Audit are considered as well as Risk and associated matters.

(I) Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful

The system of internal financial control is based on a coherent accounting and budgeting framework including Financial Regulations, Contract Standing Orders, Scheme of Delegation and accountability. In particular the system includes: -

- Medium-term resource plans covering both revenue and capital spend which provides a framework for the planning and monitoring of resource requirements. These also link in with the business development proposals which are fed by the Strategic Plan
- Operation of the Capital Strategy aims to ensure that investment is linked to Strategic Objectives. Bids for capital and other asset management funding require an effective 'business case' linked to Strategic Objectives, and progress in delivering projects is formally monitored by the Capital Asset Management Team, Councillors and Commissioners' Management Teams. Linked in with this is the Asset Management Plan which ensures that assets are only retained for effective business purposes.

Financial stewardship in respect of both capital and revenue is reported to Overview and Scrutiny and Cabinet quarterly, and is considered regularly by the Commissioning Officer Group. In addition Commissioners' Management Teams also consider their respective budgets on a regular basis. This is supported by an established budget monitoring process by managers and Finance staff.

Commissioners and Executive Heads are required to produce an annual statement of Internal Control for their areas which includes statements about risk and the internal control framework. This is supported by Internal Audit who help embed risk management by cyclical audits and other risk management initiatives including some risk control self assessment workshops.

(J) Arrangements for Whistle-blowing and for receiving and investigating complaints from the public

The **Fraud & Corruption Policy, Fraud Response Plan and Whistle Blowing Policy** were reviewed and updated in 2008. The Policy is available on the website, intranet and direct from the Information Governance team. The Authority also subscribes to Public Concern at Work which provides a staff helpline.

The Council has an established phone line that any whistle blowing call can be made to and which goes directly to the area which has responsibility for dealing with these issues in the first instance. These are recorded and passed on to the appropriate part of the organisation to investigate and the outcomes are monitored.

The Council has previously introduced new procedures for dealing with customer complaints and this provides the means for customers to feedback concerns or issues. Data is collected from all service areas regarding complaints including the number of complaints they have received, the complaint issue and the resolution. This information is analysed and reported back to Members and Senior Managers along with the actions taken to improve services where there are relevant learning points. An Annual Report is also produced which gives an account of the complaints and compliments received and handled by the Council and Ombudsman complaints during the previous financial year. This report is presented to the Overview & Scrutiny Board. Customer Care standards have been agreed and published. The complaints procedures are regularly reviewed, including incorporating 'lessons learned' from the investigation of complaints.

(K) Identifying the development needs of Members and senior officers in relation to their strategic roles, supported by appropriate training

A comprehensive induction took place for elected Members following the local elections in May 2007. Dedicated support within the Democratic Services team has been identified to work on the Council's approach to member development and the Council was awarded the South West Charter for Elected Member Development in March 2008 and Charter Plus in 2010. Annual one to one development sessions with senior officers from the Democratic Services team are offered to all Members and a Members' skills framework is used to identify development needs which in turn inform the annual Members' development programmes. 35 members have personal development plans. Corporate training needs for Members are also identified by the Commissioning Officer Group.

The Member Development Strategy seeks to build on the work already undertaken to ensure a structured approach and that all members, including our co-opted members on Overview and Scrutiny and Independent Members on the Standards Committee, are supported in their role. It also ensures that the Members are effective in supporting the Council's corporate objectives.

Strategic roles and development needs are identified and assessed through Senior Management Forums, annual RADARs and Management Team Meetings. The Council has also undertaken senior officer training on the Commissioning framework with Birmingham University.

The Council has strongly supported staff development, particularly through programmes such as ILM.

Training has been given to officers and at senior management events on protocols on decision making e.g. initiative development.

(L) Arrangements for establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation

There is a series of monthly consultation and feedback events with the Connect caravan where members of the public can feed back on those issues that interest them directly to the Mayor, Councillors and officers. This is supplemented by other specific consultation events using the caravan.

The Council used the Audit Commission stakeholder analysis to improve local relations. Regular consultation events are held with public and voluntary services plus regular business forum meetings. Other consultation and feedback surveys are also undertaken throughout the year including via the refreshed Viewpoint Panel.

Torbay Council operates a Call Centre which is based in Torquay and deals with a wide variety of calls from residents and visitors over an expanding range of issues as more services are included in those dealt with in the first instance by the centre.

All customer contact received via our Call Centre or our Connections offices is documented to ensure the information is actioned by, or forwarded to, the relevant department, as necessary. The Council also uses its libraries and Tourist Information Centres as initial contact points from which enquiries can also be dealt with.

The Consultation and Engagement framework is available on the website indicating mechanisms and groups and how the Consultation and Engagement Group effectively manages engagement with the public and voluntary sector. There are also a number of Community Partnerships across Torbay and regular newsletters to Viewpoint Panel members and a residents' magazine Torbay View, which is distributed to every household. Councillors have also been encouraged to produce their own means of communication and, for example a number have created their own website.

A number of community groups have been established to support those members of the community who can be regarded as "hard to reach", e.g. BME, LGBT, Faith, Older Persons, Young People and those with Disabilities. The Council's approach is to support the development of these groups and build their capacity to make them largely self-sufficient.

(M) Incorporating good governance arrangements in respect of partnerships and other group working as identified by the Audit Commission's report on the governance of partnerships, and reflecting these in the authority's overall governance arrangements

The governance of the Torbay Strategic Partnership was considered and reviewed in 2007 to ensure its fitness for purpose in delivering the new Community Plan. The Strategic Partnership is underpinned by a number of delivery partnerships all of which are represented on TSP.

The Council's Code of Corporate Governance is available on its website and Local Strategic Partnership stakeholders are aware of governance arrangements and the link to the council code and processes. There is a robust Constitution established for the Torbay Strategic Partnership and for the local Community Partnerships.

Strategic Commissioning Partnerships have been established, based on the four quadrants of the TSP's Wheel, at a level below the TSP itself to deliver Joint Commissioning Strategies. The 'Wheel' has been adopted to represent, as its hub, the commitment to improve economic prosperity and thereby the overall prosperity of the local community. This will be achieved through four key focus areas, shown as quadrants of the wheel – Pride in the Bay, Learning and Skills for the Future, the New Economy and Stronger Communities.

Joint Commissioning Strategies further refine and define outcomes, measures, targets and spending plans across each quadrant, including all other agency 'must do's', not just those relating to the Community Plan. They ensure effective "join-up" of all relevant agencies and partners, and effective engagement with suppliers and users of services. In summary it merges each partner's intentions into one overall statement of strategic commissioning intent, aligning budgets and policies wherever possible, and reflecting the needs of the people of Torbay.

The Council has also established appropriate arrangements in respect of service specific partnerships such as the Torbay Care Trust and the Torbay Coast & Countryside Trust and more recently with the newly formed TOR2 and English Riviera Tourist Company.

As mentioned previously, a Policy and Guidance for all partnerships, existing and future has been agreed and introduced. This Policy and Guidance includes the governance arrangements for partnerships and identifies clear accountability for ensuring such arrangements are in place.

Review of effectiveness

Torbay Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the executive managers within the Authority who have responsibility for the development and maintenance of the governance environment, the Head of the Devon Audit Partnership's annual report, and also by comments made by the External Auditors and other review agencies and inspectorates.

Overall responsibility for the governance framework including the system of internal control rests with the Mayor and Chief Executive and they receive regular reports from the Section 151 Officer on financial issues and the Monitoring Officer on legal issues as and when appropriate. This includes regular budget monitoring information and the Medium Term Resource Plan.

This is supported by an annual review of Internal Audit by the Section 151 Officer which reviews compliance with the CIPFA Code of Practice and the effectiveness of the audit service. 2010-11 saw the second year of operation of the Devon Audit Partnership which was the amalgamation of the three Internal Audit functions of Devon County Council, Plymouth City Council and Torbay Council and has continued during this year. As in previous years the service undertook certain assurance work on behalf of the Council and to give assurance to the external auditors as part their audit opinion. The external auditors raised no concerns by the standard of work. No major issues were identified and the service has maintained the level of assurance it is able to provide to management.

The Council's Constitution is continually reviewed throughout the year by a Constitution Working party and defines the relative responsibilities of the Council, the Mayor, Overview and Scrutiny Board and Senior Officers. This also includes the Scheme of Delegation to the Mayor, Cabinet, Committees and Officers, and also the Officer Scheme of Delegation.

Internal Audit

The Council's Internal Audit Plan, which is risk based, is agreed annually with Commissioners and the Council's Audit Committee. This provides the basis for the review of internal control and governance within the Council and includes the following: -

- Annual reviews of the Council's key financial systems by Internal Audit against known and evolving risks;
- Cyclical reviews by Internal Audit of internal controls in operation within each service area against known and evolving risks based on a detailed risk assessment which considers the strategic and operational risks identified in the Corporate Risk Register and Business Plans and also includes consideration of materiality, sensitivity and previous audit and inspection findings;
- Work in relation to the prevention of fraud and corruption and an allowance for the investigation of any potential irregularities identified either from audit work or through the Council's whistle-blowing policy.
- Advice and support to ensure future safeguards when implementing new systems
- Value for Money work in relation to assessing the efficiency, economy and effectiveness of the Council's operations and recommending improvements as necessary.

Achievement of the Audit Plan is reported to the Audit Committee on a twice yearly basis. This report also includes an opinion and assurance about the system of internal control throughout the Council.

The Council's Constitution is continually reviewed throughout the year by the Monitoring Officer, Section 151 Officer and Democratic Services Manager in consultation with the Mayor and Group Leaders and defines the relative responsibilities of the Council, the Mayor, Overview and Scrutiny and Senior Officers. This also includes the Scheme of Delegation to the Mayor, Cabinet, Committees and Officers, and also the Officer Scheme of Delegation.

Regular meetings were also held between the Section 151 Officer and a representative of the Devon Audit Partnership to discuss specific issues that have arisen.

External Review

Following the General Election, in May 2010, the Coalition Government decided that local authorities would no longer have to undertake a Comprehensive Area Assessment (CAA). The Council had produced action plans following the 2009 CAA and Use of Resources Assessments that would have seen the performance as monitored by those forms of inspection improve. Despite the abolition of these measures, Torbay Council continues to seek to provide continuous improvements in all areas of performance and will continue to use the former measures as an indicator of best practice.

Areas of the Council's work where further action is required

As a consequence of the above reporting mechanisms, Members and Commissioners have been continually updated and advised on the implications of reviews of the effectiveness of the system of internal controls. Plans have been devised and put in place to ensure continuous improvement. The Council's annual review of the governance framework including the system of internal controls and associated reviews during the year identified some areas where action is appropriate to enhance the governance and internal control environment and ensure continuous improvement. These are listed below, along with the proposed action to remedy or improve the position.

Areas for further work	Action Planned
(1) Risk Management	<p>Whilst operational risk management is embedded in a large number of areas within the Council, there are still some concerns over the robustness of Business Continuity Plans and a focus is being put on this area of work to ensure the Council can respond appropriately given the proposed reductions in spending identified by the government on the one hand against both the legal framework and expectations from the public over service provision.</p>
(2) Review Corporate Governance arrangements and performance management of the Council and its partnerships	<p>Governance arrangements will be kept under review as the Government's new policies impact on our services. This is particularly relevant in relation to the future of Public Health.</p> <p>The Council has in place a framework for the quarterly monitoring of performance across all its services and its partners including the Torbay Care Trust and TOR2. In addition, through the TSP Executive Board it also monitors the delivery of its LAA targets, including the performance of partners.</p> <p>In moving towards the Commissioning Model the Council recognises that it needs to keep under review its current performance management arrangements to ensure they are effective for monitoring a potential range of service providers. This is achieved through an annual review of the performance management framework.</p> <p>The Council will look to strengthen its 'performance' management of partners to encompass potential resource issues as the CSR impacts on existing commitments.</p>
(3) Payroll processing and administration and work force planning	<p>The Council, following previous audit reports, has only recently completed the re-implementation of the payroll system. Whilst the implementation appears to have been successfully achieved the new payroll has not yet been in operation for a full audit cycle and therefore there may be further checks made before officers and auditors are fully satisfied of the total integrity of the system.</p>
(4) Management of information and data	<p>The continuing loss of PCs and data nationally has continued to highlight the need to ensure that all Torbay data is properly secured and handled in accordance with agreed protocols. Further work will be undertaken on this both internally and with partners in line with the agreed work programme and national standards.</p>
(5) Safeguarding of Children and Adults	<p>During 2010-11 the Council and its partner, the Torbay Care Trust, both received critical reports on the safeguarding procedures in place for Children's Services and Adult Care Services respectively.</p> <p>In both cases the Council and the TCT have put in place action plans to significantly reduce the areas of weakness identified by the respective inspections. These will be continually monitored both by the Council and the respective inspectorates and updates and</p>

	reviews will be made during 2011-12 to ensure appropriate progress is being made.
(6) Contractual compliance with European tendering procedures.	<p>European legislation is changing at a rapid pace and with the Council moving to a Commissioning organization, it is essential that the Council is kept up to date on all changes in this area. The Council has appointed a specialist Procurement Solicitor to provide expert guidance on this crucial area.</p> <p>Part of the role of this member of staff is to ensure that officers are kept up to date with changes whilst at the same time commissioning officers are expected to check with the legal team before committing the council during any negotiating arrangements.</p>

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed

Signed

Elizabeth Raikes
 Chief Executive

Gordon Oliver
 Mayor of Torbay

Date: June 2011

Date: June 2011

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Title: **Capital Budget Monitoring 2011/12 (1st Quarter)**

Public Agenda Item: **Yes**

Wards Affected: **All Wards in Torbay**

To: **Overview & Scrutiny Board Council** On: 28 July 2011
29 September 2011

Contact Officer: **Martin Phillips**

☎ Telephone: **(01803) 207285**

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1. What we are trying to achieve

- 1.1 This report is an overview of the Council's approved Capital Programme for the quarter ending June 2011 incorporating capital project approvals from Council meeting on 13th July 2011. The report provides details of expenditure and funding of service and community assets within the Council's approved Capital Plan and is a key element of meeting the Council's aims and objectives.

2. Recommendation(s) for decision

Overview and Scrutiny Board

- 2.1 That Members note the latest position on the Capital Programme and make recommendations to Council as appropriate.

Council

- 2.2 That two un-ring-fenced capital grants of £778,000 be allocated to Disabled Facilities Grants and £77,000 be allocated to Short Breaks for Disabled Children in line with central government intentions.

3. Key points and reasons for recommendations

- 3.1 This report incorporates the 4-year Capital Plan Budget for 2011/12 – 2014/15 approved by Council in February 2011, adjusted for slippage arising in 2010/11 and amended by any further revision to both projects and timing.
- 3.2 This report includes £18 million of additional capital allocations approved by Council on 13th July 2011 – schemes approved for Solar Panels, increase in Council's contribution to the South Devon Link Road (SDLR) and initial feasibility works for Princess Promenade structural works. All three schemes to be funded from prudential borrowing unless alternative funding can be identified.

- 3.3 The Council has been notified of two grants in 2011/12 of £778,000 million for Disabled Facilities Grants and £76,000 for Short Breaks for Disabled Children. Both these grants are now unring fenced so allocation of these grants is a Council decision. It is recommended that these grants are allocated to services in line with the central government indicated intentions for the use of the grants.
- 3.4 The overall funding position of the 4-year Capital Plan Budget of £97.5 million, covering the period 2011/12 – 2014/15, is in balance but still relies upon the generation of £3.2 million of capital receipts before the end of the current Plan period. Of this sum £0.4 million was received before 2011/12. The balance of £2.8 million is due from –
- £0.4 million from the sale of other surplus (not specific) assets
 - £2.4 million from sale of sites currently earmarked for service use – such as Paignton Library and Brixham Town Centre car park.
- 3.5 Of the total £97.5 million of the 4 year programme, £35.0 million is currently scheduled to be spent in 2011/12.
- 3.6 It should be noted that slippage or re profiling can be the result of valid project management reasons such as scheme re engineering, further consultation and clarification with users or detailed tendering.
- 3.7 Project Managers have revised the allocation of “general” funding to a number of specific schemes particularly in relation to schools. In addition a number of new projects have been approved since the programme was originally approved and these have been included.
- 3.8 The movements in the estimate of expenditure on the capital plan in 2011/12 between the estimate as at quarter one 2011/12 and the approved budget for 2011/12 are as follows:

Scheme	Variation in 2011/12	Change £m	Reason
Estimate as at Budget Setting – February 2011		42.0	Capital Plan 2011/12 (Report 10/2011)
Schemes brought forward from 2010/11 to 2011/12		4.0	See 2010/11 Capital Outturn Report (Council 13 th July 2011)
Haldon Pier	Increase in budget	1.3	New Environment Agency grant
Solar Panels	New scheme	1.8	Funded from Unsupported Borrow
Childrens' projects	Slippage to future years	(3.9)	See table in para A2.3 of this report.
CCRP	Slippage to future years	(9.0)	Scheme being reviewed

Affordable Housing	Increase in budget	0.2	Additional Right to Buy capital receipts
Short Breaks Disabled Children	Increase in budget	0.1	Grant allocation
Disabled Facilities Grants	Increase in budget	0.8	Grant allocation
Princess Pier	Slippage to future years	(1.4)	Scheme start date to be confirmed
South Devon Link Road	Slippage to future years	(0.9)	Profile based on Council report 13 th July 2011
Estimate – Quarter One 2011/12		35.0	

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

**Paul Looby
Executive Head - Finance (S151 Officer)**

Appendices

Appendix 1 Supporting Information to Capital Budget Monitoring
Appendix 2 Capital Plan Budget 2011/12 - 2014/15 (July 2011)

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Capital Plan Budget Monitoring Statement – 1st Quarter 2011/12

Supporting information

A1. Introduction and history

- A1.1 The Council approved the original 4-year Capital Plan Budget for the period 2011/12 – 2014/15 in February 2011. This plan has been subsequently adjusted for slippage arising in 2010/11 of £4.0 million, (Capital Outturn Report Council 13th July – agenda item 11 refers), and amended by any further revision to both projects and timing resulting in the latest revision attached to Annex 1. The Plan totals £97.5 million over the 4 year period of which £35.0 million relates to 2011/12.
- A1.2 The purpose of this report, and the Monitoring statement attached, is to highlight any existing or potential issues which may affect the delivery of the major projects included in the Plan, on time and within budget and to consider any potential effect on corporate resources.
- A1.3 Details by “Theme” are provided based upon the latest information available to finance officers, in consultation with services and project managers are shown in Appendix One.
- A1.4 Expenditure to the end of this first quarter was £3.1 million, which is less than 8% of the latest budget for 2011/12. This compares with £10 million (or 23% of outturn) for the 1st quarter last year.

A2. Main Variations & Management Action

Overviews by Theme of the key issues are as follows:

A2.1 **Pride in the Bay –**

Changes/Significant Revision of timing/budget

Torre Abbey Mansion Phase 2

Grant monies from Heritage Lottery for design works were initially thought to be part of overall funding however it has been confirmed that this is, in fact, additional funding so the budget for the main works can increase by £0.130m to match additional resources.

