



Town Hall, Castle Circus,
Torquay, Devon TQ1 3DR
Main Switchboard (01803) 201201
Fax (01803) 207006 DX 59006

Tuesday, 26 November 2013

Meeting of the Council

Dear Member

I am pleased to invite you to attend a meeting of Torbay Council which will be held in **The Forum, Riviera International Conference Centre, Chestnut Avenue, Torquay, TQ2 5LZ** on **Thursday, 5 December 2013** commencing at **5.30 pm**

The items to be discussed at this meeting are attached.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Steven Hancock'.

Executive Director of Finance and Operations

(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.)

Working for a healthy, prosperous and happy Bay

Please be aware that the Council meeting will be filmed and broadcast live on YouTube and the Council website at www.torbay.gov.uk/livewebcast.

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

June Gurry, Town Hall, Castle Circus, Torquay, TQ1 3DR
01803 207012

Email: governance.support@torbay.gov.uk
www.torbay.gov.uk

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 26 September 2013.

(Pages 1 - 22)

4. **Declarations of interests**

- (a) To receive declarations of non pecuniary interests in respect of items on this agenda

For reference: Having declared their non pecuniary interest members may remain in the meeting and speak and, vote on the matter in question. A completed disclosure of interests form should be returned to the Clerk before the conclusion of the meeting.

- (b) To receive declarations of disclosable pecuniary interests in respect of items on this agenda

For reference: Where a Member has a disclosable pecuniary interest he/she must leave the meeting during consideration of the item. However, the Member may remain in the meeting to make representations, answer questions or give evidence if the public have a right to do so, but having done so the Member must then immediately leave the meeting, may not vote and must not improperly seek to influence the outcome of the matter. A completed disclosure of interests form should be returned to the Clerk before the conclusion of the meeting.

(Please Note: If Members and Officers wish to seek advice on any potential interests they may have, they should contact Governance Support or Legal Services prior to the meeting.)

5. **Communications**

To receive any communications or announcements from the Chairman, the Mayor, the Overview and Scrutiny Co-ordinator or the Executive Director of Operations and Finance.

6. **Petitions**

To receive petitions and any oral representations from the public in accordance with Standing Order A12 as set out below.

- (a) Petition for Traffic Calming for Jacks Lane, Torquay

Approximately 34 signatures (this decision has been referred direct to the decision maker (Service Manager Streetscene in consultation with the Executive Lead for Highways, Transport and Environment Councillor Hill).

- (b) Petition to Introduce School Crossing Patrol before the three schools, Watcombe Primary, Combe Pafford and Mayfield
Approximately 243 signatures (this decision has been referred direct to the decision maker (Service Manager Streetscene in consultation with the Executive Lead for Highways, Transport and Environment Councillor Hill)).
- (c) Petition requesting Well Street to be permanently closed
Approximately 43 signatures (this decision has been referred direct to the decision maker (Service Manager Streetscene in consultation with the Executive Lead for Highways, Transport and Environment Councillor Hill)).
- 7. Public question time**
To hear and respond to any written questions or statements from members of the public which have been submitted in accordance with Standing Order A24.
- (a) Public Question - Decisions (Page 23)
- (b) Public Question - Landslip on Lymington Road, Torquay (Page 24)
- (c) Public Question - B&Q Site (Page 25)
- 8. Members' questions** (Pages 26 - 29)
To respond to the submitted questions asked under Standing Order A13.
- 9. Notice of Motions**
To consider the submitted motions, notice of which has been given in accordance with Standing Order A14 by the members indicated.
- (a) Notice of Motion - Change of Governance System (Mayoral) (Page 30)
- (b) Notice of Motion - Developing a Tourism Bid (Mayoral) (Page 31)
- 10. Future State Project (Mayoral Decision)** (Pages 32 - 45)
To consider the submitted report on the above.
- 11. White Rock Land Swap (Mayoral Decision)** (Pages 46 - 54)
To consider a report on the above.
- 12. Pluss Future Arrangements (Mayoral Decision)** (Pages 55 - 71)
To consider a report setting out proposals for PLUSS and future arrangements.
- 13. Tor Bay Harbour – Port Masterplan** (Pages 72 - 79)
To consider the submitted report setting out the draft Port Masterplan for Tor Bay Harbour.

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| 14. | Pay Policy Annual Statement 2014/15
To consider the submitted report setting out the draft Annual Pay Policy Statement. | (Pages 80 - 90) |
| 15. | Localised Council Tax Support Scheme 2014/15
To consider a report setting out the Localised Council Tax Support Scheme for 2014/15. | (Pages 91 - 98) |
| 16. | Council taxbase report
To consider a report on the above | (To Follow) |
| 17. | Revenue Budget Monitoring (Quarter 2)
To consider the report setting out the projected outturn for the Council's Revenue Budget for 2013/2014 as at the end of Quarter 2. | (Pages 99 - 112) |
| 18. | Capital Investment Plan Update - 2013/14 Quarter 2
To consider the Capital Monitoring report for 2013/14 under the Authority's agreed budget monitoring procedures. | (Pages 113 - 131) |
| 19. | Statutory Officer Appointment Monitoring Officer
To confirm the appointment of Anne-Marie Bond as Monitoring Officer from 2 January 2014. | |
| 20. | Standing Order D15 (in relation to Overview and Scrutiny) - Call-in and Urgency
To note the schedule of Executive decisions to which the call-in procedure does not apply. | (Page 132) |

Note

An audio recording of this meeting will normally be available within 48 hours.



Minutes of the Council

26 September 2013

-: Present :-

Chairman of the Council (Councillor Parrott) (In the Chair)
Vice-Chairman of the Council (Councillor Barnby)

The Mayor of Torbay (Mayor Oliver)

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

55 Opening of meeting

The meeting was opened with a prayer.

56 Apologies for absence

Apologies for absence were received from Councillors Hytche, Pountney, Richards and Stocks.

57 Minutes

The Minutes of the extraordinary meeting of the Council and the ordinary meeting of the Council both held on 18 July 2013 were confirmed as a correct record and signed by the Chairman.

58 Declarations of interests

The following non-pecuniary interests were declared:

Councillor	Minute Number	Nature of interest
Councillor Darling	71	Member of the Management Committee of the Acorn Centre and a scout leader for 11 th Torbay Sea Scouts
Councillor Doggett	67	Member of the Torbay Rail Line Users Group

Councillor Excell	69	Owens 201 and 203 Union Street, Torre
Councillor Faulkner (A)	72	Working with residents committee
Councillor Faulkner (J)	71	Chair of Chill'ed Out, Vice Chair of Acorn Centre, Member/President of Windmill Centre
Councillor Hill	72	Trustee of Torbay Coast and Countryside Trust
Councillor James	71	Trustee for Brixham Youth Enquiry Service

59 Communications

The Chairman:

1. reminded members of the Civic Church service which was being held on Sunday 6 October 2013 at 3 pm at Christ Church, Ellacombe, Torquay;
2. informed members that there would be a tea dance and cabaret at the Redcliffe Hotel, Paignton, on Wednesday 6 November at 2 pm. This was in aid of the Chairman's Charity, the Motor Neurone Disease Association and all members were welcome to attend; and
3. relayed the following message that he had received from Chris Milord, Flt Lt RAFVR (T) for the OC 200 Torquay Squadron Air Training Corps:

'I would like to thank all the Council for the support you have given the Air Cadets over the last 10 years that I have been Commanding Officer and for the way we all made the Royal Review happen in 2012. I must also thank you for the Honour of a Diamond Jubilee Award last year.

I have a new role as Sector Commander which covers Torbay, Dawlish, Newton Abbot and Totnes.

I hope that the Squadron and Council will keep working together to give the youth of today the support they need.

It has been a great honour to serve the Bay and I hope I can still be involved in my new role.'

On behalf of the Council, the Chairman recorded thanks to Chris Milord for all his work with the Cadets.

The Mayor:

1. referred to the twinning visit to Torbay last week to celebrate the 40th anniversary of Torbay's twinning with Hamelin. The event was a success and Torbay welcomed the Lord Mayor of Hamelin and a number of former Mayors. The Mayor referred to the voluntary organisation involved with the twinning and was supportive of the ongoing progress for the twinning arrangements; and
2. advised members that Ofsted had released their provisional statistics for the Early Years outcomes. The provisional results indicated that Torbay had maintained its position of being the highest performing Local Authority. The Mayor reported that 93% of provision was judged as good or better and the percentage of outstanding provision had exceeded other authorities by 11%.

60 Petitions

In accordance with Standing Order A12, the Council received three petitions as set out in Minutes 61 to 63 below.

61 Petition - Tree outside 91 Broadpark Road, Torquay

The Council noted that a petition had been received requesting the removal of a tree outside 91 Broadpark Road, Torquay (approximately 39 signatures).

The Chairman reported, that since the publication of the Council agenda, the Service Manager (Street Scene and Place) had made the decision in respect of this tree and therefore this petition had been addressed.

62 Petition - Requesting Traffic Calming in Maidenway Road

The Council received a petition requesting traffic calming in Maidenway Road, Paignton (approximately 138 signatures).