South Devon Link Road

This scheme, along with other proposed national road schemes, is now under review by Central Government as part of the overall review of capital funding allocations. Following a report to Council on 13 July 2011 on this scheme, further approval for £11.5 m unsupported borrowing was approved. This additional funding has been added to the project budget in future years. The final announcement on the scheme is expected to be December 2011.

Princess Promenade Structural Repairs

Possible options for the repair to this important area were reported to Council on 13 July 2011. As a result resources of £4.0m of unsupported borrowing have been added to the Capital Plan to provide funding to address the structural problems. The £4.0 million is an indicative figure at this stage, further work will be undertaken by officers to investigate options and seek estimates for the work.

A2.2 New Economy –

Changes/Significant Revision of timing/budget

Haldon Pier Structure

Following completion of Phase 1 of the necessary repairs to Haldon Pier, the Environment Agency has confirmed a grant allocation of £1.3m to fund works for Phase 2 of the project. This has been added to the Capital Plan.

A2.3 Learning and Skills–

New Schemes

Following the announcement of (mostly unring fenced) Government grant support for 2011/12 capital projects for schools, which the Council allocated to Children's Services in the Capital Plan approved in February 2011, proposals have now been developed to allocate the funds to particular school developments as follows:

Capital Repairs & Maintenance Allocation 2011/12 = £1.8m:

Schools Access/Disability Discrimination Act 2011/12	0.150m
School Security 2011/12	0.075m
Adaptations to Homes 2011/12	0.050m
Additional resources for My Place Parkfield	0.400m
Mayfield Expansion	0.250m
EOTAS Halswell House	0.060m
Capital Repairs & Maintenance 2011/12	0.800m

Basic Need 2011/12 = £ 1.35m:

Primary Places 2011/12	0.200m
Additional resources for Preston Primary	1.000m
Mayfield Expansion	0.150m

Short Breaks for Disabled Children Capital Grant 2011/12 –

Department of Education have recently announced a capital allocation of £0.076m. This grant is now unring fenced so allocation of this grant is a Council decision. Officers are requesting that Members allocate it for its intended purpose i.e. Short Breaks for Disabled Children.

Changes/Significant Revision of timing/budget

Re Profiling of Expenditure:

Project	Slippage proposed £m	Reason
Curledge Street Primary School Remodelling	0.700	Further delays in agreeing a design solution have resulted in slippage. The enabling contract has recently been let so work is now underway. Revised completion date is likely to be Sept 2012.
Barton Primary Project	1.800	Insufficient funds for the preferred scheme so whole scheme reconsidered/redesigned to focus on refurbishment as opposed to new build. This has resulted in significant delays. Revised completion date is likely to be Dec 2012.
Preston Primary School ASD Unit	0.800	Some delay as a result of process of securing additional funds required to deliver preferred scheme. Revised completion date is likely to be Sept 2012
PCSC Replace mobiles 14-19 project	0.580	To minimise disruption project has had to be phased to fit in with school holidays.
Total	3.880	

Completed Projects

Torquay Community College BSF Rebuild -

Achieved practical completion on 11th February 2011. The project was delivered on time and within budget.

Queensway Primary Capital Programme (PCP) Project

Achieved practical completion on 9th March 2011. The project was delivered on time and within budget.

Roselands Primary School Remodelling

Achieved practical completion on 8th April 2011. The project was delivered on time and within budget.

Other Issues

My Place - Parkfield

This project has experienced significant difficulties with the discovery of protected wildlife that necessitates a re-design. The additional cost consumes the original client contingency and requires an additional £0.4 million which includes a re-established contingency to cover the remainder of the project.

A2.4 Stronger Communities –

New Schemes

Disabled Facilities Grants

The Council has been notified of a capital grant of £778,000 million for Disabled Facilities Grants. This grant is now an unring fenced so allocation of this grant is a Council decision. It is recommended that this grant is allocated to services in line with the central government indicated intentions for the use of the grant.

Changes/Significant Revision of timing/budget

Grants to Housing Providers

The Council has received some Right to Buy Clawback receipts from Sanctuary Housing Association arising from sales of former Council houses in 2010/11. In accordance with the Council Capital Strategy these resources have been allocated to Affordable Housing capital projects so that £0.220m has been added to the Capital Plan to be allocated to appropriate housing schemes.

There have been some minor adjustments of the level of Council support required to some housing schemes being progressed by Registered Social Landlords. These changes are similarly adjusted with the remaining unallocated budget so there is no overall impact on the programme from these adjustments.

A2.5 Corporate Health –

New Schemes

Solar Panels on Council Properties

Council approved in July a capital budget of £1.8m to enable the provision of solar panels on various Council properties. This is an invest to save scheme (self financing) and will be funded initially by unsupported borrowing to be repaid from future income streams. Actual spend could be lower than the approved figure subject to a more detailed business case and the agreement with certain locations to have these panels installed under the Council project.

Changes/Significant Revision of timing/budget

Office Accommodation Strategy

This project is currently paused for a review of future options. The works to Torhill House phase one have now been completed and the Economic Development Company has relocated to the third floor. Additional works will be undertaken at Torhill House to enable staff from other office accommodation to relocate during 2011/12. When the options for the scheme are resolved the capital plan and the funding will be adjusted accordingly with an impact on the Council's Treasury Management strategy.

Performance Reward Grant

The remaining unused resources from this funding stream have been transferred to revenue to facilitate some schemes which were short of revenue resources. The Torbay Strategic Partnership (TSP), who oversee this grant, decided to allocate the remaining funds on a project by project basis.

A3. Income Monitoring

A3.1 The funding identified for the latest Capital Plan budget is shown in Annex 1. This is based on the latest prediction of capital resources available to fund the budgeted expenditure over the next 4 years.

A summary of the funding of the Capital plan is shown in the Table below:

	2011/12	2012/13	2013/14	2014/15	Total
Funding	£m	£m	£m	£m	£m
Supported Borrowing	2	1	0	0	3
Unsupported Borrowing	4	30	4	14	52
Grants	25	8	5	0	38
Contributions	0	0	0	0	0
Reserves	1	0	0	0	1
Revenue	0	1	0	0	1
Capital Receipts	3	0	0	0	3
Total	35	40	9	14	98

A3.2 Capital Receipts

There have been minimal Capital Receipts in the year to date (£31,000) although there are a few disposals "in the pipeline". The balance of receipts at the start of the year of £0.4m leaves an outstanding overall target of £2.8 million over the four years of the capital plan. Although the expected capital receipt from Tesco has not yet been received the Council and Tesco have now exchanged contracts for proposed the Brixham store.

It is still anticipated that successful marketing of the earmarked sites and the remaining assets on the approved disposal list will eventually generate sufficient receipts to meet the overall sales target. The Council has its Asset Rationalisation Board to encourage services to identify surplus assets for disposal and to generate resources to fund investment in the remaining assets.

The Community Asset Transfer Strategy means that some assets which previously would have been sold are now transferred to Community groups, thereby reducing the amount of achievable capital receipts

In May 2011 a number of properties, including industrial units and innovation centres, were transferred to the new Economic Development Company at nil consideration.

A8. What impact will there be on equalities, environmental sustainability and crime and disorder?

No direct impact but the Capital programme supports all Council priorities and complies with Council policies.

A9. Consultation and Customer Focus

Where appropriate capital schemes have public consultation and negotiation with stakeholders.

A10. Are there any implications for other Business Units?

The Capital programme supports all Council priorities thus will directly impact on service delivery.

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SUMMARY :	Revised 4-year Plan July 2011				
	2011/12	2012/13	2013/14	2014/15	Total for Plan Period
<i>PROGRAMME :</i>	£'000	£'000	£'000	£'000	£'000
PRIDE IN THE BAY	6,837	10,221	7,270	13,935	38,263
NEW ECONOMY	2,747	1,400	0	0	4,147
LEARNING & SKILLS	15,860	4,880	1,000	0	21,740
STRONGER COMMUNITIES	4,971	1,318	125	0	6,414
CORPORATE HEALTH	4,670	22,050	230	0	26,950
TOTAL APPROVED PROGRAMME	35,085	39,869	8,625	13,935	97,514

<i>FUNDING SOURCES :</i>					
BORROWING					
Supported	2,165	700	0	0	2,865
Unsupported (Prudential)	4,005	30,112	3,588	11,200	48,905
GRANTS	24,939	8,376	4,807	2,735	40,857
CONTRIBUTIONS	309	138	0	0	447
RESERVES	628	300	54	0	982
REVENUE CONTRIBUTIONS	250	0	0	0	250
CAPITAL RECEIPTS					
Earmarked Asset Sales	2,437	0	0	0	2,437
Corporate/General Asset Sales	352	243	176	0	771
TOTAL FUNDING SOURCES	35,085	39,869	8,625	13,935	97,514

PRIDE IN THE BAY	Revised 4-year Plan July 2011								
	2011/12 Original	2010/11 Slippage b/f	2011/12 Adjustm'ts	New Schemes 2011/12	Total 2011/12 Revised	2012/13	2013/14	2014/15	Total for Plan Period
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
HIGHWAYS & ENGINEERING									
<u>Local Transport Plan</u>									
Highway Capital Maintenance annual programme	1,346	(159)	(14)	0	1,173	1,288	1,161	1,094	4,716
Integrated Transport programme	910	(156)	(1)	0	753	971	971	1,365	4,060
RFA Tweenaway Cross Junction	612	412	0	0	1,024	0	0	0	1,024
Blackball Lane Bxm	0	(14)	14	0	0	0	0	0	0
Integrated Transport programme - Trips	0	(1)	1	0	0	0	0	0	0
Bridges	0	0	0	0	0	0	0	0	0
South Devon Link Rd - Council contribution	1,383	40	(782)	0	641	2,462	2,838	11,200	17,141
<u>Other infrastructure</u>									
Babbacombe Beach Road	70	0	0	0	70	0	0	0	70
<u>Drainage & Coast Protection</u>									
Princess Promenade (Western Section) Repairs	0	(3)	3	0	0	4,000	0	0	4,000
Torre Abbey Sands steps - substantial repair	45	0	0	0	45	0	0	0	45
<u>Car Parks</u>									
Multi-Storey Car Parks Refurb Programme - Phase I	0	1	0	0	1	0	0	0	1
<u>New Growth Points Funding</u>									
NGP - South of Tweenaway, Lane Improvement	1,084	0	0	0	1,084	0	0	0	1,084
NGP - Windy Corner Junction	185	5	0	0	190	0	0	0	190
NGP - Strategic Cycleway	316	(29)	0	0	287	0	0	0	287
NGP - Great Parks Access	467	0	0	0	467	0	0	0	467
	6,418	96	(779)	0	5,735	8,721	4,970	13,659	33,085
DIRECT SERVICES & WASTE									
<u>Other</u>									
Barton Gas Safety Works	0	1	0	0	1	0	0	0	1
Waste Infrastructure	0	200	(200)	0	0	0	0	0	0
Tqy Townscape Heritage Initiative	0	(1)	1	0	0	0	0	0	0
	0	200	(199)	0	1	0	0	0	1
CULTURAL SERVICES									
<u>Libraries</u>									
Paignton Library Re-build	0	37	0	0	37	0	0	0	37
<u>Museums</u>									
Torre Abbey Renovation - Phase 2 Design	0	17	0	0	17	0	0	0	17
Torre Abbey Renovation - Phase 2	750	0	0	0	750	1,500	2,300	276	4,826
<u>Sport & Leisure</u>									
Illuminations - replacement of Festoon Lighting	0	4	0	0	4	0	0	0	4
Barton Playing Fields	0	22	0	0	22	0	0	0	22
Barton Infrastructure	105	0	0	0	105	0	0	0	105
Children's Playgrounds Renewal Programme	0	(32)	32	0	0	0	0	0	0
Rock Walk Enhancement	0	0	60	0	60	0	0	0	60
Oddicombe Cliff stabilisation	30	49	0	0	79	0	0	0	79
Fitbay Projects	0	27	0	0	27	0	0	0	27
	885	124	92	0	1,101	1,500	2,300	276	5,177
Total PRIDE IN THE BAY programme	7,303	420	(886)	0	6,837	10,221	7,270	13,935	38,263
FUNDING SOURCES :									
BORROWING									
Supported					0	0	0	0	0
Unsupported (Prudential)					996	6,962	3,588	11,200	22,746
GRANTS					5,102	3,259	3,682	2,735	14,778
CONTRIBUTIONS					0	0	0	0	0
RESERVES					152	0	0	0	152
REVENUE CONTRIBUTIONS					0	0	0	0	0
CAPITAL RECEIPTS									
Earmarked Asset Sales					437	0	0	0	437
Corporate/General Asset Sales					150	0	0	0	150
TOTAL FUNDING SOURCES	0				6,837	10,221	7,270	13,935	38,263

NEW ECONOMY	Revised 4-year Plan July 2011								
	2011/12 Original	2010/11 Slippage b/f	2011/12 Adjustm'ts	New Schemes 2011/12	Total 2011/12 Revised	2012/13	2013/14	2014/15	Total for Plan Period
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
TORBAY DEVELOPMENT AGENCY									
REGENERATION									
<u>Brixham Regeneration</u>									
Harbour Development Phase 1&2 (Quay & Buildings)	323	313	(75)	0	561	0	0	0	561
<u>Business Development</u>									
NGP - Torbay Innovation Centre Ph 3	442	1	0	0	443	0	0	0	443
Sea Change - Cockington Court	185	280	0	0	465	0	0	0	465
	950	594	(75)	0	1,469	0	0	0	1,469
MARINE SERVICES									
<u>Torquay Harbour</u>									
Town Dock	0	0	0	0	0	0	0	0	0
Haldon Pier - Structural repair Phase I/2	0	6	1,272	0	1,278	0	0	0	1,278
Princess Pier - Structural repair	1,400	0	(1,400)	0	0	1,400	0	0	1,400
<u>Brixham Harbour</u>									
	1,400	6	(128)	0	1,278	1,400	0	0	2,678
Total NEW ECONOMY programme	2,350	600	(203)	0	2,747	1,400	0	0	4,147
FUNDING SOURCES :									
<u>Confirmed</u>									
BORROWING									
Supported					0	0	0	0	0
Unsupported (Prudential)					(791)	1,400	0	0	609
GRANTS									
					2,136	0	0	0	2,136
CONTRIBUTIONS									
					22	0	0	0	22
RESERVES									
					50	0	0	0	50
REVENUE CONTRIBUTIONS									
					50	0	0	0	50
CAPITAL RECEIPTS									
Earmarked Asset Sales					1,280	0	0	0	1,280
Corporate/General Asset Sales					0	0	0	0	0
TOTAL FUNDING SOURCES					2,747	1,400	0	0	4,147

LEARNING & SKILLS	Revised 4-year Plan July 2011								
	2011/12 Original	2010/11 Slippage b/f	2011/12 Adjustm'ts	New Schemes 2011/12	Total 2011/12 Revised	2012/13	2013/14	2014/15	Total for Plan Period
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
CHILDREN'S SERVICES									
<u>Pre-Primary & Primary</u>									
Foxhole Schools - Amalgamation	0	(5)	50	0	45	0	0	0	45
Primary Places 2011/12	0	0	0	200	200	0	0	0	200
Bxm CoE Prim - Ph 2			1		1	0	0	0	1
Curledge St - Remodelling	1,480	276	(700)	0	1,056	700	0	0	1,756
Roselands - Remodelling	430	(229)	0	0	201	0	0	0	201
Ellacombe - Remodelling	0	17	(7)	0	10	0	0	0	10
Shiphay Primary - Mobiles & SEN	0	7	0	0	7	0	0	0	7
Sherwell Valley Primary	0	70	0	0	70	0	0	0	70
Cockington Primary-Ch Cen & mobiles	0	5	0	0	5	0	0	0	5
Barton Primary Cap Project	4,325	92	(1,800)	0	2,617	1,800	0	0	4,417
Preston Primary - ASD Unit	530	10	200	0	740	800	0	0	1,540
Queensway RC Primary - Prim proj	0	0	4	0	4	0	0	0	4
Oldway Primary Disabled Changing Rooms	0	16	0	0	16	0	0	0	16
Oldway Primary Hall	800	90	0	0	890	0	0	0	890
SureStart/Early Years 2008/09 - 2010/11	0	21	(21)	0	0	0	0	0	0
Early Years Capital Grants	0	(17)	17	0	0	0	0	0	0
Centenary Way Childrens Centre	295	147	0	0	442	0	0	0	442
<u>Secondary Schools</u>									
Torquay Community College Re-build (Building Schools for the Future)	1,350	(470)	0	0	880	0	0	0	880
Torquay Girls Grammar Astroturf Fencing	0	10	0	0	10	0	0	0	10
Paignton Community Sports College - Astroturf pitch	0	64	0	0	64	0	0	0	64
Paignton Community Sports College Mobile Replce 14-19 Project	1,165	0	(753)	0	412	580	0	0	992
Paignton Community Sports College - Sports Hub	0	(23)	23	0	0	0	0	0	0
Cuthbert Mayne 14-19 Project	770	(164)	0	0	606	0	0	0	606
Westlands 14-19 Project	650	66	0	0	716	0	0	0	716
Education Review Projects	1,347	166	(1,159)	(350)	4	1,000	1,000	0	2,004
<u>Special Schools</u>									
Combe Pafford Business Enterprise	0	6	0	0	6	0	0	0	6
Combe Pafford Construction Workshop	0	3	0	0	3	0	0	0	3
Mayfield expansion	0	0	0	400	400	0	0	0	400

LEARNING & SKILLS	Revised 4-year Plan July 2011								
	2011/12 Original	2010/11 Slippage b/f	2011/12 Adjustm'ts	New Schemes 2011/12	Total 2011/12 Revised	2012/13	2013/14	2014/15	Total for Plan Period
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
"All School" Initiatives									
Condition & Modernisation Funding/Basic Need									
- Modernisation 2009/10	0	47	(47)	0	0	0	0	0	0
- Capital Repairs & Maintenance 2008/09	0	2	0	0	2	0	0	0	2
- Capital Repairs & Maintenance 2009/10	0	17	0	0	17	0	0	0	17
- Capital Repairs & Maintenance 2010/11	90	147	0	0	237	0	0	0	237
- Capital Repairs & Maintenance 2011/12	1,783	0	(982)	0	801	0	0	0	801
- Feasibilities	0	31	0	0	31	0	0	0	31
- Schools Access	0	23	157	0	180	0	0	0	180
- Special Education Needs - reactive works	0	4	0	0	4	0	0	0	4
- School Security	0	11	75	0	86	0	0	0	86
- Asbestos Removal	0	14	0	0	14	0	0	0	14
- 14-19 Diploma Delivery	20	49	(20)	0	49	0	0	0	49
Harnessing Technology	0	(12)	12	0	0	0	0	0	0
Short Breaks for Disabled Children	0	0	0	76	76	0	0	0	76
Play Builder (DCSF Grant)	150	(118)	(32)	0	0	0	0	0	0
Devolved Formula Capital	313	1,276	0	0	1,589	0	0	0	1,589
Other Facilities									
Youth Service schemes	0	57	0	0	57	0	0	0	57
Youth Capital Fund projects	0	0	0	0	0	0	0	0	0
Youth Modular Projects	70	13	0	0	83	0	0	0	83
My Place Parkfield	3,075	(449)	397	0	3,023	0	0	0	3,023
Foxhole Community Campus (contribution)	0	4	(2)	0	2	0	0	0	2
Foxhole Community Multi Use Games Arrea	0	23	(1)	0	22	0	0	0	22
EOTAS Halswell House	0	0	0	60	60	0	0	0	60
Children's care homes & facilities (public & private adaptations)	0	0	0	0	0	0	0	0	0
Minor Adaptations Childcare	10	62	50	0	122	0	0	0	122
Total LEARNING & SKILLS programme	18,653	1,359	(4,538)	386	15,860	4,880	1,000	0	21,740
FUNDING SOURCES :									
Confirmed									
BORROWING									
Supported					2,034	700	0	0	2,734
Unsupported (Prudential)					0	0	0	0	0
GRANTS					13,741	4,180	1,000	0	18,921
CONTRIBUTIONS					63	0	0	0	63
RESERVES					10	0	0	0	10
REVENUE CONTRIBUTIONS					0	0	0	0	0
CAPITAL RECEIPTS									
Earmarked Asset Sales					0	0	0	0	0
Corporate/General Asset Sales					12	0	0	0	12
TOTAL FUNDING SOURCES					15,860	4,880	1,000	0	21,740