It was noted that the petition had been referred direct to the Service Manager (Streetscene and Place) for consideration in consultation with the Transport Working Party, at the request of the petitioners.

63 Petition - To reinstate the licence for the mobile refreshment van at Cary Park, Torquay

The Council received a petition to re-instate the licence for the mobile refreshment van at Cary Park, Torquay (approximately 50 signatures).

It was noted that the petition had been referred direct to the Executive Head for Resident and Visitor Services in consultation with the Executive Member for Tourism and Harbours, at the request of the petitioners.

64 Public Question - Access to Redgate Beach

In accordance with Standing Order A24, the Council heard from Mr Griffey who had submitted a statement and question in relation to the possibility of re-opening Redgate Beach, Torquay. The Executive Lead for Business Planning and Governance responded to the statement and question that had been put forward, plus a supplementary question asked by Mr Griffey.

65 Public Question - Torbay Art Centre

In accordance with Standing Order A24, the Council heard from Mr Stride and Ms Brandon who had submitted a statement and question in relation to the Torbay Art Centre. The Executive Lead for Culture and the Arts responded to the statement and question that had been put forward, plus a supplementary question asked by Ms Brandon.

66 Members' questions

Members received the questions, as attached to the agenda, notice of which had been given in accordance with Standing Order A13.

Verbal responses were provided at the meeting. The Chairman advised that Councillor Darling had withdrawn question 6. Supplementary questions were then asked and answered in respect of questions 1, 3, 5, 8, 9, 10, 11 and 12.

67 Notice of Motion - High Speed 2 (Mayoral)

Members considered a motion, in relation to High Speed 2, notice of which was given in accordance with Standing Order A14.

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

This Council notes that the estimated costs for High Speed 2 have increased from £32 Billion to between £50 Billion and as high as £80 Billion.

In comparison, spending per head on transport infrastructure lags in the South West has significantly fallen behind compared to national rail spend.

This Council further notes that there has been unprecedented passenger growth in the South West, for example:

Patronage growth 2002-2012

Exeter/Paignton/Plymouth lines	108% increase
Plymouth/Penzance lines	184% increase
Truro lines	208% increase
Exeter/Barnstaple lines	159% increase

Torbay Council is also concerned to note that there are no plans at present to provide sufficient train capacity despite a sustained and high increase in passenger growth.

In this environment the Council feels that two key areas of concern need to be addressed.

Firstly, Modernisation:

There are currently no plans to electrify any track beyond Bristol. Electrification should be rolled out across the South West peninsular. Improved Rolling stock should accompany this work.

Secondly, Improved resilience:

The South west suffers from a number of weak points, in it's rail network, which can have a catastrophic impact on the network in poor weather conditions. The vulnerable points that need addressing include: Cowley Bridge Exeter, Dawlish sea wall and flooding on the Somerset levels.

Enhanced capacity for the Exeter to Waterloo line capacity to be enhanced to reinstate the line as a diversionary route in the event of disruption to London main line services.

In light of the above, this Council resolves to instruct the Executive Director of Operations and Finance to register our opposition to HS2 to the Secretary of State for Transport. The Government should cancel this scheme and spend a significant proportion of the monies allocated to this project to improve Rail infrastructure across the whole of England, but particularly addressing the South West of England that appears to have been left behind compared to other parts of the UK.

The Executive Director is also requested to write to Councils across Devon, Cornwall Somerset and Dorset who have a responsibility for transport advising them of this Councils actions on this matter.

In accordance with Standing Order A14.3(a), the motion stood referred to the Mayor. The Mayor referred the motion to the Transport Working Party and requested officers to approach other local authorities to join together to provide a stronger voice for rail improvements in the South West.

(Note: Prior to consideration of Minute 67, Councillor Doggett declared his non-pecuniary interest.)

68 Notice of Motion - Legal Highs (Mayoral)

Members considered a motion, in relation to legal highs, notice of which was given in accordance with Standing Order A14 (proposed by Councillor Thomas (D) and seconded by Councillor Excell). The Chairman reported that he had agreed for Councillor Lewis to second the motion as it related to his Executive Lead portfolio.