STRONGER COMMUNITIES	Revised 4-year Plan July 2011								
	2011/12 Original	2010/11 Slippage b/f	2011/12 Adjustm'ts	New Schemes 2011/12	Total 2011/12 Revised	2012/13	2013/14	2014/15	Total for Plan Period
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
HOUSING									
Private Sector Support									
Private Sector Renewal	115	2	78	0	195	0	0	0	195
Security for Vulnerables	0	1	0	0	1	0	0	0	1
Insulation Scheme	20	(20)	0	0	0	0	0	0	0
Disabled Facilities Grants	0	139	700	0	839	0	0	0	839
	135	122	778	0	1,035	0	0	0	1,035
Grants to Housing Providers									
Sanctuary - Dunboyne 39 Extra Care Units	620	0	0	0	620	0	0	0	620
WCHA - Foxhole School site (30 units)	11	0	0	0	11	0	0	0	11
Sovereign HA - Beechfield (102 units)	0	0	0	0	0	140	0	0	140
Signpost HA - Rock Road (30 units)	100	0	0	0	100	100	0	0	200
Hayes Road	0	0	0	0	0	375	0	0	375
Hatchcombe Nurseries	182	0	0	0	182	0	0	0	182
Torbay Enterprise Project	150	(35)	0	0	115	250	0	0	365
NGP - HCA Match Land Acquisitions	1,908	(4)	0	0	1,904	0	0	0	1,904
New Advances Budget to be allocated	0	35	0	220	255	0	125	0	380
	2,971	(4)	0	220	3,187	865	125	0	4,177
	3,106	118	778	220	4,222	865	125	0	5,212
ADULT HEALTH & SOCIAL CARE									
Facilities									
Care Homes and Facilities	45	(51)	6	0	0	0	0	0	0
Mental Health Care Initiatives	0	188	0	0	188	0	0	0	188
NGP - Education, Innovation & Research Centre	0	100	0	0	100	0	0	0	100
Social Care Reform Grant	0	0	0	0	0	0	0	0	0
Adult Personnel Social Serv	443	0	0	0	443	453	0	0	896
IT									
Adult Social Care IT Infrastructure	0	24	(6)	0	18	0	0	0	18
	488	261	0	0	749	453	0	0	1,202
Total STRONGER COMMUNITIES programme	3,594	379	778	220	4,971	1,318	125	0	6,414
FUNDING SOURCES :									
BORROWING									
Supported					131	0	0	0	131
Unsupported (Prudential)					0	0	0	0	0
GRANTS					3896	937	125	0	4,958
CONTRIBUTIONS					224	138	0	0	362
RESERVES					0	0	0	0	0
REVENUE CONTRIBUTIONS					0	0	0	0	0
CAPITAL RECEIPTS									
Earmarked Asset Sales					720	0	0	0	720
Corporate/General Asset Sales					0	243	0	0	243
TOTAL FUNDING SOURCES					4,971	1,318	125	0	6,414

CORPORATE HEALTH (ALL - SERVICE)	Revised 4-year Plan July 2011								
	2011/12 Original	2010/11 Slippage b/f	2011/12 Adjustm'ts	New Schemes 2011/12	Total 2011/12 Revised	2012/13	2013/14	2014/15	Total for Plan Period
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
COMMUNICATIONS & CUSTOMER FOCUS									
<u>IT Developments</u>									
Single Person View (IT)	200	0	0	0	200	0	0	0	200
<u>Central Property issues</u>									
DDA adaptations to Council property	0	(2)	2	0	0	0	0	0	0
Castle Circus Regeneration Project Ph 2 - Project Remainder	10,000	1,001	(9,001)	0	2,000	21,750	0	0	23,750
Solar Panels for Council Properties	0	0	0	1,800	1,800	0	0	0	1,800
<u>Schemes funded from LPSA Performance Reward Grant</u>									
Comino DIPS system	0	1	0	0	1	0	0	0	1
Customer First Telephony	0	13	0	0	13	0	0	0	13
Libraries ICT renewal	0	3	0	0	3	0	0	0	3
Partnership shared capital	0	2	0	0	2	0	0	0	2
IT Infrastructure	0	46	0	0	46	0	0	0	46
Balance unallocated	500	0	(500)	0	0	0	0	0	0
	10,700	1,064	(9,499)	1,800	4,065	21,750	0	0	25,815
OTHER CORPORATE & CROSS-SERVICE ISSUES									
<u>Enhancement Prior to Sale</u>									
Works required prior to disposal of surplus assets	0	4	0	0	4	0	0	0	4
	0	4	0	0	4	0	0	0	4
GENERAL CONTINGENCY									
General Capital Contingency	416	185	0	0	601	300	230	0	1,131
	416	185	0	0	601	300	230	0	1,131
Total CORPORATE HEALTH programme	11,116	1,253	(9,499)	1,800	4,670	22,050	230	0	26,950
FUNDING SOURCES :									
BORROWING									
Supported					0	0	0	0	0
Unsupported (Prudential)					3,800	21,750	0	0	25,550
GRANTS					64	0	0	0	64
CONTRIBUTIONS					0	0	0	0	0
RESERVES					416	300	54	0	770
REVENUE CONTRIBUTIONS					200	0	0	0	200
CAPITAL RECEIPTS									
Earmarked Asset Sales					0	0	0	0	0
Corporate/General Asset Sales					190	0	176	0	366
TOTAL FUNDING SOURCES					4,670	22,050	230	0	26,950

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Title: **Annual Report 2010/2011 and Council Wide Priorities 2011+**

Public Agenda Item: **Yes**

Wards Affected: **All Wards in Torbay**

To: **Council**

On: **29 September 2011**

Key Decision: **Ref**

Change to Budget: **No**

Change to Policy Framework: **Yes**

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

- 1.1 To inform the public, Councillors and stakeholders of the Council's performance as well as summary financial information on revenue and capital spend, achievements and future plans.
- 1.2 To outline future ambitions and priorities against this background of past achievements, performance and challenges.

2. Recommendation(s) for decision

- 2.1 That the Mayoral pledges and priorities as outlined in paragraph A1.4 be agreed as Council-wide pledges and priorities for the term of this Administration, and as an amendment to the relevant plans within the Council's Policy Framework.
- 2.2 That, subject to any additional recommendations from the Mayor and Group Leaders, the Council be recommended to approve the Annual Report 2010/2011 set out in Appendix 1 to this report.

3. Key points and reasons for recommendations

- 3.1 To enable the Council to publish the Annual Report, to be accountable for its performance, and to inform all stakeholders of how well the Council is performing, its achievements and future plans. To set the direction for the new Mayoral administration with a consistent expression of pledges and priorities which will inform the future work programme of the Council and its resource planning.

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

Caroline Taylor, Deputy Chief Executive

Supporting information

A1. Introduction and history

- A1.1 Torbay Council is accountable for its performance and is keen to inform all stakeholders of how it has performed, its achievements and future plans.
- A1.2 The approved Annual Report will be published on the Council's website and it will be made available by joining together with the Council's Statement of Accounts which will be published by 30th September 2011. This document will be made available through the Council's Connections offices as well as libraries and it will be provided to our external auditors.
- A1.3 The change in context of public sector reductions in expenditure and reconsideration of the needs of Torbay's communities have given rise to a new expression of the key priorities over the next 4 years which are drafted as follows:
- A1.4 Our Future Plans

Working for a healthy, prosperous and happy Bay

Our Pledges for the next 4 years:

- Sympathetic regeneration.
- Boosting local employment.
- Protecting vulnerable children and adults.
- A cleaner, greener, healthier Bay.
- Expansion of our tourism and heritage offer.
- A safer Bay.
- Value for money.

What will this mean for the Bay?

- Building schemes that enhance our environment.
- Increased skills for children and adults.
- More jobs.
- Better health and more engaged, active communities.
- More visitors and vibrant town centres.
- Keeping crime low.
- Managing our resources well.
- Keeping vulnerable adults and children safe.

Our Future Plans

A healthy Bay

- Continue to improve Children and Adults Safeguarding.
- Continue to work on the Closing the Gap Strategy and roll out to other areas by involving communities.
- Reduce the negative impact of alcohol, obesity, tobacco and drugs on our communities.
- With partners, use the principles of Early Intervention and Early Prevention in supporting communities.
- Reduce local greenhouse gas emissions.
- Reduce teenage pregnancy.
- Promote sport and outdoor activity to improve health and wellbeing.

A prosperous Bay

- Job-led regeneration focusing on specific sectors.
- Create the right environment for inward investment.
- Continue to lobby for South Devon Link Road.
- Lobby to improve rail services.
- Monitor the TOR2 contract for improved recycling, waste and clean streets.
- Adhere to sympathetic regeneration.
- Raise skills levels by working with schools and South Devon College to meet the standards set by Department for Education for attainment and attendance.
- Through the Torbay Strategic Partnership encourage public and private sectors to develop employment of apprentices.
- Support the creation of Town Centres Business Improvement Districts.
- Revitalise the retail offer in the Town Centres.
- Plan for the future supply and demand of energy for the Bay.
- Continue to provide Value for Money for our communities by:
 - Reducing costs/increasing income/improving productivity so increases in council tax are kept low.
 - Reviewing the structures of the council so they are still fit for purpose.

A happy Bay

Work towards keeping crime low by:

- Maintaining focus on the night-time economy.
- Working with the Police Commissioner for resources to ensure crime levels remain low and people feel safe.
- Jointly engage and involve communities to resolve local issues in neighbourhoods.
- Work towards creating a sustainable and flourishing leisure, culture and tourism sector that is open to residents and visitors.
- Make it easier to get around the Bay by developing integrated transport where feasible.

- Ensure an appropriate supply of quality housing within communities.
- Engage with communities in rolling out locality working and community budgets as part of localism.
- Promote democracy, transparency and civic engagement, and when able to, re-look at the Mayoral System of Governance.

A2. Risk assessment of preferred option

A2.1 Outline of significant key risks

A2.1.1 The main risk associated with this report is that the plan may not be fit for purpose e.g. inconsistent with national priorities or the Community Plan and Corporate Plan. Work has been undertaken to ensure that the direction within the plan is in line with the Community Plan and Corporate Plan. This action should reduce this risk significantly.

A2.2 Remaining risks

A2.2.1 A further risk is that the priorities and supporting actions will not be delivered. Ensuring that the Council's Corporate Plan and its activities are monitored through the Council's performance management arrangements will mitigate this. The development of the Council's strategic balanced scorecard (which is hosted on the Council's performance monitoring and reporting system SPAR.net) is a further enhancement to the performance management framework and will assist with mitigating against this risk.

A3. Other Options

A3.1 Do nothing. Whilst there is no statutory requirement to produce an Annual Report, best practice suggests it is beneficial to produce such a document to communicate to key stakeholders (the community, partners, employees) our key priorities and activities and achievements in the short to medium-term.

A4. Summary of resource implications

A4.1 The Council's Annual Report reflects at a strategic level both local and national priorities and sets out how the Council will achieve its part of the Community Plan, Corporate Plan. An indication of high-level funding sources is contained within the plan and more detailed resource implications are contained within individual Business Unit Plans.

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

A5.1 The report takes as its lead the analysis of the key issues in the Bay based on our Joint Strategic Needs Analysis (JSNA).

A6. Consultation and Customer Focus

A6.1 The Community Plan has been subject to wide consultation, and is evolving to reflect the current context of significant changes in Government policy and local changes in the administration of the Council under a new Mayor. The Annual

Report cascades from this and other documents and also contains high-level references to other previously agreed policies and plans.

A7. Are there any implications for other Business Units?

A7.1 Yes – priorities will be delivered by Business Units or partners and they will have to take account of the priorities as articulated in this report and in the Corporate Plan, which sets out how the council will implement the Community Plan.

Appendices

Appendix 1 Annual Report 2010/ 2011

Documents available in members' rooms

None

Background Papers:

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

Corporate Plan 2010+

Community Plan 2007/27

Local Area Agreement 2008/11

Other supporting policies and strategies e.g. Children and Young People's Plan.

DRAFT

Agenda Item 18
Appendix 1

Annual Report

2010 - 2011

www.torbay.gov.uk



Welcome

to our Annual Report

I was delighted to be elected Mayor of Torbay in May this year and have the opportunity to work with fellow elected members and officers to improve our beautiful Bay. Much has been achieved by the council and its partners in the last 12 months and this report shows you our pledges, achievements, performance and accounts information in one easy-to-read document.

The council has continued its strong drive towards sympathetic regeneration and improving employment opportunities. The new fish market in Brixham has been completed and officially opened. A spectacular new visitor centre and café was opened at Berry Head and at Cockington a new complex has been delivered to help local creative industries. In Paignton the £6.4 million library and information centre opened to great public acclaim and a world class youth facility is taking shape on the 'Parkfield' site.

In Torquay the Royal Terrace Gardens were reopened with a stunning new viewing platform for visitors and residents to enjoy and down at Torquay Harbourside Victoria Parade has been improved as part of a Heritage Lottery initiative with the restoration of the historic Mallock Tower.

Good transport links are vital to improving the Bay's economy. Works at Tweenaway Cross are now complete, we are investigating further park and ride facilities in the Bay and we are working with Devon County Council to progress the South Devon Link Road.

We are working hard with our partners TOR2 to ensure the Bay is kept clean and tidy and that our parks and outdoor spaces are well maintained.

Our efforts to improve recycling and reduce waste sent to landfill have been rewarded with the recycling rates improving by nine per cent from 36 to 45 per cent, which represents a 25 per cent increase in performance.

Torquay Community College and Kings Ash School have both been rebuilt and the Bay celebrated its best ever A level and GCSE results. Good progress has been made on making the Bay a safer place with overall crime down 5.8 per cent.

However we cannot afford to be complacent. These successes come at a time of unprecedented challenge and we also have significant improvements to make in some services. The coalition government announced its Comprehensive Spending Review in October. This sets out the money available to the public sector for the next four years. For local government this means a reduction of 28% in government funding over that period. The Government has only announced detailed figures for the next two years and for Torbay this means a reduction of 14 per cent.

We are re-examining everything we do and how we do it to ensure that the work we do for the Torbay community is focussed on their priorities and provides value for money. The reduced funding available to us will mean tough decisions; some services will be reduced and some will stop altogether. We are committed to continuing to consult and involve our communities in making these difficult choices. You can view our customers' views, on what we are doing well, what needs improving and which services matter the most to them on pages 4 and 5.

Finally I would personally like to thank all members past and present, partners and officers whose hard work and efforts have contributed to these achievements.

In the meantime I hope you will join me in celebrating the achievements in this report, as they set a standard for excellence which will inspire us to attain our goals for a healthy, prosperous and happy Bay.

Gordon Oliver,
Mayor



This document can be made available in other formats and languages. For more information telephone 01803 208832

featuring....

	Pages
Your council	4-5
Value for Money	6-7
Our Pledges	9
Our Future Plans	10-12
Our Achievements	
New Economy	14-26
Pride in the Bay	28-41
Learning and Skills for the Future	42-47
Stronger Communities	48-53
You said... we did	54-55
An Award Winning Authority	56-59
Our Financial Information	60-61
Finding Out More	62-63

Your council

Torbay Council provides over 700 services to the local community, including:

- Schools, children's centres and youth clubs
- Investing in projects that will help develop and support our local economy
- Keeping the Bay clean, recycling facilities and refuse disposal
- Safeguarding vulnerable children and adults
- Maintaining and improving roads, street lights, traffic lights and footpaths
- Libraries
- Registration services, births, deaths, marriages and civil partnerships
- Investing in bus routes and park and ride services

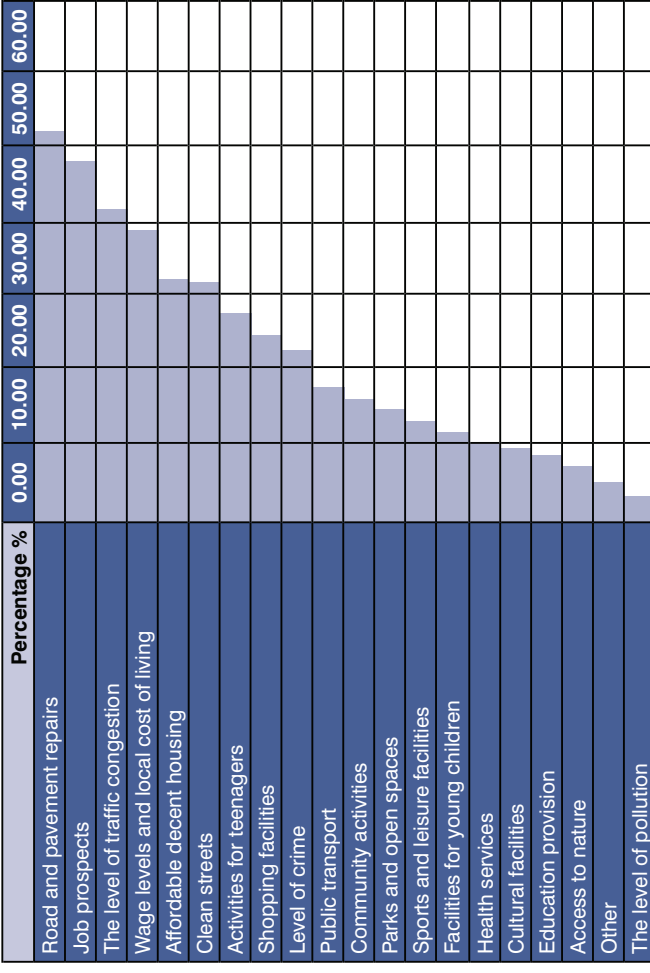
How well informed do you feel about council services?