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

The Council notes that:

- A recent report, 'No Quick Fix', from the Centre for Social Justice (CSJ) dated September 2013 reported a rise in the use of new drugs, including new psychoactive substances (NPS), sometimes called 'legal highs'. They report that these are doing increasing harm to a growing number of people.
- The report highlights that that 52 people died from 'Legal Highs' in 2012, this being an increase from 28 the previous year. The report goes on to say the numbers of young people in the UK aged 15-24 who have taken a 'legal high' is estimated to be 670,000 (or 8.2 percent) – the highest in Europe.
- The report advises that these are sold in 'head shops' on the high street and over the internet, these new drugs are often chemically similar to banned drugs and have the same effects. The slight molecular differences mean they can be sold as bath salts or research chemicals, provided they carry a caution against consumption. The result of this slight chemical difference means that new drugs are not covered under the A, B, C system of the Misuse of Drugs Act and therefore legal to produce, supply and possess.
- The report states that there are 234 controlled substances that have a classification, but another 251 uncontrolled substances that don't.

The Council resolves that:

- The Government should speedily draw up and implement legislation to make 'legal highs' and any similar derivatives illegal. Furthermore to give new or amended powers to the Police and Local Authorities to enforce the new or amended legislation.

Council further resolves to:

- Write to the Home Secretary
- Write to the Police and Crime Commissioner, and
- Write to the two local MPs outlining the Council's position.

In accordance with Standing Order A14.3(a), the motion stood referred to the Mayor. The Mayor advised he would accept the motion and the record of his decision is attached to these Minutes.

69 Notice of Motion - Traffic Flow Torquay Town Centre (Mayoral)

Members considered a motion, in relation to the traffic flow in Torquay town centre, notice of which was given in accordance with Standing Order A14.

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

This Council requests that the Mayor identifies the necessary financing to reverse traffic flow in to Torquay town centre through Torre.

Council notes that recommendations from Princes Foundation, who advised Torquay Neighbourhood Forum, identified the access to the town as one that needed improving.

Council further notes that the recent Local Transport Board rejected an application for funding from the recent process and therefore alternative funding needs to be identified as a priority.

Council recognises that improving direct access in to the town will help encourage potential investors to develop sites identified within the emerging Torquay Neighbourhood Plan and in so doing stimulate regeneration.

In accordance with Standing Order A14.3(a), the motion stood referred to the Mayor. The Mayor referred the motion to the Transport Working Party.

70 Notice of Motion - Democracy Week (Council)

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

It was proposed by Councillor Cowell and seconded by Councillor Ellery:

As part of Democracy Week (14 to 18 October 2013) Torbay Council will make every effort to pilot a webcast of our 17 October Council meeting. In so doing the Council will widen the possible audience and help promote democracy.

This action will demonstrate the Mayor's objectives of being open, inclusive and democratic.

This Council resolves, in light of tight budgetary conditions, the Executive Member for Business Planning and Governance and the Executive Head for Commercial Services, in consultation with the Chairman and Councillor Cowell, investigate and consider the provision of the free services of a broadcaster (possibly local schools/colleges) who can be engaged and

assist in streaming the live webcast through both the Council and Herald Express websites.

In accordance with Standing Order A14.3(b), the Deputy Monitoring Officer advised that the motion would be dealt with by this meeting and the Chairman opened debate.

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, Barnby, Bent, Brooksbank, Butt, Cowell, Darling, Davies, Doggett, Ellery, Excell, Faulkner (A), Faulkner (J), Hernandez, James, Kingscote, Lewis, McPhail, Morey, Parrott, Pentney, Scouler, Stockman, Stringer, Thomas (D), Thomas (J) and Tyerman (28); Against: Councillors Amil, Hill, Mills and Pritchard (4); and Absent: Councillors Baldrey, Hytche, Pountney, Richards and Stocks (5). Therefore, the motion was declared carried.

71 Youth Trust (Mayoral Decision)

The Council made the following recommendation to the Mayor:

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

That the Mayor be recommended:

- (i) That Council supports the creation of a Torbay Youth Trust;
- (ii) Agreement for a full business case to be developed that considers what services and assets will be transferred to the Youth Trust within the first 2 years of operation as part of the 2014/15 budget setting; and
- (iii) The Council provides officer support towards the development of the Youth Trust and explores options for contracting with the Youth Trust to deliver appropriate youth services.

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

The Mayor considered the recommendation of the Council as set out above at the meeting and the record of his decision, together with further information, is attached to these minutes.

(Note: During consideration of Minute 71, Councillors Darling, Faulkner (J) and James declared their non-pecuniary interests.)

72 Land within Maidencombe as a Village Green (Mayoral and Council Decision)

The Council considered the submitted report setting out a request from the residents of Maidencombe for land (as shown edged red on plan EM2295) to be registered as a Town or Village Green (TVG) and proposals for the land to also be transferred to the residents.