	2006 % Response	2008-9 % Response	2009-10 % Response	2010-11 % Response
How and where to register to vote	91.0%	90.8%	89.6%	95.9%
How your council tax is spent		58.8%	60.5%	74.3%
How you can get involved in local decision-making	33.1%	27.3%	30.9%	50.3%
What standard of service you should expect from local public services	39.0%	37.5%	37.0%	49.2%
How well local public services are performing	23.3%	35.4%	37.9%	45.3%
How to complain about local public services	40.8%	34.2%	33.3%	41.9%
What to do in the event of a large-scale emergency e.g. flooding, human pandemic flu		16.8%	37.8%	25.4%
Overall, how well informed do you feel about local public services	30.7%	34.7%	41.0%	52.3%

What you said you were happy with

	2008-9	2009-10	2010 - 11
Refuse collection	76.10%	78.90%	80.2%
Doorstep recycling	50.10%	54.80%	71.7%
Sport/leisure facilities	47.10%	46.30%	49.8%
Libraries	76.20%	74.00%	76.3%
Museums / galleries	51.80%	51.90%	52.4%
Parks and open spaces	68.20%	69.10%	77.1%
Beaches			81.5%

Torbay Council is dedicated to delivering top quality; value for money services to every section of the community, but we need your help to ensure what we provide meets your needs and aspirations. Every year we seek our customers' views, on what we are doing well, what needs improving and which services matter the most to you.



Improving our services to you

We are constantly striving to improve our customer service. Our aim is to provide you with high quality services and information. Improving customer care is an important part of the council's work. To help ensure you get the high level of service you demand and deserve we introduced our Customer First Programme.

How we can help you

When contacting Torbay Council, it is likely that you will speak to one of our Customer Service Advisors who answer calls in our telephone contact centre and deal with enquiries face to face in our Connections offices in Torquay, Paignton and Brixham.

We aim to help with all council enquiries and if it is not possible we will point you in the right direction or put you in touch with the right person who can answer your query.



Value for Money **services**

Where does your money go?



WHAT YOU PAY EACH WEEK

TORBAY COUNCIL	£21.56
OVER 700 SERVICES INCLUDING EDUCATION, SOCIAL CARE, TRANSPORT, LIBRARIES, WASTE COLLECTION, LEISURE, PLANNING AND CULTURE	
DEVON & CORNWALL POLICE AUTHORITY	£2.67
DEVON & SOMERSET FIRE & RESCUE AUTHORITY	£1.23
---	---
TOTAL (EXCLUDING BRIXHAM TOWN COUNCIL)	£25.46
---	---
BRIXHAM TOWN COUNCIL	£0.49
---	---
TOTAL (BRIXHAM TOWN COUNCIL AREA)	£25.95
---	---
THE AVERAGE HOME IN TORBAY WILL PAY AROUND £26.00 PER WEEK FOR ALL THE SERVICES THE LOCAL AUTHORITIES PROVIDE	



We have made over £6 million worth of cost savings and are committed to delivering more efficiencies next year.

Lower taxes

At 2.75% this year's Council Tax rise was lower than in the previous year. Torbay's Council Tax is one of the lowest in Devon. Our aim is to keep tax rises as low as possible without affecting vital services.

Getting more for less

Our inspectors praised the council's "innovative approach to the way it works with partners to deliver better services and save money."

We have been deliberately entrepreneurial in the use of capital assets to deliver physical and social regeneration.

We have used over £34 million of external grants to enable projects to take place.

Extra cash reward

For meeting or exceeding our performance targets last year we will receive an extra £1.7million reward money from the Government.



every
school day
matters ✓



Page 421

Missed school days are missed opportunities

We want every young person to achieve
their full potential – with your help they can!

Contact Torbay's Attendance Improvement Service:

Torquay: 01803 208104

Paignton and Brixham: 01803 208102

www.torbay.gov.uk/attendance

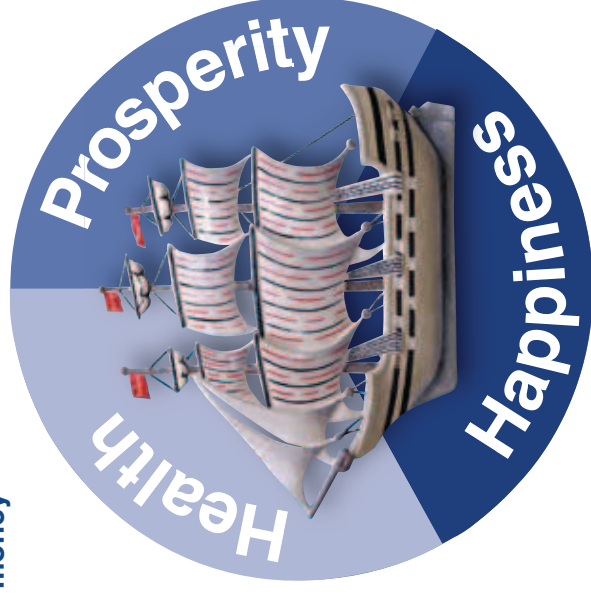


*Working for a healthy,
prosperous & happy Bay*

Our Pledges

Working for a healthy, prosperous and happy Bay

- Sympathetic regeneration
- Boosting local employment
- Protecting vulnerable children and adults
- A cleaner, greener, healthier Bay
- Expansion of our tourism and heritage offer
- A safer Bay
- Value for money

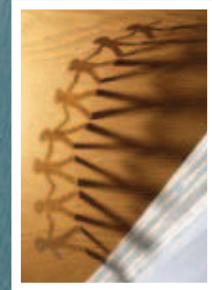


Our Future Plans

Working for a healthy, prosperous and happy Bay

What will this mean for the Bay?

- Building schemes that enhance our environment.
- Increased skills for children and adults.
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- Keeping crime low.
- Managing our resources well.
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A healthy Bay

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A prosperous Bay

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- Support the creation of Town Centres Business Improvement Districts.

Our future plans

- Revitalise the retail offer in the Town Centres.
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A happy Bay

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- Engage with communities in rolling out locality working and community budgets as part of localism.
- Promote democracy, transparency and civic engagement, and when able to, re-look at the Mayoral System of Governance.

Do you have room in your home, room in your life?



Think about fostering...

Contact the Torbay Foster Care Service
and find out more

Telephone: (01803) 207857

Email: fostercare@torbay.gov.uk

www.torbay.gov.uk/fostercare

Children's
SERVICES
Transforming children's lives together



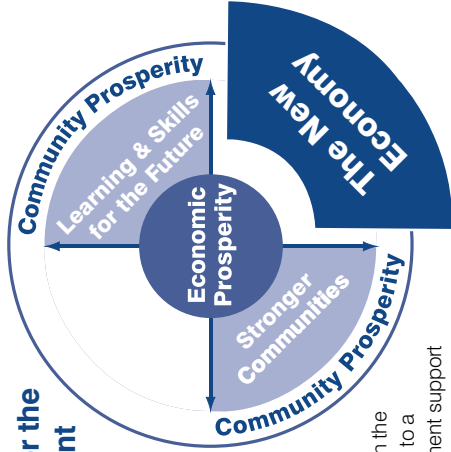
*Working for a healthy,
prosperous & happy Bay*



The New Economy

A new Inward Investment Strategy for the Bay that facilitates external investment

The new Torbay Inward Investment Strategy responds to a need set out in both the Community Plan and previous Economic Strategy to bring about faster economic growth through new investment. Stimulating and attracting investment remains a key focus of the economic strategy meaning that the Inward Investment Strategy is crucial to its success. There are also links between the priority sectors identified in the Regional Economic Strategy and the industries targeted for inward investment. Sectors such as advanced electronics, healthcare and environmental science have all been identified for potential development in the Torbay economy. They are highly productive sectors, which to a large extent already exist, and with the right inward investment support could develop further and help build the Torbay economy for the future.



15424

Continuing the regeneration of Brixham, Paignton and Torquay

The new fish market in Brixham has been completed and officially opened. The development is part of the town's £20 million regeneration project which aims to rejuvenate the town's economy and provide fishing and non-fishing related jobs for the people of the Bay.



Berry Head

The element of the regeneration

programme comprises:

- Extended quayside space
 - New fish market
 - New fish restaurant and fishmongers
- Interest from national hotel chains continues and examples include refurbishment on the Inn on the Quay at Goodrington as a Premier Inn and the Travelodge in Paignton.

- Five bids were submitted to the Regional Growth Fund in January 2010 for a number of projects which include:
 - *Opening up commercial land for employment use in Paignton and Torquay

*Improvements to road infrastructure to increase the attractiveness of an area to potential developers

* A package of business support measures to help new and emerging businesses

Castle Circus Regeneration Project

The CCRP Project was 'scaled back' in July 2010 due to the impending Government Comprehensive Spending Review. Tor Hill House has been refurbished as the first element of the 'civic hub'. The business hub is being taken forward through the LABV with private sector investment. The Business Hub will be located to the rear of the Torquay Town Hall. The building will comprise approximately 3,300 sq m of office accommodation over four floors.

Regenerating Berry Head and Cockington (Sea Change Programme)

A spectacular new visitor centre and café at Berry Head was officially opened in March 2010, marking the culmination of a £1.8 million regeneration project at the site. The new visitor centre, originally



a guardhouse, has been completely rejuvenated to include interpretation displays and a new café has been built into the rear.

The Seachange Studios complex at Cockington Court is a £2.85 million project that will foster the local creative industry and talent as well as promoting the historic attraction as a place of heritage and culture for residents and visitors to Torbay. There will be 15 new businesses including studios and shops.

The complex has also recently been enhanced with the Devon Guild of Craftsmen, the leading contemporary crafts organisation, opening a new outlet at Cockington Court.

Innovation Centres expand

Founded in 2006, the aim of Torbay Development Agency's South West Innovations Centres (SWIC) is to nurture small companies and help them succeed, creating and sustaining new wealth and employment for the local economy.

The innovation centres have now successfully expanded - with new centres at Bishop's Place in Paignton and Cockington Court in Torquay, to complement the already successful centres at Lymington Road in Torquay, Vantage Point at South Devon College and the Watermark Centre at Ivybridge. SWIC work with a number of partners to provide flexible and low-cost business premises and to create a range of support services. More information is available at www.swinnovationcentres.co.uk

Delivering the Torquay Harbour Area Action Plan

The plan provides a framework for the regeneration, conservation and enhancement of the visually and economically important area surrounding Torquay Harbour. The harbour area is a heritage gem and has sentimental and historic value for many visitors and residents. After winning grant funding successful restoration has included the Regina and Queen's Hotel, Harbour Point and

Cockington Court Craft Centre

www.cockingtoncourt.org

A brand new centre to help local creative industries

Just a mile from Torquay seafront, historic Cockington Court is nestled within 460 acres of country park and is home to a growing number of skilled craftsmen – watch them as they work and perhaps indulge in a spot of retail therapy in their studios and galleries.



the historic gem the Mallock Clock Tower which has been restored to its former glory. The work has also included a Pedestrian Priority Scheme which has meant that businesses could successfully apply for pavement licences, improving the harbour area for all to enjoy.

Torbay launches Heritage Strategy

Torbay is one of Europe's finest coastal environments, with a wealth of architectural and natural heritage features, and is home to the world's only urban Geopark, designated by UNESCO.

To conserve and enhance these assets for future generations the Heritage Strategy was launched following public consultation and expert research and advice. The strategy aims to find the best way of maintaining and developing Torbay's heritage in a way that encourages economic, social and environmental regeneration at the same time as restoring and enhancing important symbols of our local identity. These can be anything from buildings, parks and gardens to special events and local dialects. For more information visit www.torbay.gov.uk/heritagestrategy

New lease of life for the Old Market House Brixham



Before



After

Our achievements

Working with a local property development company, the council has exchanged contracts to enable an extensive refurbishment of this property creating a quality family restaurant at this premier waterfront location.

The Old Market House restaurant will create in the region of 25 new jobs, and the developer is committed to buying local fish landed at the new fish quay and other excellent produce from the region to support the local economy.

£2.8 million in funding for Torre Abbey

The Heritage Lottery Fund confirmed the funding after a successful bid from the council. The award will fund the second phase of the Abbey's restoration programme, which will extensively conserve the medieval ruins cloister wall and other key parts of the building. The work will also include the creation of new learning spaces including a new educational activity zone. Since the successful completion of phase one of the scheme Torre Abbey has been attracting world

class art exhibitions including Damien Hirst and Robert Lenkiewicz, enhancing the quality of the visitor destination and providing great facilities for local people throughout the year. For more information visit www.torre-abbey.org.uk

Progress continues at White Rock Business Park

A public exhibition of planning proposals for development of land at White Rock, Paignton, has been hailed a success by its organisers.

More than 200 people attended a three-day public exhibition in April at South Devon College and the follow-up exhibition for college students and staff.

The White Rock public exhibition showed details of the outline planning application submitted by the developer to the council in March for a mixed-use development that includes 350 new homes, business space, a local centre and new public open spaces.

It was promoted by the White Rock Stakeholder Group, one of several Localism pilots being led by the council in relation to its planning activities.

www.torre-abbey.org.uk



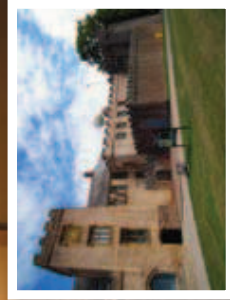
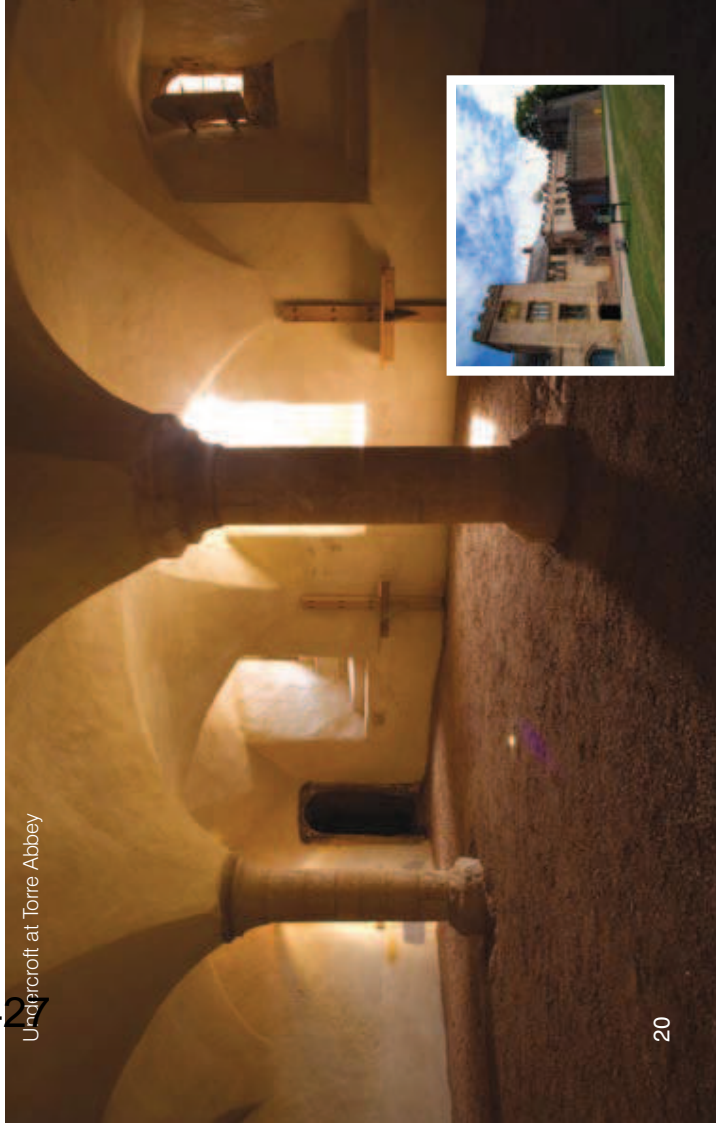
From medieval to modern times - 800 years of amazing history!

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Undercroft at Torre Abbey



Working for a healthy, prosperous & happy Bay

Be part of a Brighter Bay

Low costs • High skills
Quality of life • Competitive property

Torbay is a unique business location on the South Devon coast benefiting from waterside regeneration and contemporary business parks.

Contact our Investment Development Officer, Jason Buck, to find out more about the Torbay opportunity.

Jason Buck, Investment Development Officer,
Torbay Development Agency, Tor Hill House, Union Street, Torquay, Devon TQ2 5QW
Email: jason.buck@tedcld.com Telephone: 01803 208799 Fax: 01803 207511
www.torbaydevelopmentagency.co.uk/placetoinvest Follow us on  @Invest_Torbay

*Working for a healthy,
prosperous & happy Bay*

TORBAY POUND
Business
Boost



Our achievements

The group was set up in order to identify ways in which the developer, council and community representatives can ensure that residents and the business community are fully engaged with and understand the planning proposal, its potential impacts locally and across the Bay.

Continuing to support Torbay's community through the recession

Swift recommissioning of services to support residents during the economic recession continues to have a substantial impact. Specific actions to support immediate impacts on families and individuals in difficulties include:

- Torbay Pound (credit union) is delivering its services from a high street location in one of our most deprived wards, aiming to counter both the recession and deprivation and the presence of high cost legal lenders.
 - The council is continuing with its successful Take up campaign to ensure residents are aware of all the benefits they are entitled to
 - The Business Boost programme has been developed to help local businesses develop and grow. The number of businesses reporting growth is slightly below target at 47%. However, this figure is encouraging given the current economic climate.
 - Supporting the Citizens Advice Bureau to enable it to take advice services into the community, including outreach services in doctors surgeries who are now dealing with 11% of all enquiries
 - Addressing deprivation across the Bay and strengthening our communities.
- Partners are working to close the gap by focusing on actions around employment, street cleaning, community capacity and housing. A pilot scheme is taking place in the Hele area of Torquay.



South Devon Link Road

Torbay Council and Devon County Council are proposing to improve the A380 between Penn Inn, Newton Abbot and Kerswell Gardens, Torquay with construction of the South Devon Link Road (SDLR). The new road will bring huge economic benefits to the area as well as significant environmental gains including alleviating congestion and dramatically improving the air quality for residents.

Following the Government's Comprehensive Spending Review the SDLR was successful as being one of 45 schemes entering a development pool to compete nationally for available funding, with the Department for Transport requiring best and final bids by 9 September 2011. The Government is then expected to announce which schemes will be funded in December.



The Millennium Bridge

Work with other employers to introduce a Bay-wide economic / employment strategy

Torbay's Economic Strategy was approved by the council in December 2010. It has been developed against a strong evidence base and with significant engagement and support from the business community. It looks to develop the environment for business growth and specifically attract and stimulate investment, improve business performance and raise skill levels. Further work is now underway looking into the key sectors identified within this strategy. For further information visit www.torbaydevelopmentagency.co.uk/efstrategy



Royal Terrace Gardens

Delivering Rock Walk as an asset for Torbay

Rock walk was officially opened in early October 2010 as the renamed Royal Terrace Gardens.

The huge project involved major stabilisation works involving de-scaling the rock face as well as installing soil nails, rock bolts and rock netting.