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

Decision of the Mayor

- (i) that subject to the Council agreeing to the application to the register the Land as Town or Village Green the land be transferred for no consideration to a company set up by the residents of Maidencombe or a properly constituted trust set up for the benefit of the residents of Maidencombe; and
- (ii) that an application be made to Torbay Council in its separate capacity as Common Registration Authority for Torbay for the Land to be registered as Town or Village Green subject to the Council agreeing that registration will only be completed simultaneously with the completion of the transfer of the Land, proposed at paragraph (i); and

Decision of Full Council

- (iii) that the application to register the Land be accepted and the Land be entered in the Council's Register of Town or Village Greens by the Council's Land Charges Manager such registration to be completed simultaneously with the completion of the transfer of the Land proposed at paragraph (i) and not before.

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

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

(Note: During consideration of Minute 72, Councillor Hill declared his non-pecuniary interest.)

73 Geopark Global Conference 2016

The Council considered the submitted report on proposals for Torbay, as a member of the Geopark Global Network, to submit a bid to host the Geopark Global Conference in 2016.

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

- (i) that Council give it's approval for Torbay Council, in partnership with the English Riviera Geopark Organisation (ERGO) and the TDA, to bid to host the Geopark Global Conference in 2016; and
- (ii) that the Council commits to underwriting any shortfall in costs of hosting. It is expected that the costs will be covered by fees from delegates and with private sector sponsors.

An amendment was proposed by Councillor Morey and Councillor Davies:

That consideration of the report be deferred to the Council meeting to be held in October 2013 to allow the concerns raised at this meeting, in particular the mitigation of the exposure to the Council's costs, and enable a full and robust business case to be developed.

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

An amendment was proposed by Councillor Hernandez and Councillor Thomas (D):

- (i) that Council give it's approval for Torbay Council, in partnership with the English Riviera Geopark Organisation (ERGO) and the TDA, to bid to host the Geopark Global Conference in 2016 and a letter of intent be drawn up to support this; and
- (ii) that the Council commits to working with partners to underwrite any shortfall in costs of hosting. It is expected that the costs will be covered by fees from delegates and with private sector sponsors.

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

The substantive motion (the second amendment with the changed and additional wording) was then before Members for consideration.

In accordance with Standing Order A19.4, a recorded vote was taken on the substantive motion. The voting was taken by roll call as follows: For: the Mayor, Councillors Addis, Amil Barnby, Bent, Brooksbank, Butt, Excell, Hernandez, Hill, Kingscote, Lewis, McPhail, Mills, Pritchard, Scouler, Stockman, Thomas (D) and Thomas (J) (19); Against: Councillors Cowell, Darling, Davies, Doggett, Ellery, James, Morey, Pentney and Tyerman (9); Abstain: Councillor Parrott and Stringer (2); and Absent: Councillors Baldrey, Faulkner (A), Faulkner (J), Hytche, Pountney, Richards and Stocks, (7). Therefore, the substantive motion was declared carried.

74 Local Enterprise Partnership EU Structural & Investment Strategy (Mayoral Decision)

The Council made the following recommendation to the Mayor:

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

That the Mayor be recommended:

That the EU funding strategy currently being developed by the Local Enterprise Partnership and the thematic priorities within this are endorsed.

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

The Mayor considered the recommendation of the Council as set out above at the meeting and the record of his decision, together with further information, is attached to these minutes.

75 Plymouth City Deal (Mayoral Decision)

The Council made the following recommendation to the Mayor:

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

The Mayor be recommended to:

- (i) that Council approves the continued participation of Torbay in the development of the Plymouth City Deal; and
- (ii) that Council approves the direction and negotiating position of the Plymouth City Deal to be presented to the Local Growth Board on 9 October 2013.

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

The Mayor considered the recommendation of the Council as set out above at the meeting and the record of his decision, together with further information, is attached to these minutes.

76 Revenue Budget Monitoring (1st Quarter)

The Council noted the current projected outturn for the Revenue Budget 2013/2014 based on quarter 1 information, as set out in the submitted report.

77 Capital Budget Monitoring (1st Quarter)

The Council considered the submitted report setting out the recommendations of the Overview and Scrutiny Board in respect of the Council no longer giving loans to housing associations. It was noted that a range of affordable housing schemes were underspent. The Council also noted the views expressed at the Priorities and Resources Review Panel that affordable housing would have a positive impact on children and families in Torbay.

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

- (i) that the Mayor be requested to revisit his decision not to lend to housing associations given the need for affordable housing in Torbay and the income opportunities such lending provides; and
- (ii) that the Council should ensure that the allocated spend for affordable housing is effectively utilised to achieve short and longer term outcomes for Torbay and that, should the Mayor not reconsider his position, the Council develop a Plan B as soon as possible to put to good use the money that the Council has borrowed but is in excess of its current requirements.

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

The Mayor responded to the recommendation of the Overview and Scrutiny Board in (i) above at the meeting and in accordance with Standing Order D7.4 (in relation to Overview and Scrutiny). The Mayor did not support the recommendation as he considered there was no commitment from housing associations that they would invest the funds within Torbay.

Chairman

Record of Decisions

Notice of Motion - Legal Highs

Decision Taker

Mayor on Thursday, 26 September 2013

Decision

That the motion be supported.

Reason for the Decision

To respond to the motion.

Implementation

This decision will come into force and may be implemented on Wednesday, 9 October 2013 unless the call-in procedure is triggered (as set out in the Standing Orders in relation to Overview and Scrutiny).

Information

At the Council meeting held on 26 September 2013, members received a motion, as set out below, notice of which had been given in accordance with Standing Order A14 by Councillors Thomas (D) and Excell. The motion was seconded at the meeting by Councillor Lewis as the relevant Executive Lead.

The Council notes that:

- A recent report, 'No Quick Fix', from the Centre for Social Justice (CSJ) dated September 2013 reported a rise in the use of new drugs, including new psychoactive substances (NPS), sometimes called 'legal highs'. They report that these are doing increasing harm to a growing number of people.
- The report highlights that that 52 people died from 'Legal Highs' in 2012, this being an increase from 28 the previous year. The report goes on to say the numbers of young people in the UK aged 15-24 who have taken a 'legal high' is estimated to be 670,000 (or 8.2 percent) – the highest in Europe.
- The report advises that these are sold in 'head shops' on the high street and over the internet, these new drugs are often chemically similar to banned drugs and have the same effects. The slight molecular differences mean they can be sold as bath salts or research chemicals, provided they carry a caution against consumption. The result of this slight chemical difference means that new drugs are not covered under the A, B, C system of the Misuse of Drugs Act and therefore legal to produce, supply and possess.
- The report states that there are 234 controlled substances that have a classification, but another 251 uncontrolled substances that don't.

The Council resolves that:

- The Government should speedily draw up and implement legislation to make 'legal highs' and any similar derivatives illegal. Furthermore to give new or amended powers to The Police and Local Authorities to enforce the new or amended legislation.

Council further resolves to:

- Write to the Home Secretary
- Write to the Police and Crime Commissioner, and
- Write to the two local MPs outlining the Council's position.

Alternative Options considered and rejected at the time of the decision

None

Is this a Key Decision?

No

Does the call-in procedure apply?

Yes

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

None

Published

1 October 2013

Signed: _____
Mayor of Torbay

Date: 1 October 2013

Record of Decisions

Youth Trust

Decision Taker

Mayor on Thursday, 26 September 2013

Decision

- (i) That the creation of a Torbay Youth Trust be supported;
- (ii) That a full business case be developed to consider what services and assets will be transferred to the Youth Trust within the first 2 years of operation as part of the 2014/15 budget setting; and
- (iii) The Council provides Officer support towards the development of the Youth Trust and explores options for contracting with the Youth Trust to deliver appropriate youth services.

Reason for the Decision

To support the vision for youth services to be delivered and developed through an alternative structure to sustain services for young people.

Implementation

This decision will come into force and may be implemented on Wednesday, 9 October 2013 unless the call-in procedure is triggered (as set out in the Standing Orders in relation to Overview and Scrutiny).

Information

The creation of a Torbay Youth Trust will deliver a sustainable change in the way services are delivered for young people. Sustaining services for young people within the current financial climate is increasingly difficult for the Council. By moving the delivery of youth services away from the Council and investing in the voluntary and community sector will enable alternative funding solutions to be used that are inaccessible by the Council. The creation of a Trust will also enable young people to be at the heart of shaping future services.

The Mayor supported the recommendations of the Council made on 26 September 2013, as set out in his decision above.

Alternative Options considered and rejected at the time of the decision

Alternative options are set out in the submitted report.

Is this a Key Decision?

Yes – Reference Number: I013897

Does the call-in procedure apply?

Yes

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

Councillor Darling declared a non pecuniary interest as he was a member of the Management Committee of the Acorn Centre and a scout leader for the 11th Torbay Sea Scouts.

Councillor Faulkner (J) declared a non pecuniary interest as she was the Chair of Chill'ed Out, Vice Chair of the Acorn Centre and member/president of the Windmill Centre.

Councillor James declared a non pecuniary interest as he was a trustee for Brixham Youth Enquiry Service.