The restoration works included rebuilding dry stone walls, new planting and renovating the top path with new railings and replacement lighting columns. The construction of a unique footpath, bridges and a stunning viewing platform was also completed.

The project received a finalist award from the Royal Institution of Chartered Surveyors (RICS) South West Awards 2011. Public reaction has been hugely positive and it has created a unique outdoor space for visitors and residents to enjoy, increasing confidence further in the regeneration of Torbay.

Delivering a new Tourism Strategy

The new Tourism Strategy was accepted and approved by Torbay Council in September 2010 and has since been made into a policy document, aimed to help take Torbay's tourism industry forward and halt the decline in the sector.

Tourism-related industries such as hotels, restaurants and retail currently account for 16.7% of jobs within Torbay. The importance of the tourism industry and linked visitor economy is identified in the economic strategy and recognised as a priority sector. The Tourism Strategy offers more detail on how the future of the sector in Torbay will be developed. It has three key objectives:

- To reduce the decline in visitor numbers and spend

Our achievements

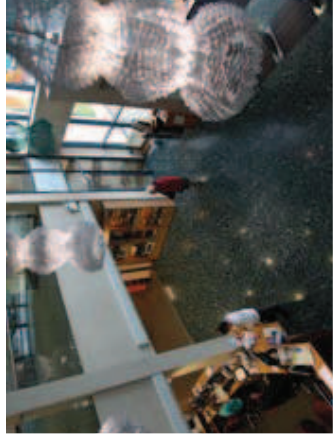
- To increase the value of tourism to the Torbay economy
- To reposition the English Riviera as a leading and inspirational UK destination.

The new Paignton Library and Information Centre

The new Paignton library opened in September 2010 to local acclaim and provides a community focus in the town centre as well as giving public confidence in the town's regeneration journey.

Paignton Library and Information Centre, on Great Western Road, includes a new state of the art library, a multi-purpose meeting space, a café, a media suite and toilets with a 'changing places' facility. It also provides centralised facilities for a number of agencies.

The £6.4 million project has been funded by Torbay Council and the Big Lottery Fund, and the opening marked the completion of the project following an exciting three years of consultation and planning.



Paignton Library

PLAY THE TRUMP CARD

CAR

Cost £1050

Relaxation ☆☆☆☆☆

CO₂ emissions 1060kg

Kind to your pocket? ☆☆☆☆☆

Good for the environment? ☆☆☆☆☆

PUBLIC TRANSPORT

Cost £550

Relaxation ☆☆☆☆☆

CO₂ emissions 590kg

Kind to your pocket? ☆☆☆☆☆

Good for the environment? ☆☆☆☆☆

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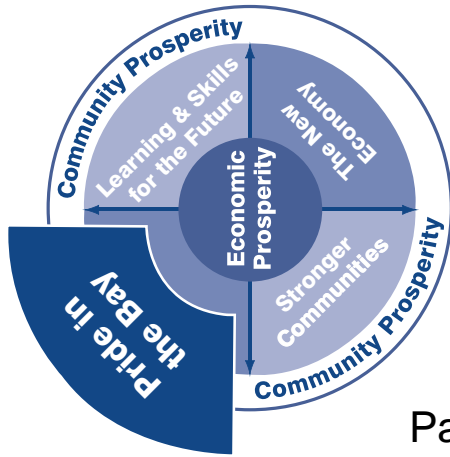
01803 207750

www.torbay.gov.uk/energy



Working for a healthy, prosperous & happy Bay

Pride in the Bay



Progressing the Waste PFI with Devon County and Plymouth City Councils

Torbay Council, Plymouth City Council and Devon County Council, working together as the South West Devon Waste Partnership, were successful in applying to Defra for Private Finance Initiative (PFI) funding worth £95 million to help meet the cost of creating a sustainable waste management solution for the South West Devon area.

The project includes an Energy from Waste (EfW) facility for waste that cannot be reduced or recycled, together with other recycling and composting initiatives.

MW Umvelt has been chosen by the South West Devon Waste Partnership as the appointed contractor and a planning application for the construction of an EfW facility at the North Yard of HM Naval Base Devonport has now been received by Plymouth City Council.

Subject to planning approval the service is due to be operational in 2014.

Continuing to maintain the cleanliness of Torbay

TOR2 carries out street cleansing operations on behalf of Torbay Council using mechanical and manual teams, working seven days a week all year round.

The teams:

- Clean town centres daily
- Remove accumulations of rubbish from land owned by our customers
- Collect litter from public streets
- Empty litter bins



- Support communities with locally organised clean-up events.

TOR2 has purchased four new street sweepers and is investing in new equipment to remove chewing gum and jet wash streets and public areas in a more environmentally friendly manner.

The company has also been involved in a number of 'Big Tidy up' community clean-up events, providing skips and labour at no cost to the local community.

Continuing to improve our recycling figures

The introduction of an improved household waste and recycling collection service across the Bay has led to more materials being recycled and less waste being sent to landfill.

Torbay's recycling rate has gone up by nine per cent from 36 per cent in 2009-10 to 45 per cent by the end of 2010-11, which is an improvement in performance of 25 per cent.

Torbay is now well on the way to achieving the Government's national recycling target of 50 per cent by 2020, and is hoping to hit that target in 2012.

TOR2 and Torbay Council were also short-listed for the National Recycling Awards which recognise outstanding quality, innovation and best practice.

Significant improvements have also been made to the Household Waste and Recycling Centre at Yalberton. The improvements include better access and signage, staff in attendance to welcome and advise visitors, and facilities for additional recyclable materials.

Latest figures for Torbay show that in 2010-11 there was a reduction of 4,657 tonnes of household waste being sent to landfill.

Playbuilder success

Torbay Council has successfully completed improvements on 11 play areas and open spaces after successfully bidding for £1,125,459 from the government's Department of Children, Schools and Families. Plans for a further 11 play areas to be completed in year two are currently underway. This is also with the help of money raised from local friends groups.

Young people and the wider community were been consulted on how the money should be spent and so far the feedback from residents who have used the completed play areas has been fantastic.

The Torbay Playbuilder programme addresses key themes in the Torbay Play Strategy to provide more challenging and exciting facilities, make better use of the natural environment and have longer term appeal to a variety of ages.



Brixham Harbour

Climate Change and Carbon Management

We are currently ahead of in-year targets and on schedule to meet a 20 percent reduction target by 2012. The council received national recognition for its carbon cutting initiatives, achieving the Carbon Trust Standard.

Savings of over £1 million against the predicted council energy spend through the first two years of the programme have also been achieved.

The council's Climate Change Strategy introduced a Carbon Management Plan in April 2008 to reduce the annual carbon emissions created by its operations.

In aiming to achieve the reductions, several schemes and initiatives have been carried out in offices, schools, libraries and on-street lighting and fleet vehicles.

These included the upgrading in January of Torbay's street bollards, 540 of which were upgraded to Light Emitting Diode (LED) lighting, reducing the wattage and using new sensor technology so they remain turned off when there is sufficient daylight. This upgrading is predicted to save Torbay £13,000 every year.

One of the biggest savings in terms of both energy and money has been a project invigorating Torbay's street lighting, introducing ultra-efficient lanterns across the Bay. This has reduced Torbay's carbon footprint by 236 tonnes, equivalent to the footprint of 43 UK homes. Torbay Council is expected to save £52,000 every year as a result.

Art on the English Riviera

Following on from world class exhibitions from renowned artists such as Antony Gormley and Damien Hirst, the council launched Art on the English Riviera at the newly completed Cockington Court Craft Centre. The exhibition includes the world premiere of Henry Bruce's Horizon Cube. Horizon Cube is Henry Bruce's first piece of outdoor sculpture since his Dartmoor Chair. It has links to the landscape, both in the literal sense and through imagination.

Local children and adults were invited to help create a public piece of land art, the Hazel Cloud by Mike Fletcher. This landscape installation is inspired by the region's traditional building and craft materials, and designed to be fully experienced by walking around and through the impressive hazel sticks.

Art on the English Riviera also included displays of West Country ceramics including works loaned from The Dartington Hall Trust Collection and a private collector featuring the work of Bernard Leach. Twenty demonstration craft studios took place and the Bovey Guild of Craftsmen's new retail unit showcased the very best of the West Country's craft makers.

Torre Abbey hosted an exhibition of work bequeathed to the Lenkiewicz Foundation by the internationally renowned artist, Robert Lenkiewicz. Through his paintings, the Plymouth based artist explored social and philosophical issues prompting people to contemplate their own lives and the world they live in. A number of important works were displayed at Torre Abbey alongside some previously unseen items.

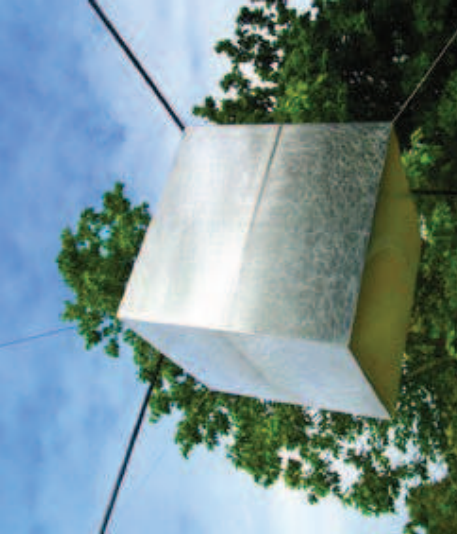
Improving the quality and quantity of culture on offer in Torbay

Cultural success for the Bay

Torbay has bucked the national trend to become the only unitary authority in the country to see an increase in the number of people visiting its museums and galleries.

The results were announced following an Active People Survey, managed by Sport England in partnership with the Department for Culture, Media and Sport (DCMS), Arts Council England and the Museums, Libraries and Archives Council.

Of the 117 county and unitary authorities that were surveyed, Torbay was the only area to have shown an increase in the number of people visiting its museums and galleries in the last 12 months.



Geopark success continues

Torbay is one of just 78 areas around the world to be recognised for its rich geological, historical and cultural heritage and welcomed into both the European and Global Geopark networks. This recognition allows us to capitalise further on our natural assets, with a particular focus on sustainable development and tourism.

Coinciding with the international Geopark Week, our annual English Riviera Geopark Festival is a celebration of our stunning natural heritage.

The annual festival brings the Geopark to life, with an amazing range of activities to enjoy, from walks and talks, to arts and educational events, and Geopark cruises.



Torbay gets Connected

An innovative project, torbayconnected.co.uk, is embracing one of the latest innovations in technology, augmented reality, to reveal the rich geology, heritage, culture and built environment of Torbay, also known as the English Riviera.

The Torbay Connected project team, led by the council's culture team and Gingko Projects, has worked closely with Exeter University's innovation@exeter team, to launch six Augmented Reality Layers for smartphone users.

Augmented Reality Layers showcase information drawn from the Torbay Connected website. The website includes an interactive map which features a wealth of information via hundreds of points of interest (POIs) positioned as locality pins. The POIs include stories of heritage, geology, great buildings and the area's Geopark.

Torbay Connected



Bringing history to life at Torre Abbey

A programme of family activities, which were combined with learning about the Abbey's history, have been held. Activities included medieval workshops, with games and dressing up; Horrid History, Gruesome and ghostly tales about the Abbey, and competitions. The events were designed to bring the Abbey to life, enabling the accompanying adults also to enjoy the beautiful house, artwork on display and amazing gardens. Visit www.torre-abbey.org.uk



Making it easier to get around Torbay

Torbay made very good progress with its second Local Transport Plan (LTP2) which was given 'excellent status' and awarded 'Most Improved Local Transport Authority'. Achievements included:

- The £4.8million junction improvement scheme at Tweenaway Cross has been completed. The council successfully bid for funds for the £4.8 million Government-funded scheme, which is part of Torbay's Local Transport Plan 2006-2011. The project will overcome transport problems on the western corridor, in particular between Kings Ash Road and Tweenaway Cross, one of Torbay's busiest junctions. The improvements will help support business and tourism growth by reducing congestion and improving journey times.
- Bronze Rider tickets: School children have been issued with a branded ticket allowing students to travel on the public bus network at any time (except school summer holidays) which has seen a 40% increase in patronage on routes serving schools.
- Buses: 16 services in Torbay were upgraded to low floor vehicles, helped by the introduction of 15 new buses across the Torbay network. Additionally, all of the buses on the Route 32 were replaced in 2006/07 to new Euro 3 compliant low floor single deck buses. Further upgrades are expected by the addition of two new Euro 5 compliant double-deckers. Many other bus routes have been replaced with low floor easy access vehicles, such as the 31 / 34, 60 / 61 and 108.
- Accessibility has been greatly improved. The most recent addition was the introduction of the 67 'Flyer' linking Brixham and Paignton to South Devon College, Torbay Hospital and the Willows superstores. The service offers significantly faster journey times to destinations, making it competitive with private car travel; this has proved extremely popular with passengers, with usage far exceeding expectations.

- Bus stops and Shelters: Approximately 150 new bus stops have been installed or replaced and around 50 upgraded, together with introduction of a new style of flag. This offers more space for information and is more visible, making it easier for drivers and passengers alike to identify when approaching a bus stop. Thirty-five stops have had additional printed information displays added to improve the level of public transport information available to users.

- Cycling: The number of cyclists has increased by 53% during the Plan period and around £400,000 made available through Growth Points for the Torquay to Paignton section of the coastal cycle route, part of the National Cycle Network.

- Disability Learning Packs: These have been developed in partnership with the Learning Disabilities Partnership Board and the SPOT (Speaking Out in Torbay) group. Most passengers with learning disabilities now use their orange wallets, which inform bus drivers of the need to take special care.

We are working with Devon County Council to produce the latest Local Transport Plan (LTP3). It aims to deliver a transport system that can meet economic, environmental and social challenges. It also seeks to deliver the aspirations of Devon and Torbay Councils, stakeholders, businesses and the public. The LTP3 comprises an Implementation Plan and Evidence and Consultation Reports.

The vision for the plan is that by 2026 Torbay will have excellent connections to Devon and the rest of the UK. Residents and visitors will find it easy to move around, explore and experience Torbay's beautiful urban and marine environment. People will enjoy better health and quality of life using improved cycling, walking and public transport links for work, leisure and education. A low carbon, sustainable transport system will contribute towards the public realm, distinct character and function of the three towns of Torquay, Brixham and Paignton.





Six Blue Flags for Torbay's beaches

It's official! Torbay has the cleanest bathing waters in the country, scooping a record breaking 16 awards - more than anywhere else in the country.

For the first time ever six Blue Flags are flying over Oddicombe, Meadfoot, Preston, Paignton, Broadlands and Breakwater this summer.

Ten Torbay beaches have also secured Quality Coast Awards for being clean and safe. They are Maidencombe, Oddicombe, Meadfoot, Preston, Broadlands, Anstey's Cove, Torre Abbey Sands, Paignton, Goodington and Breakwater.

Green Flag success

Torbay Council has scooped three coveted Green Flag Awards for Sherwell Park and Tessier Gardens in Torquay and Youngs Park in Paignton.



The Green Flag Awards for parks and green spaces are similar to the Blue Flag Awards for beaches, and are handed out annually by the Green Flag Partnership, which is made up of Keep Britain Tidy, Greenspace and British Trust for Conservation Volunteers.

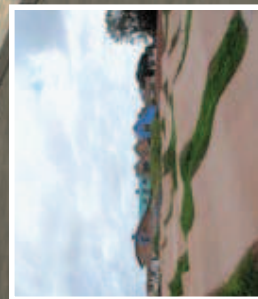
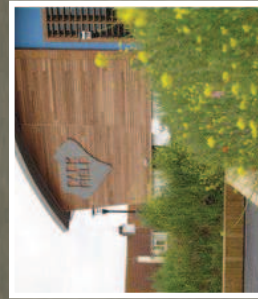
Parks needs to reach nationally laid down standards for their facilities, safety, cleanliness, maintenance, conservation, and care of historic heritage. They are also judged on how well they are promoted and how people are encouraged to use them.



www.torbay.gov.uk/parkfield

Opening in October 2011 a world class youth facility in Paignton

An aspiration for Parkfield is for it to host a number of international, national and local extreme sport competitions, as well as it to become a sought after location for other youth events, exhibitions and music festivals.





A Strong Voice for the voluntary and community sector in Torbay. Supporting, developing and promoting voluntary activities in the Torbay area.

Some of the things we do:

- Help groups to establish and clarify their volunteer needs via the local Volunteer Bureau. We also help individuals identify voluntary positions. For more information on volunteering visit www.do-it.org.uk
- Provide support for the community development process and demonstrate good practice
- Encourage collaboration between voluntary and community groups and all public sector organisations
- Participate in strategic planning and represent Voluntary Community Sector (VCS) groups in Torbay



An integral part of CVA Torbay is the Torbay Consortium 'Torcom' a specific group of VCS organisations in Torbay who have joined together to work for the mutual benefit of the whole community.

To find out more about how CVA Torbay can assist you or your group telephone 01803 212638 or visit www.cvatorbay.org.uk

Children across the Bay love their local libraries

762 children aged up to 15 years visited their library and completed a survey throughout March this year. The results show that 100% think their local library is either good (89%) or ok (11%) and 100% said that they think their local library is a friendly place.

There was an increase of 2% in the number of people who think their library is bright and cheerful inside (97%) compared to the last survey carried out in 2007, and 100% said that they think the books in the library are good (86%) or ok (14%).

The full survey results can be viewed at www.torbay.gov.uk/libraries/customer-feedback-and-surveys



Learning and Skills for the Future

A new 'world class' youth centre

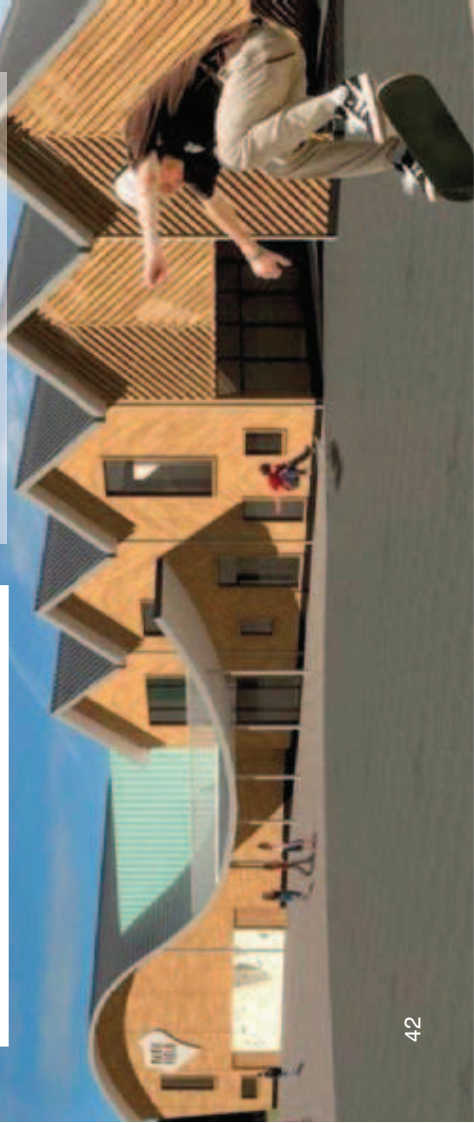
Torbay Council was awarded more than £4.8 million from the Government funded Myplace programme, delivered by the Big Lottery Fund, to develop the Parkfield site. The project will create a world class facility for young people offering a wide range of high quality activities and support services for locals and visitors. It will specialise in adventurous activities and performing arts on a prime location.

Facilities available will include a BMX track, a skate park, climbing walls, a sports hall/theatre, a media suite, a cafe and support services for young people.



High quality accommodation units will be developed in keeping with the grade II listed building to attract community groups, schools and families from Torbay and across the UK.

Work is expected to be completed in October 2011 when it will be officially opened to the public. For more information on the development of Parkfield and to see up to date webcam pictures go to www.torbay.gov.uk/parkfield



Further enhancing learning and employment prospects for 14-19 year olds

The council and partners are proud that by active management Torbay continued to manage provision for the majority of young people either in education, training or employment. Last year Torbay NEEETs (Not in Education, Employment or Training) percentage fell to the fifth lowest in the country. South Devon College is offering more Foundation Learning Excellence (FLEX) placements for NEEETs with new courses run each month at differing locations. A further achievement was that Outcomes for Care Leavers (including learning/ employment) was judged as outstanding by Ofsted.

South Devon College's Higher Education unit opened, increasing the provision in the local area. The college runs a number of Foundation Degree programmes validated by the University of Plymouth.

Educational excellence

GCSE results show that across the Bay students and schools have done exceptionally well, with the best results ever. Results show a significant improvement compared to last year's previous best ever results by 2%. This marks a 7% improvement since 2007.

55.4% of pupils gained 5 A* to C graded GCSEs, including English and Maths - a 2% improvement on 2009. 76.5% of pupils gained 5 A* to C graded GCSEs, not including English and Maths - nearly 10% above the 2009 figure of 66.8% and also well above this year's provisional national figure of 69%.

There has also been a 3% increase in key stage 1 (7 years olds) improvements in reading and writing.

This year's A-level results have also improved with the average points per student rising by a whole grade compared to last year. All schools reported that students have achieved the new A* grade. The vast majority of A-level students in the Bay have also successfully secured university places.



Our achievements

This is despite national reports that many students across the country face disappointment.

This is in addition to:

South Devon College rated Outstanding by OFSTED.

More Primary National and Local Leaders of Education than anywhere else in the region

A high and rising proportion of Outstanding schools (22%)

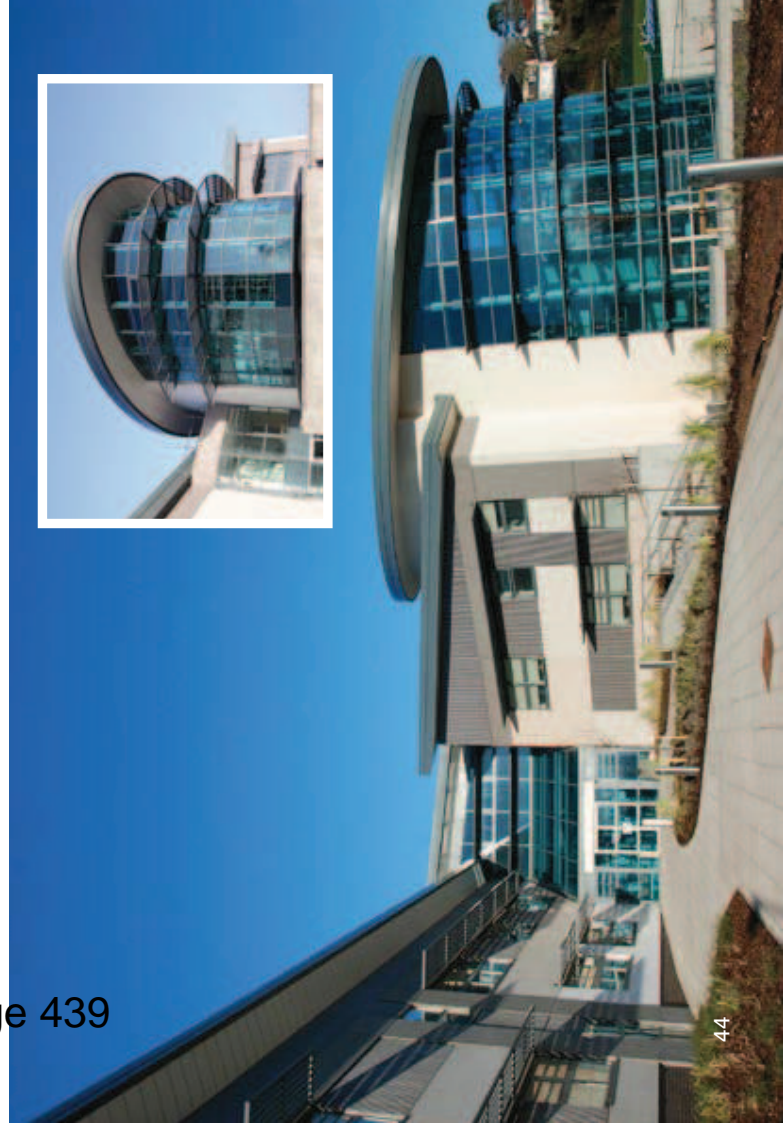
Torquay Community College is completed

The new building at Torquay Community College is now finished and the final part of the landscaping is in place following a five year process. The new building provides an inspirational learning environment for students and staff, including Adult and Community Learning.

The re-build of Torquay Community College began in April 2008 and a little over three years later it is now complete. The project is within budget at £29m. The majority of funding came from a Building Schools for the Future Pathfinder Grant, together with contributions from Torbay Council and what was the Learning and Skills Council through South Devon College.

The accommodation comprises 66 classrooms with specialist facilities for performing arts and science and technology.

The Torquay Community College project was short-listed for 'Project of the Year over £3million' for the Michelmores and Western Morning News Commercial Property Awards 2011. The awards are the region's premier commercial property competition, showcasing the very best in country commercial property projects, buildings and people.



Raising aspirations and opportunities for children and young people in Torbay

This is one of the strategic directives of the Children and Young People's Plan. Produced by the Torbay Children's Trust, this plan sets our agreed priorities for children and families for the forthcoming three years. All of the statutory agencies locally including Torbay Council, Torbay Care Trust, South Devon NHS Foundation Trust, Devon Partnership NHS Trust, Devon and Cornwall Constabulary, Devon and Cornwall Probation Service, Job Centre Plus, Torbay Schools and South Devon College, are fully committed to making a reality of the aspirations as set out in the Plan.

The Plan is underpinned by two strategic objectives:

- Raising aspirations for all children and young people and their families.

- Focus first and most on areas of greatest socio-economic deprivation to narrow the gap between the most and least disadvantaged.

We are ensuring we make progress against these objectives by focusing on making real improvements in the following seven priority areas of work.

- Raise attainment at all stages of education
- Improve attendance and behaviour at education settings
- Ensure all children and young people are protected from abuse and neglect and feel safe and supported in their families and communities
- Increase participation and positive activities
- Reduce the number of teenagers becoming pregnant
- Reduce the number of children and young people living in poverty
- Reduce the use of alcohol and substance misuse

We are reviewing the activity plans underpinning this Plan at least every two months to show progress and manage performance and will be reviewing the plan itself and the priorities next year, taking account of the views of children, young people, parents/carers and the wider community. For further information visit www.torbay.gov.uk/childrensplan

Supporting Torbay's children and young people to make healthy lifestyles choices



Page 440

A number of successful initiatives have been undertaken:

- The Challenging Social Norms Project -Young people from three secondary schools across the Bay have received intensive training providing them with the skills and knowledge to challenge the social norms of their peers. These 'peer surfers' are available to provide advice and signposting of relevant services to other students, deliver workshops on relevant issues to their year groups, and support them to make healthy life choices
- Alcohol Health Promotion and Personal Social Health and Economic Education (PSHE). Young people receive consistent messages dealing with real life issues which affect children and young people, their families and their communities, and engages with the social and economic realities of their lives, experiences and attitudes



- Healthy Schools- our school contract caterer Eden Food Service has been awarded the Food For Life catering mark. The company, working in partnership with Torbay Council, has achieved the bronze accreditation, which recognises greater use of fresh, seasonal, local and organic ingredients, high welfare meat and sustainable fish.
- Healthwise Torbay is a young people's drop in centre offering free and confidential health advice and support on a range of issues to young people aged 13 – 24 years. It means that the wider issues such as risk taking behaviour, drugs and alcohol contributing to teenage pregnancy can be addressed in one setting. The shop became the first place in the South West to be accredited with the Department of Health quality mark 'You're Welcome.'

Improving the opportunities and life chances for children with disabilities and learning difficulties

Torbay's Integrated Joint Agency Children's Disability Services, or IJACDS, brings together occupational therapists, learning disability specialists, social workers, physiotherapists and council and Care Trust services. Together they also work under the Government's 'Aiming High for Disabled Children' programme in order to help meet the needs of children with disabilities and their families across the Bay.

The following projects have been successfully completed:

- New wheelchair accessible mats at Preston Beach, Paignton Sands and Goodrington
- Oldway School Swimming Pool development - new accessible changing rooms, a hoist that goes straight into the pool and top of the range equipment
- Occombe Farm - raised flower beds, accessible kitchen equipment and a Changing Places toilet/changing facility

- Warren Barn - heating system to allow group visits all year round
- Buying new all-terrain wheelchairs, which any family can borrow and use to enable them to access places like beaches or Dartmoor
- Buying a minibus for the Special Needs Playscheme
- Providing Torquay Museum with sensory activities and equipment such as specialist seating and light boxes
- Funding to enable the Torbay Coast and Countryside Trust to make the new Seashore Centre at Goodrington fully inclusive and accessible
- Setting up a new 'Street Dance Group' as part of the Short Breaks
- Establishing and supporting the Parents Participation Forum
- Funding the Young People's Disability Council
- Fair Play Day (including Crazy Golf)
- Providing start up costs for the new Paignton Kool Club for young people aged 14-19 with learning disabilities. It offers a supported and caring environment to practise life skills and promote independent living through fun activity learning.
- Funding the redesign and printing of the Resource Directory and new information packs. These will be given to all families receiving services from the Integrated Joint Agency Children's Disability Services
- Funding support for Mayfield School's new playground, which is fully accessible for wheelchair users and children and young people with disabilities
- Buying a range of Short Break equipment, which will be available for use by families so respite care can take place outside the family home.
- Providing a waterbed for the Torbay Opportunity Group to enable therapy sessions

Stronger Communities



Closing the Gap - Addressing deprivation across the Bay and strengthening our communities

Partners are working to close the gap by focusing on actions around employment, street cleaning, community capacity and housing. A pilot scheme is taking place in the Hele area of Torquay. A neighbourhood manager works to bring local residents and organisations together so that local people can play an active role in designing, delivering and using local services.

The scheme looks to act on the concerns of residents to help address local problems such as crime, anti-social behaviour, poor health, activities for children and teenagers and employment opportunities.

A community 'shop' offers residents a number of services including free internet, benefits advice, local information, access to Devon Home Choice housing services and Job Centre Plus.

Reducing the use of alcohol and substance misuse



Previous health profiles have shown Torbay to have a higher than average number of alcohol-related admissions to hospital and work is continuing to take place locally through the Alcohol Harm Reduction Strategy, both to prevent alcohol misuse and to ensure services and support are easily accessible within the community.

The successful work has included the development of a community-based alcohol action service to reduce the demand upon hospitals, the development of online support for members of the public, including information and advice to help people self-care and to access local services.

A training programme has also been set up for health and social care workers, enabling them to identify alcohol problems among their patients and clients, ensuring the right support can be put in place as early as possible.

Last year a hospital alcohol support worker was also appointed. This provides anyone who has been admitted into the hospital with alcohol-related harm a direct link into the alcohol service for support and advice.

Indications show that alcohol-related admissions are reducing on previous years.

Substance Misuse by Young People- A new local survey on views and usage and effectiveness of Personal Social and Health Education drug education will be completed annually. This will be similar to the annual national schools 'Tell Us' survey.

Teenage Pregnancies – working with partners to reduce the number of under 18 conceptions

The latest figures for conceptions in those under the age of 18 have seen a 15 percent reduction. The rate fell from 64.9 per 1,000 in 2008 to 55.3 per 1,000 in 2009. In actual numbers there were 131 conceptions in 2009 compared to 159 conceptions in the previous year.

The Teenage Pregnancy Partnership Board which has representatives from the council, NHS and other partners focuses on ensuring young people in Torbay have every opportunity to avoid unwanted pregnancies. One of the major developments this year is the creation of the sexual health outreach team which has brought together experienced staff with backgrounds in nursing, midwifery and targeted youth work to take sexual health and contraception services out into the community. The team was formed in April 2010 and has been initiated in an effort to reduce the number of unplanned and repeat conceptions in under 18s.





Improving help and advice for young people

A number of other developments and initiatives have taken place in Torbay, all of which are aimed at improving access, services, information, support and education for young people.

In June last year, a new brand and website for sexual health information was launched, enabling young people to find out about all aspects of sexual health, contraception and services in one place and in an online format. Since its launch the Sexwize website continues to prove popular with more than 200 hits per month. Social media sites like Facebook are also being used to reach young people and raise awareness about the information and services available.

The Healthwize shop, which is a joint project between the Council and Care Trust and now going into its second year, continues to provide young people with a safe and convenient place on the high street to get information, advice, and

signposting on all aspects of health and wellbeing, as well as providing a range of sexual health and contraception services. Since it opened the shop has worked with over 2,000 young people.

Tighter and stronger links with schools are being developed with the sex and relationship education becoming a core part of Physical, Social, Health Education (PSHE), and work to provide parents in Torbay with a stronger network of support and information is underway.

Addressing smoking prevalence

More than 1,000 people in Torbay have successfully quit smoking in the last year, with the help of the Torbay NHS stop smoking service.

Torbay's Stop Smoking Team, a partnership between Torbay Council and Torbay Care Trust,



provide 1-2-1 and group support to help people stop smoking for good. The team hold sessions in Paignton and Brixham as well as at the Stop Smoking Shop based in Torquay town centre. The shop is a drop in centre for those who want to stop smoking and is based on a successful project piloted in Gloucester.

In total, 1,121 people successfully gave up smoking between April 2010 and April 2011, with over 2,400 people making contact with the service in a bid to take their first steps towards kicking the habit. The latest smoking prevalence data from the Integrated Household Survey has indicated that Torbay's smoking prevalence is at 18.3% lower than the regional and national rates (21.4% and 20.2% respectively)

Older Persons Strategy

We are working to help older people lead fulfilling lives and to reduce reliance on residential care, enabling them to take control over decisions directly affecting them.

- The Dunboyne extra care scheme will be completed in 2011/12, providing a valuable alternative to residential care. The £8.5 million extra care scheme for people aged 55+ will provide 35 affordable rented and 10 shared ownership apartments. There will be a wide range of services on site, including a fitness centre, laundrette, salon, restaurant, communal areas, recreational and fitness classes. The scheme aims to help residents live independently for longer and reduce hospital admissions and reliance on residential care
- We are procuring new arrangements for domiciliary care as part of providing adequate choice for clients with personal budgets
- We are working to establish the range of accommodation required for the future in order to reduce the reliance on residential care
- We are continuing to work on personalisation with more people being allocated personal budgets





New Carers Forum website launched

Torbay Carers Forum website was launched to help increase the number of carers in Torbay getting support. The site is run and administered by carers and is designed for carers of all ages and in all caring situations. It has links to other relevant websites and up to date local and national news on issues of concern.

www.torbaycarersforum.co.uk

Improving safeguarding for children and adults in the Bay

Adult Agency Safeguarding Hub (MASH) has been established to improve the collection and sharing of information across all organisations involved in adult and children safeguarding in Torbay. It is being developed by Devon and Cornwall Police, Torbay Children's Services, Torbay Care Trust, South Devon Healthcare Foundation Trust and other partner agencies. The Hub's aim is to quickly collate and share information held by the various agencies and provide a multi-agency risk assessment of each case to help improve safeguarding.

Improving access to Affordable Housing

Torbay Council is committed to providing high quality housing for people who are unable to access or afford market housing, for example, vulnerable people and key workers as well as helping people make the step from social-rented housing to home ownership.



A number of schemes are available including housing schemes at Beechfield Avenue (a 145 home Eco development by Sovereign Housing Association); Torre Marine (a development by Barratt Homes in Torquay) and Dunboyme (a 55+ extra care scheme in Torquay by Sanctuary Housing). A huge range of help and advice has been made available, including sheltered housing, extra care housing, affordable housing, private landlords, housing benefit including the new changes, how to register on Devon Home Choice, shared ownership, mortgages and finance, grants for insulation, and Disabled Facility Grants.

Torbay Development Agency, in partnership with Torbay Council and an extensive range of housing service providers, arranged a Housing Information Day to give free, helpful advice and information on a wide range of housing related issues. For further information visit www.torbay.gov.uk/housing

Celebrating a multi-cultural Bay

Following on from the three annual Teranga Festivals organised to celebrate Torbay's cultural diversity, Imagine staged its "Taste of Africa, Asia and The Caribbean" event at Oldway Mansion in Paignton. Over 600 people attended the day, supported by the council, Safer Communities Torbay and Torbay Care Trust. It combined an exciting and heartwarming music and dance programme, mixing performances from professionals and amateurs, children and adults, and set pieces and interactive workshops for visitors as well as fabulous food. For further information visit www.imaginefortorbay.co.uk

Volunteer success

Community and Voluntary Action Torbay – CVA is an independent voluntary organisation receiving support from Torbay Council and Torbay Care Trust with the aim of promoting, developing and supporting voluntary activity in Torbay. Volunteering in the Bay is up 18%, with more people taking action to help their communities and a further 320 people supporting charitable organisations as trustees.



You Said... we did

Safer Communities Torbay has continued to apply the learning from the You Said We Did consultation activity during 2010. Examples of this include intergenerational activity which has physically brought a number of Torbay's older and younger residents together to challenge perceptions and stereotypes, with an overall aim of reducing fear of crime and improving community cohesion.



A Safer Bay In 2010/11

Safer Communities Torbay helped achieve an overall reduction in crime across Torbay by 5.8%

Crime Type	Total crimes 2009/10	Total crimes 2010/11	% Change
Theft of Vehicle	161	134	-16.8
Vehicle left from	742	655	-11.7
Vehicle	55	52	-5.5
Interference	409	380	-7.1
Domestic	2,209	1,966	-11
Harassment	56	54	-3.6
Criminal Damage	9,770	9,208	-5.8%
Robbery			
Total crimes			

Senior Safe In response to You Said We Did, Safer Communities Torbay has led a multi-agency 'Senior Safe' project which aims to provide older and more vulnerable residents with up to date, local and relevant community safety information. This work has now been fully evaluated and the results of which will help to develop the project during 2011/12.

Participatory Budgeting

Safer Communities Torbay was selected as a pilot area for Participatory Budgeting by the Home Office. The pilot theme is domestic abuse, in response to the national Violence Against Women and Girls Strategic Narrative. Work for the pilot has focused on capacity building within the community and the development of sustainable relationships with well established and newly formed community groups.