Published

1 October 2013

Signed: _____
Mayor of Torbay

Date: 1 October 2013

Record of Decisions

Land within Maidencombe as a Village Green

Decision Taker

Mayor on Thursday, 26 September 2013

Decision

- (i) That the land, shown edged red on plan EM2295, be transferred for no consideration to a company set up by the residents of Maidencombe or a properly constituted trust set up for the benefit of the residents of Maidencombe; and
- (ii) that an application be made to Torbay Council in its separate capacity as Common Registration Authority for Torbay for the Land to be registered as Town or Village Green (TVG).

Reason for the Decision

To respond to the residents of Maidencombe to register the land as a Town and Village Green (TVG) and to transfer responsibility of maintaining the land to the residents once it has been registered as a TVG.

Implementation

This decision will come into force and may be implemented on Wednesday, 9 October 2013 unless the call-in procedure is triggered (as set out in the Standing Orders in relation to Overview and Scrutiny).

Information

Residents of Maidencombe have asked for the land shown edged red on plan EM2295 (as attached to the submitted report) to be registered as Town or Village Green. Prior to the registration it is intended to transfer the land to the residents (either to a company set up by the residents or a trust with two or more residents acting as trustees) to enable them to control the future use of the land so far as it is consistent with its status as a TVG. It is intended that the Torbay Coast and Countryside Trust will continue to be responsible for the maintenance of the land.

The Council at its meeting on 26 September 2013, accepted the application for the land to be entered in the Council's register of Town or Village Greens.

The Mayor also supported the recommendations of the Council made on 26 September 2013, as set out in his decision above.

Alternative Options considered and rejected at the time of the decision

Alternative options are set out in the submitted report.

Is this a Key Decision?

No

Does the call-in procedure apply?

Yes

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

Councillor Hill declared a non pecuniary interest as was a trustee of Torbay Coast and Countryside Trust.

Councillor Faulkner (A) declared a non pecuniary interest as he had been working with the residents committee.

Published

1 October 2013

Signed: _____
Mayor of Torbay

Date: 1 October 2013

Record of Decisions

Local Enterprise Partnership EU Structural & Investment Strategy

Decision Taker

Mayor on Thursday, 26 September 2013

Decision

That the EU funding strategy currently being developed by the Local Enterprise Partnership (LEP) and the thematic priorities within this are endorsed.

Reason for the Decision

To ensure Torbay demonstrates its support of the priorities included within the draft Structural and Investment Fund strategy which will result in Torbay having influence over the final document and ultimately the available funding for activities within the Torbay area.

Implementation

The decision will come into force and may be implemented on 1 October 2013. The Overview and Scrutiny Co-ordinator was consulted and agreed that the decision was urgent and it would not be in the Council or the public's interest for call-in to apply.

Information

The Government is devolving much of the administration of EU funding for 2014 to 2020 to Local Enterprise Partnerships (LEPs). This includes being allocated funding which LEPs must decide how to spend. The Heart of the South West LEP has been allocated €118 million over 7 years. To receive the funding LEPs must create a Structural and Investment Fund strategy to be submitted to the Government by 7 October 2013.

LEP partners, particularly Local Authorities, are requested to endorse the developing strategy to demonstrate to Government that it is supported and will meet local need.

The Mayor supported the recommendation of the Council made on 26 September 2013, as set out in his decision above.

Alternative Options considered and rejected at the time of the decision

Alternative options are set out in the submitted report.

Is this a Key Decision?

Yes – Reference Number: I014432

Does the call-in procedure apply?

No

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

None

Published

1 October 2013

Signed: _____
Mayor of Torbay

Date: 1 October 2013

Record of Decisions

Plymouth City Deal

Decision Taker

Mayor on Thursday, 26 September 2013

Decision

- (i) That the continued participation of Torbay in the development of the Plymouth City Deal be approved and
- (ii) That the direction and negotiating position of the Plymouth City Deal to be presented to the Local Growth Board in October 2013 be approved.

Reason for the Decision

To provide support to the City Deal which if successful has the potential to bring investment into Torbay and support the implementation of the Economic Strategy.

Implementation

This decision will come into force and may be implemented on Wednesday 9 October 2013 unless the call-in procedure is triggered (as set out in the Standing Orders in relation to Overview and Scrutiny).

Information

The Government is changing the way it seeks to deliver economic growth and is offering local partners an opportunity to shape how growth is generated in their areas. Plymouth has been asked to submit a proposal for a City Deal which if successful will result in support for the area covered by the Deal.

The City Deal covers two local enterprise partnerships (LEPs) Heart of the South West LEP (includes Torbay) and Cornwall and the Isles of Scilly LEP. The proposals focus on a vision of Plymouth and the Peninsula as a world leader in the maritime sector and names Brixham as one of the key strategic sites. It also includes an export readiness programme and skills provision which offer opportunities for Torbay and links to local priorities to create jobs and generate economic growth.