Safer Nights Torbay Safer Nights Torbay is the partnership umbrella term now applied to all night time economy related projects, initiatives (including educational campaigns) and multi-agency operations within Torbay. Safer Nights Torbay was launched in 2010 and is focused on community engagement in terms of project development and evaluating outcomes. The project is being delivered in partnership with South Devon College and a number of local businesses.

Junior Life Skills Junior Life Skills is a Safer Communities Torbay led multi-agency initiative which provides life skill guidance and coaching to all primary schools within Torbay. The initiative operates each year from Torquay Fire Station and seeks to improve community safety and public health outcomes by empowering children to make informed decisions.

TVIS The Torbay Visiting International Students (TVIS) programme is delivered annually and aims to engage with Torbay's visiting students. The programme is delivered to all main language schools in Torbay and provides community safety

information, advice and signposting. The programme encourages students to enjoy their stay in Torbay responsibly and empowers them to take action if they become a victim of crime during their stay.



Police and Communities Together Safer Communities Torbay has facilitated the updating of the Police and Communities Together (PACT) process to the Devon and Cornwall Police website, to ensure that local residents are kept informed of priority issues and operational action taken in response to their concerns. Safer Communities Torbay will be working with the Police during 2011/12 to develop PACT further in Torbay.

Community Safety Online Network and Website Development Safer Communities Torbay is currently re-designing its website to ensure it is customer focused and a 'one stop shop' for all community safety service information, advice, news and engagement



In Torbay. On completion of the website development, a Community Safety Online Network will be introduced to enable the use of social media, online video streaming and local forums, all of which will encourage participation.

Torbay Street Based Team

The Torbay Street Based Team is tackling youth offending and anti-social behaviour by engaging disaffected young people on the streets and reducing ASB/youth crime incidents in Torbay. The team consists of a PCSO, two youth workers (Torbay Youth Service) and three YCAP youth workers, all providing different qualities, skills and experience in working with challenging young people. They provide support and advice and guidance to young people.

An award winning local authority

April 2010



- The Torbay Together campaign won the Bronze Award in the Council Reputation category of the LGcommunications Awards 2010. The campaign highlights our partnership with health, police, fire and rescue – and the successes and efficiencies which have been made by working together.
- Efforts by Torbay Council to tackle the problem of dog fouling have won a prestigious accolade. The council won first place in the Preventative Approaches category at the Keep Britain Tidy Network Awards in Manchester in recognition of its Paws to Pick Up campaign. It was also named as Keep Britain Tidy Network Awards Overall Winner 2010.
- Torbay Council's Annual Parking Report was shortlisted for the national The PATROL Annual Report Awards in 2009 to promote and share best practice among councils in the production of their compulsory parking reports.

May 2010



Democratic Services

- Torbay Council's Democratic Services Team were commended in the Municipal Year Awards 2010. The new category 'Democratic Services Achievement of the Year Award' recognises staff who not only provide an invaluable service to their councillors but can also demonstrate innovative ways of engaging the local community in the democratic process.
- Councillors from Torbay Council were recognised for their commitment and dedication to developing skills, knowledge and performance in local government at this year's Member Development Awards.
- Councillors Christine Scouler and Cindy Stocks were joined by 22 other councillors from across the South-west to receive their 'Professional Award in Local Governance'
- The "Safer Workplace, Better Business" pack aimed at helping businesses to comply with their responsibilities under health and safety laws was short-listed for the national Municipal Journal Awards from more than 70 entries as one of the six finalists in the Public Protection Achievement of the Year.

June 2010

- The Torbay Together campaign won the Bronze Award at the 2010 National LG Communications Reputation Awards in the Council Reputation Category.

July 2010



Graham Frost & Robert Lead

- Graham Frost and Robert Lead were presented with long service awards from the Royal Horticultural Society following 80 years of council service between them.
- The £20 million redevelopment of Brixham Fish Market won the prestigious Chairman's award at the LABC (Local Authority Building Control) South West Building Excellence Awards.
- The council has scooped four coveted Green Flag Awards for Sherwell Park, Tessier Gardens, Upton Park and, for the first time, Youngs Park in Paignton.
- Torbay Development Agency (TDA) was awarded runner up in the regional final of the Enterprise Culture category of the Enterprising Britain competition to find the most enterprising place in the UK.
- Best ever GCSE results for Bay schools
- Excellent AS and A-Level results.

August 2010

September 2010



Torbay in Bloom

- All 37 of Torbay Council's car parks have achieved prestigious Safer Parking Scheme Park Mark awards. Managed by the British Parking Association and supported by the Home Office, the awards recognise the commitment of councils to creating a safer environment for users.
- Torbay's blooming displays scooped an amazing 14 awards at this year's Royal Horticultural Society (RHS) South West in Bloom competition.
- Torbay Council became the first local authority in the South West and only the fourth in the country to be awarded the Charter Plus for Member Development
- The council's Electoral Services Team performance at the May 2010 General Election was rated as "above the standard" in all areas by the Electoral Commission.

October 2010

- Paignton Community and Sports College (PCSC) became the first school in Torbay to be awarded the prestigious Governor Mark for the work of its governors.
- The council's Registrars Team, who manage marriages, civil partnerships, registration of births and deaths, were assessed as performing above target for the services they provide.

November 2010

- Ofsted congratulated education providers in Torbay for delivering high quality education. Torbay has a high percentage of Outstanding schools and National Leaders of Education (a national accredited system of recognising headteachers of outstanding schools who provide leadership and support to other schools)



Outstanding schools

- Five primary schools, three secondary schools and one special school are currently rated as Outstanding by Ofsted and Torbay has five National Leaders of Education as well as another four Local Leaders of Education.
- Torbay Voice is a service user involvement group helping to improve the Supporting People services in Torbay. Torbay Voice was awarded "Regional Champion" status in 2008 by the Government for the way they involved clients. The group supported Torbay Council and Torbay Care Trust in attaining Mindful Employer Status. The Mindful Employer Charter aims to increase awareness of mental ill health and provides information and support for employers in the recruitment and retention of staff
- Torbay's Customer Services Team underwent their annual appraisal and retained their Customer Service Excellence Award. The team attained three areas of full compliance plus (areas of best practice) and are the only team to have achieved this in Devon.

The areas of compliance plus are:

- They demonstrate their commitment to developing and delivering customer focused services through their recruitment and training development policies for staff
 - There is a commitment to putting the customer at the heart of service delivery and the service actively supports this advocate for customers
 - They learn from any mistakes that are made by identifying patterns in formal and informal complaints and comments from customers and use this information to improve services and publicise action.
- Six Blue Flags for Torbay's beaches
- Torbay was rated with the cleanest bathing waters in the country, scooping a record breaking 16 awards - more than anywhere else in the country.
 - Ten Torbay beaches also secured Quality Coast Awards for being clean and safe.



Green Apple Environmental Award

- Torbay Council won another prestigious Green Apple environmental award, this time for its work promoting the use of real nappies as an alternative to disposable nappies. It is the seventh year running that The Green Organisation has recognised Torbay's success in promoting imaginative recycling initiatives.

February 2011

- 'It's Your Choice', Safer Communities Torbay's short film aimed at raising awareness amongst young people about the reality of crime, the importance of reporting it and the very real consequences that they may face should they commit crime, was nominated for a Regional Royal Television Society Award.

You can view the film at

<http://www.safercommunitiesfortorbay.org.uk/itsyourchoice>

March 2011

The Torquay Harbour Waterfront Regeneration Project won Heritage Project of the Year at the Michelmores and Western Morning News Commercial Property Awards

- The awards are the region's premier commercial property competition, showcasing the very best in country commercial property projects, buildings and people.

Two other successful council-led schemes were short-listed:

- Paignton Community Library and Information Centre- Building of the Year
- Torquay Community College- Project of the Year over £3 million.
- Torbay Council and TOR2 were short-listed in two categories for the National Recycling Awards 2011. The two short-listed categories were for Local Authority Team of the Year and Best Partnership Project for Recycling.
- Carol Arthur, Torbay Council's Recycling Officer was also short-listed for the Local Authority Recycling Champion Award at the Awards for Excellence in Recycling and Waste Management.
- Torbay Council's Communication Team won the Chartered Institute of Public Relations (CIPR) Excellence Award. The awards recognise and reward best practice in public relations throughout the UK and acknowledges team achievement at the highest professional level.
- The same campaign was also short-listed in the national LGCommunication Reputation Award 2011 in the Employee Engagement Category.
- The Royal Terrace Gardens Restoration Project in Torquay received a finalist award at the Royal Institute of Chartered Surveyors (RICS) South West Awards 2011.
- Torbay Council's Printing Services Team won two national awards for printing and finishing and runner up for variable data at the APCOM (Association of Print and Communication Managers - public sector) conference.



Before



After Torquay Harbour Regeneration Project



The Royal Terrace Gardens Project Team



The Communication Team



Printing Services

Our financial information

The revenue account below shows the cost of running council services between April 2010 and March 2011, and where the money came from to finance these costs.

	restated 09/10 £m	10/11 £m
Adult Social Care	44.1	45.0
Children's Services and Education	27.0	28.8
Housing Services	2.4	7.7
Highways and Transport Services	9.7	17.2
Culture, Environmental, Regulatory & Planning Services	23.6	34.3
Corporate and Democratic core	6.5	3.4
Other services	3.1	(5.3)
Exceptional items	1.0	(25.1)
Net cost of services	117.4	106.0
Acid		
Other Operating Expenditure	36.2	(0.1)
Financing and Investment	12.0	10.2
Earmarked Reserves	3.6	1.8
Sub Total	124.8	134.1
Financed by		
Revenue Grants	(19.0)	(20.3)
Business Rates	(45.6)	(51.5)
Council Tax	(60.6)	(62.6)
Net surplus for the year	(0.4)	(0.3)

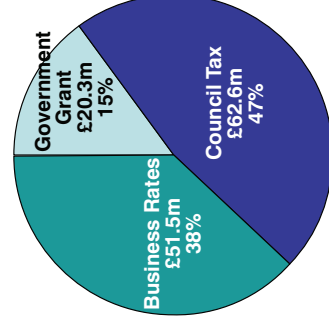
Balance Sheet - What the council owns, owes and is owed

Assets	restated 09/10 £m	10/11 £m
Buildings, land and assets owned by the council	332.1	339.2
Cash in bank	14.2	2.7
Money owed to the council	14.7	15.2
Investments	100.0	115.0
Less		
Money owed to the council	(37.9)	(40.0)
Capital grants and contributions	(3.3)	(6.8)
Provision liability	(166.4)	(76.6)
Long-term borrowing	(164.1)	(174.1)
Total	89.3	174.6
Financed by		
Usable Reserves	54.2	54.3
Unusable Reserves	35.1	120.3
Total	89.3	174.6

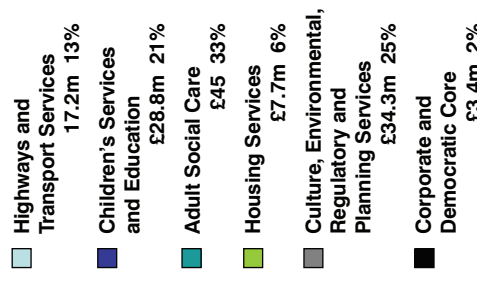
Capital Expenditure

	09/10 £m	10/11 £m
Schools related	26.3	18.9
Housing grants	2.4	1.6
Highways and roads	4.9	6.1
Flood prevention/sea defence	1.7	0.2
Economic regeneration	4.9	6.3
Torre Abbey	0.1	0.2
Paignton Library	3.4	2.5
Rock Walk	1.2	1.9
Other schemes	4.0	6.1
Total	48.9	43.8

Where the money came from 2010/11



Services the money was spent on 2010/11



Finding out more

The following are some of our most important publications which are helping us deliver our ambitions;

Corporate Plan www.torbay.gov.uk/corporateplan

Torbay Council's 'Corporate Plan 2010+' is influenced by and impacts on a number of other plans, strategies and documents, which together map out how we are working with the community in delivering the services we all need

Local Area Agreement (LAA) www.torbay.gov.uk/laa

This outlines how we are addressing some of the local issues contained in the Community Plan in the short term, whilst responding to national priorities.

Local Development Framework (LDF) www.torbay.gov.uk/LDF

The LDF provides and delivers the spatial planning strategy for Torbay for the period 2005 to 2026. The LDF complements the Community Plan and relates to all aspects of how people use land, rather than simply things that need planning permission. It looks at issues such as the provision of new housing, jobs and community facilities.

Statement of Accounts www.torbay.gov.uk/statementofaccounts

Describes the financial position of Torbay Council and our transactions during the year.

Medium Term Financial Plan (MTFP) 2009-12

www.torbay.gov.uk/financial_services

Outlines the council's priorities and how it will seek efficiency savings through transformational changes.

The Climate Change Strategy for Torbay

www.torbay.gov.uk/climatechangesstrategy

Describes how we aim to help minimise the economic, social and environmental costs of climate change in the Bay.

Key Statistics www.torbay.gov.uk/factsfigures

Outlines the major socio-economic issues, key challenges and opportunities facing Torbay

Your Council www.torbay.gov.uk/council

Links to information about council services and local democracy

Equalities and Diversity www.torbay.gov.uk/equalopportunities

Outlines our achievements and commitment to providing equal opportunities and valuing diversity

Heritage strategy www.torbay.gov.uk/heritagestrategy

The Heritage Strategy aims to find the best way of maintaining and developing Torbay's heritage in a way that encourages economic, social and environmental regeneration, at the same time as restoring and enhancing important symbols of our local identity. These can be anything from buildings, parks and gardens to special events and local dialects.

Economic Framework Strategy

www.torbaydevelopmentagency.co.uk/efstrategy

This strategy sets out a clear way forward by building on the Bay's strengths to improve economic prosperity, give us prosperous communities with a higher quality of life and improved access to jobs.

Local Economic Assessment

www.torbaydevelopmentagency.co.uk/localeconomicassessment

This document has been produced in response to the new Local Economic Assessment Duty contained within the Local Democracy, Economic Development and Construction Bill which became law in April 2010 and is intended to set out the extent of the issues which face the local economy.

Tourism Strategy

www.torbaydevelopmentagency.co.uk/tourism-strategy

This strategy sets a clear agenda to ensure Torbay and the English Riviera brand is recognised as a leading resort with a sustainable future.

Local Transport Plan www.torbay.gov.uk/transportplan

The Devon and Torbay Local Transport Plan 2011-2026 sets out how transport should be delivered over the next 15 years. It is the adopted council policy document on transport and guides all transport development.

Torbay Care Trust www.torbaycaretrust.nhs.uk/publications

Information on local health and social care services and annual reports and publications.

Children and Young People's Plan 2010-2013 www.torbay.gov.uk/childrensplan

Produced by the Torbay Children's Trust, this plan sets our agreed priorities for children and families for the forthcoming three years.

Visit our website for a range of information and online services www.torbay.gov.uk



Be part of a Brighter Bay

South Devon's beautiful Bay

**Torbay: an excellent place to
live, work, visit and invest in.**



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Title: **Top Team Restructuring**

Public Agenda Item: **Yes**

Wards Affected: **Indirectly all wards in Torbay**

To: **Council** On: **29 September 2011**

Key Decision: **Yes – Ref. 1005098**

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

Contact Officer: **Elizabeth Raikes Chief Executive / Mark Bennett Executive Head Business Services**

☎ Telephone: **01803 207001**

✉ E.mail: **Elizabeth.Raikes@torbay.co.uk Mark.Bennett@torbay.co.uk**

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

1.1 As part of the reductions in public spending Torbay Council is proposing to reduce the number of senior officers and then to realign the roles to support the challenge of effectively making the necessary changes in the way it manages, delivers and commissions services during a period of rapid change. The changes will make an annual saving to the Council in the order of £200,000 per year, the changes directly impact on the roles of the 3 current Commissioners.

2. Recommendation(s) for decision

2.1 That the Council maintains the role of full time Chief Executive.

2.2 That the Council maintains the role of Director of Children's Services.

2.3 That the three current Commissioner posts be deleted from the structure.

2.4 That a Director of Adult Services (DAS), Part time (0.6 FTE) post be created.

2.5 That a Director of Place and Resources, full time post be created (see appendix 1 for structure charts).

3. Key points and reasons for recommendations

- To reduce the expenditure on staffing at tier 2 (saving of £194,000 pa).
- To retain flexibility and capacity during a period of rapid public sector change.

- To maintain focus on strategy, policy development and managerial leadership.
- To Strengthen contract management, and develop greater understanding of the operational demands and challenges facing the Care Trust to support the effective commissioning of Adult Services through the **bringing back-in house the role** of a Director of Adult Services.
- To maintain the momentum on exploring options for alternative service provision, through the Director of Place Resources role
- To build on opportunities provided by the return of the public health function to local government.

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

Elizabeth Raikes Chief Executive
Mark Bennett Executive Head Business Services

Supporting information

A1. Introduction and history

A1.1 The current operational management structure has 5 full time posts:

- Chief Executive;
- Commissioner of Communities & Local Democracy (Deputy Chief Executive);
- Commissioner of Children, Schools and Families (Director of Children's Services);
- Commissioner of Place and Environment; and
- Commissioner of Adults and Operations.

Current costs (including 25% on costs) = £729,000

A1.2 The proposal is to retain a full-time Chief Executive and reduce the number of Commissioners from 4 posts (4 FTE's) to 3 posts (2.6 FTE's) at a cost of approximately £536,000. This equates to a variant of Exemplar Three in the Chief Executive's *Leading Through Austerity* paper.

Costs (including 25% on costs) = £536,000
Saving over current costs = £194,000 per annum

Background

A1.3 Since 2008, the Council has reduced the numbers and cost of the top three tiers of management tackling the Directors and Assistant Directors in 2008/09 (through the re-shaping programme) and the Executive Head structure again last year (through the Perpetual Beta programme), the Perpetual Beta programme signalled a review of the Chief Officer structure in this financial year.

Re-shaping: The Commissioning Model

A1.4 Over the last few years the Council has made significant changes in its operating framework moving to a commissioning model well in advance of other authorities. This has led to significant savings and improvements in services, most recently TOR2 and the setting up of the Tourism Company. By value the Council has c. 70% of its services commissioned.

A1.5 The success of the model and the opportunity provided by the proposals to return public health to local government has meant that the Council is able to review its Chief Officer structure and slim it down in response to the need to contribute to making savings and to work in different ways to meet the demands of today's agenda.

The Chief Officer Structure

A1.6 The Chief Officer Structure will be as follows:

- Director of Children's Services – full time;
- Director of Adult's Services – 0.6; and
- Director of Place & Resources – full time.

A1.7 The change in titles signal a different way of working and are titles with which the public and the sector are familiar. It does not mean a return to hierarchical direct-line management. The slimmer structure will not work under old-style working arrangements.

A1.8 In addition, the Director of Public Health, already a joint appointment with Torbay and South Devon NHS Care Trust will take on a wider role in advance of the transfer of the function and associated funding to the Council.

The Role of Chief Executive

A1.9 Both the *Perpetual Beta* and *Leading Through Austerity* papers considered the options for the role of the Chief Executive in some depth. It was considered that it is currently desirable to retain a full time Chief Executive because of the level of changes required over the next 3 years. The Chief Executive will focus particularly on the delivery of the changes needed over the next few years in the operational framework and culture of the organisation in a period of reducing resources.

A1.10 The changes to the chief officer structure will result in changes to portfolios of the chief officers and some Executive Heads. The Chief Executive will discuss and consider the necessary changes throughout the autumn with final decisions being made after the new appointments are completed. The aim will be to ensure accountability is clear and management is as streamlined as possible whilst minimising further changes at this stage. Changes will be more about working differently than changes structures although inevitably change will continue.

A1.11 In addition the Chief Executive will manage a small portfolio and take the lead in the budget setting process.

The functions of the new director roles

A1.12 PEOPLE ROLES

Director of Children's Services

This role is changing with the advent of Academies and the job description is under review.

Director of Adult Services nominally 0.6 FTE

Key functions:

- Commissioning and contract, relationship management, alongside the statutory requirements of the role; and
- Line management of supporting people.

Statutory responsibilities:

- Accountability for assessing local needs and ensuring availability and delivery of a full range of local authority services;
- Professional leadership, including workforce planning;
- Leading the implementation of standards;
- Managing cultural change;
- Promoting local access and partnership working;

- Delivering an integrated approach to supporting communities; and
- Promoting social inclusion and wellbeing.

Other

- Special projects.

Note. This change does not remove the delivery of the adult social care function by Torbay and South Devon NHS Trust. The integration of health and social care is a prize that has been well lauded and is worth retaining. The transition from the current arrangements with the role lying with the Chief Executive of the Care Trust to the Council will take place in the months leading up to the handover. The Council will continue to work in close partnership with the Care Trust.

A1.13 PLACE ROLE

Director of Place & Resources nominally 1 FTE

Key functions:

- Commission and contract/relationship management all Place functions: Torbay Development Agency (TDA), Harbours, Residents and Visitor Services, Spatial Planning; and
- Commission operational services: Finance, Business Planning, Commercial Services, Information and Communication Technology.

Other

- Special projects.

A1.14 PEOPLE AND PLACE

Director of Public Health

This role spans both People and Place and the expanded role will bring together some of the synergies and provide support and expertise to both people and place initiatives and carry on such work as reducing inequalities.

All Directors

All directors will be expected to take a strategic and corporate approach and support cross Council and cross sector programmes and projects, to lead and drive innovative approaches to service delivery, and represent the Council externally and lead relevant partnerships.

A2. Risk assessment of preferred option

A2.1 Outline of significant key risks

A2.1.1 Risks and Mitigation:

Risks	Mitigation / Advantages
<p>The creation of the Director of Adult Services (DAS) role</p>	<p>The DAS will ensure greater clarity of outcomes through closer contract management and support the relationship between the Council and the Torbay Care Trust (TCT).</p> <p>The arrangement mirrors the commissioning and provider split within the NHS and will assist in providing better understanding of the operational demands and challenges facing the Care Trust during a period of reducing public expenditure, thus supporting the process of the Council's decision making.</p> <p>In proposing the creation of a DAS role the Council is also expecting to see the following benefits;</p> <ul style="list-style-type: none"> • The ability for TCT to release resources to address the significant challenges of NHS reform. • It will add focus and drive to adult social care, particularly through greater integration, the alignment of commissioning with financial responsibility and encouraging greater understanding within the Council of health and social care. • The separation of commissioning with provider will provide the ability to challenge without conflict of interest. <p>Consultation - the proposal will go to the Torbay Care Trust Board on the 21st September and feedback will be reported to Council when this paper is presented</p>
<p>Reduction in senior officers & part time working</p>	<p>It is acknowledged that the structure reduces resources, but this is also at a time when some of the significant commissioning activity has been completed, which provides an opportunity to review the senior management resource requirements, and it is felt the current structure and distribution of roles provides sufficient senior management input.</p> <p>The introduction of a part time post also provides a degree of flexibility if additional resources are required.</p> <p>The Chief Executive will be taking on additional responsibilities and a limited portfolio, which does therefore</p>

Risks	Mitigation / Advantages
	<p>mean a reduction in the resource requirements at the commissioner level.</p> <p>The structure still provides sufficient flexibility to provide management cover in the event of an unforeseen crisis, or to cover the departure or absence of senior staff.</p>
<p>The reduced capacity will make it difficult to respond to the nine Executive Leads as at present.</p>	<p>The new posts will need to focus on strategy, policy development and managerial leadership. Members will need to go directly to Executive Heads for operational matters. Executive Heads will also take greater accountability for performance, supporting Executive Leads directly on delivery and scrutiny. Operating in this way will be more efficient as it enables a closer working arrangement between Members and appropriate Executive Heads.</p>
<p>In any restructure there is the possibility that customer focus is lost.</p>	<p>Being aware of the problem ensures that it will receive the attention needed particularly from the Chief Executive as she completes the necessary structural changes below chief officer level. These will be designed to disrupt service delivery as little as possible. The public should see no difference in direct service delivery resulting from this change other than changes that will occur from other budget pressures.</p>

A2.2 Remaining risks

As a small Unitary Authority, the Council will always retain the risk associated with the departure or absence of key senior managers. However, the Council does have the facility to cover this issue in the short term and due to the current public sector reductions, it is likely to be less difficult to recruit key staff, the Council will need to ensure that the ability to provide cover in the short term is maintained.

A3. Other Options

A3.1 A number of exemplars were considered in the *Leading Through Austerity* paper or proposed through the consultation, and variants on the models put forward have been considered. In main exemplars and variants are summarised as follows:

No Changes – rejected as this does not provide any cost savings or the opportunity to strengthen arrangements with the Torbay Care Trust.

The Executive leadership model – The Mayor has nine Executive Leads this option would have given departmental responsibility for certain Council functions the Executive Leads. This option was rejected because it would have required full time involvement by elected members and changes in delegation. It would also require allowances commensurate with the increased responsibility and changes to delegated authority in the Constitution. In addition it is a large scale change, and would sit outside any legislative framework which would be provided by the localism bill should that become law.

Remove all Commissioner roles - This would have removed all the non statutory operational roles. However, the roles of Director of Children's Services would remain and the indications are that the Director of Public Health role once the NHS changes have occurred would be at that level It would also mean that some current Executive Heads would need, in part, to fill the roles as the Council still requires a core management team at that level within the organisation. This was rejected, due to the removal of key skill sets and capacity during a period of rapid change, and the need to replace that through the reallocation of some activities to Executive Heads.

Various permutations of responsibilities, number and full time values of the new structure – A range of different splits of responsibilities, full and part time working have been explored. It is felt that the current proposal provides the best fit between cost saving, maintaining flexibility, capability, capacity and the ability to provide management support to key strategic issues. However it is inevitable that this will need to be under review as the context and challenges the Council faces change.

A4. Summary of resource implications

Overall saving of £194,000 per annum.

Redundancy costs may be incurred but are unknown at this point as this is dependent on the individuals concerned.

Final costs may change as the roles will be subject to job evaluation.

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

All the changes proposed will be carried out in accordance with approved Human Resource policies. These policies have been equality impact assessed, and have been agreed through the Council's consultation process.

A6. Consultation and Customer Focus

- A6.1 The Chief Executive circulated a paper (*Leading Through Austerity*) to current Commissioners, employees, Members and key partners for comment in July 2011 with the deadline for responses being the end of August 2011. 12 individual responses were received as well as verbal responses from each of the political groups and through discussions with members.
- A6.2 As the paper built on the previously circulated consultation for the restructuring of the Executive Head structure, and the role of the Chief Executive (*Perpetual Beta*), it is felt that the limited individual feedback was a result of the similarity of issues explored in the documents, albeit at different levels in the organisation.
- A6.3 Independent advice and challenge was also sought from Russell Symons, Director, South West Councils on the proposed changes.
- A6.4 The proposal for the creation of the DAS role will go to the Torbay Care Trust Board on the 21st September and feedback will be reported to Council when this paper is presented.

Note – These changes impact directly on the current commissioners and whilst they have had the opportunity to comment on the range of proposals, a period of individual formal consultation will be required as part of the normal change processes. It is anticipated that this will be carried out in the next few months with the new appointments being made in early January.

A6.5 The new appointments are Member appointments through a properly constituted panel. Other structure arrangements are the responsibility of the Chief Executive as Head of Paid Service.

A6.6 The changes are to be effective by 1 April 2012.

A7. Are there any implications for other Business Units?

There are no direct implications for Business Units. However reporting lines will change as part of the restructuring process.

Appendices

Appendix 1 - Proposed Structure Chart

Documents available in members' rooms

None.

Background Papers:

Leading Through Austerity – a discussion document on Top Team Restructuring

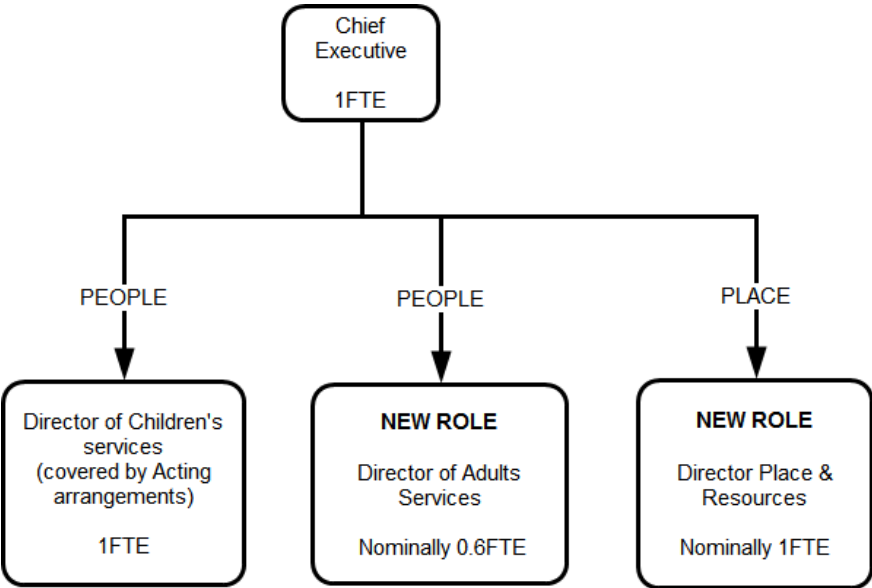
<http://insight/leading-through-austerity.doc>

Perpetual Beta – a discussion document on the review of the Executive Head restructuring and the role of the Chief Executive <http://insight/perpetualbeta.doc>

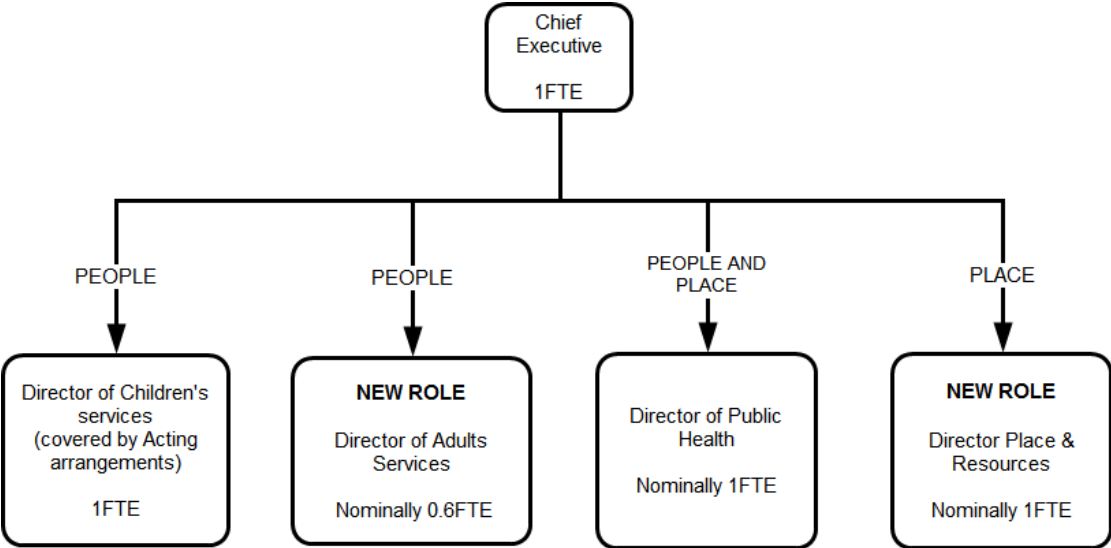
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Proposed Structure Chart

Initial structure



Structure with the inclusion of the Director of Public Health in the People and Place role



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Composition and Constitution of the Executive and Record of Delegations of Executive Functions

This Report is presented to the meeting of the Council on 29 September 2011 in accordance with Standing Orders A1.2 (viii) and (xiii) and C2 to C4 for inclusion in the Council's Scheme of Delegation (Schedule 6 to Part 3) of the Constitution of Torbay Council.

1. The names, addresses and wards of the people appointed to the Executive by the Mayor are set out below:

Name	Address	Electoral Ward
Deputy Mayor and Executive Lead for Strategic Planning, Housing and Energy – Councillor David Thomas	54 Lower Fowden Broadsands Paignton TQ4 6HS	Blatchcombe
Executive Lead for Tourism and Environment – Councillor Jeanette Richards	Montana 217 Dartmouth Road Paignton TQ4 6LG	Blatchcombe
Executive Lead for Safer Communities and Transport – Councillor Robert Excell	31 St Michael's Road Decoy Newton Abbot TQ12 1DJ	Tormohun
Executive Lead for Involved and Healthy Communities – Councillor Alison Hernandez	50 Cadewell Lane Shiphay Torquay TQ2 7ER	Shiphay with the Willows
Executive Lead for Children, Schools and Families – Councillor Chris Lewis	7 Lutyens Drive Paignton TQ3 3LA	Preston
Executive Lead for Adult Social Care and Older People – Councillor Christine Scouler	4 Merryland Close Preston Paignton TQ3 1HT	Preston
Executive Lead for Finance and Audit – Councillor Alan Tyerman	27 Broadsands Park Road Paignton TQ4 6JG	Goodrington with Roselands
Executive Lead for Business Planning and Governance – Ken Pritchard	62 Lower Fowden Elbury Cove Paignton TQ4 6HS	Churston with Galmpton

2. The Mayor is responsible for the discharge of all executive functions (except as specified in paragraph 3. below). Executive Leads will have an advisory role in relation to the areas of responsibility set out below.

	Portfolio	Cross Cutting Issues <i>(Commissioned Services/Outcomes)</i>	Main Customer Base
Mayor Gordon Oliver (Executive Lead for Employment and Regeneration)	Employment and Regeneration	<ul style="list-style-type: none"> • Built Environment • Employment and Skills • Business Relocation/Start Up • Inward Investment • <i>(Torbay Economic Development Company)</i> • <i>(Local Enterprise Partnership)</i> 	<ul style="list-style-type: none"> • Partners • Residents • Business • Investors
Deputy Mayor and Executive Lead for Strategic Planning, Housing and Energy – Councillor David Thomas	Strategic Planning, Housing and Energy	<ul style="list-style-type: none"> • Planning • Housing • Assets • Energy • <i>(Waste Disposal (TOR2))</i> • <i>(Torbay Strategic Partnership)</i> 	<ul style="list-style-type: none"> • Business • Residents • Visitors • Internal • Partners
Executive Lead for Tourism and Environment – Councillor Jeanette Richards	Tourism and Environment	<ul style="list-style-type: none"> • Leisure • Culture • Sport (Tourism) • Harbours • <i>(Torbay Coast and Countryside Trust)</i> • <i>(English Riviera Tourism Company)</i> 	<ul style="list-style-type: none"> • Business • Residents • Visitors • Partners • Investors
Executive Lead for Safer Communities and Transport – Councillor Robert Excell	Safer Communities and Transport	<ul style="list-style-type: none"> • Safer Communities • Emergency Planning • Flooding and Drainage • Health and Safety • Security (CCTV, Street Lighting, Contest) • Transport • Sport (Residents) • <i>(Community Safety Partnership)</i> • <i>(Riviera International Conference Centre)</i> 	<ul style="list-style-type: none"> • Residents • Visitors • Partners • Internal • Business

	Portfolio	Cross Cutting Issues <i>(Commissioned Services/Outcomes)</i>	Main Customer Base
Executive Lead for Involved and Healthy Communities – Councillor Alison Hernandez	Involved and Healthy Communities	<ul style="list-style-type: none"> • Partnerships • Localism • Closing the Gap and Public Health • Communication and Consultation • Voluntary Sector • Champion for Volunteers • Local Democracy • <i>(Health and Wellbeing Board)</i> 	<ul style="list-style-type: none"> • Partners • Residents
Executive Lead for Children, Schools and Families – Councillor Chris Lewis	Children, Schools and Families	<ul style="list-style-type: none"> • Safeguarding • Early Intervention • Schools • Youth • <i>(Children’s Trust)</i> 	<ul style="list-style-type: none"> • Residents • Children and Families
Executive Lead for Adult Social Care and Older People – Councillor Christine Scouler	Adult Social Care and Older People	<ul style="list-style-type: none"> • Adult Social Care • Older People • Supporting People • <i>(Torbay Care Trust)</i> 	<ul style="list-style-type: none"> • Adult Clients • Housing Clients • Health Clients
Executive Lead for Finance and Audit – Councillor Alan Tyerman	Finance and Audit	<ul style="list-style-type: none"> • Capital and Revenue Budget • Budget Monitoring • Benefits 	<ul style="list-style-type: none"> • Internal • Partners • Residents
Executive Lead for Business Planning and Governance – Ken Pritchard	Business Planning, Governance and Member Development	<ul style="list-style-type: none"> • Performance • Business Planning and Human Resources • Information • Commercial • Governance 	<ul style="list-style-type: none"> • Internal • Partners

3. (i) The Deputy Mayor will be responsible for the discharge or all executive functions relating to the regeneration of the Castle Circus area of Torquay as the Mayor owns properties in this area and has a personal and prejudicial interest;
- (ii) the Deputy Mayor will be responsible for the discharge of executive functions if the Mayor:
- (a) is absent (e.g. on holiday) for a period of time or in cases of urgency where the Chief Executive is satisfied that the Mayor cannot be reasonably contacted;
- (b) is incapacitated through illness; or
- (c) has a person prejudicial interest in any matter requiring determination.

(iii) If the Mayor or the Deputy Mayor (Councillor David Thomas) are unable to act on a matter requiring a decision then the Chief Executive shall have the power to determine any matter requiring a decision.

4. No executive committees have been appointed at the present time.
5. No executive functions have been delegated to area committees, any other authority or any joint arrangements at the present time.
6. The Mayor has also (so far as lawful) delegated to officers the discharge of those functions that are referred to in Schedule 7 and are executive functions in the manner set out in that Schedule, in accordance with (and subject to) the Council's Standing Orders in relation to the Executive.
7. So far as the Constitution requires officers to consult with "the relevant member", the areas of responsibility of the Executive Leads are as set out paragraph 2 above.