Torbay has been engaged in the development of a City Deal and proposals are being presented to the Government in October 2013.

The Mayor supported the recommendations of the Council made on 26 September 2013, as set out in his decision above.

Alternative Options considered and rejected at the time of the decision

Alternative options are set out in the submitted report.

Is this a Key Decision?

Yes – Reference Number: I013896

Does the call-in procedure apply?

Yes

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

None

Published

1 October 2013

Signed: _____
Mayor of Torbay

Date: 1 October 2013

Agenda Item 7a

Question to the Mayor and Executive Lead for Employment and Regeneration, Finance and Audit (Mayor Oliver)

At the beginning of any motion members are required to register any potential conflict of interest.

In 2004 the council carried out a review of the value of Tourism in Torbay and a plan for 2005-2015. To quote from the review "the potential of Torbay **can only be realised** through focused, partnership working; **the success** of this strategy is **wholly dependent on a partnership approach** with all tourism related bodies and organisations - **only by working together will Torbay's tourism industry evolve and thrive**".

In 2009 the council introduced a turning the tide strategy since unfortunately between 2005 to 2009 the number of bed nights sold in the bay actually fell by 28% from 6.09 million to 4.35 million; with an estimated fall per annum of a staggering £46 million per year from the Torbay economy.

The council was recommended by the TDA to address this decline through the introduction of the English Riviera Tourism Company; a public / private partnership company which could be the body of partnership referred to in 2004.

From a standing start the ERTC has been a multiple award winning business, but more importantly driving the foot fall of visitors back to the bay and introducing brilliant on-line and off online material to market the bay to the wider world.

However recent revelations reveal the Mayor's desire to fully cut the council's commitment to the ERTC within 16 month, which would effectively close this company and with it cause a major breach in Torbay's Financial Sea Wall defences.

There are also claims of potential conflicts of interest in this decision with the Mayor's links, both historical and present with a competitive tourism organisation; Torbay Hospitality Association.

In light of these allegations and the potential serious damage to the Torbay economy may I ask the Mayor to stand aside from budget decisions and delegate to a colleague? This delegation he has done already surrounding Miss England (where the THA received grants from the council) and building work on the town hall car park (property in the area) to Deputy Mayor, Cllr David Thomas.

This would reassure the industry and protect the name of the Mayor, the Mayor's office and possibly Torbay council from disrepute.

Submitted by Martin Brooks

Agenda Item 7b

Question to the Executive Lead for Highways, Transport and Environment
(Councillor Hill)

It is now a year since a landslip occurred on land opposite the Bowls Club on Lymington Road, Torquay.

This has resulted in a large section of pavement being cordoned off (resulting in people having to walk in the road), and 4 or 5 parking spaces are out of use. Not only does this mean that those spaces are not available for the public to use, but also the Council is not receiving much needed income from the parking meters.

The need for action to be taken to make this area safe has been made all the more urgent by trees recently falling down causing Lymington Road to be blocked for two days.

Can the Council outline what action has been taken in the past 12 months in relation to this landslip, and what urgent action they propose to take to remedy the situation?

Submitted by Swithin Long

Agenda Item 7c

Question to the Deputy Mayor and Executive Lead for Strategic Planning, Housing and Energy (Councillor Thomas (D))

The former B & Q store in Torre has lain empty for a number of years.

The Council has consulted on a scheme for housing and community facilities, but since the consultation nothing has happened and the site remains empty and unused. In the meantime many local residents are crying out for quality housing.

Can the Council provide an update on what is happening with the scheme it consulted on?

Submitted by Swithin Long

Agenda Item 8

Meeting of the Council

Thursday, 5 December 2013

Questions Under Standing Order A13

<p>Question (1) by Councillor Doggett to the Executive Lead for Strategic Planning, Housing and Energy (Councillor Thomas D)</p>	<p>A local residents has been in touch to advise that the lights are on in the public toilets at Corbyn Head, Preston Beach, Paignton Beach and Goodrington Beach at night when the toilets are closed.</p> <p>At a time when the Council has turned off the lights in a number of streets as part of budget cuts, why are the lights burning in closed toilets?</p>
<p>Question (2) by Councillor Darling to the Mayor and Executive Lead for Employment and Regeneration, Finance and Audit (Mayor Oliver)</p>	<p>On 18 July 2013 the following Notice of Motion was put.</p> <p>Notice of Motion – Supermarket Levy</p> <p>This Council submits the following proposition under the Sustainable Communities Act:</p> <p>‘That the Secretary of State gives Local Authorities the power to introduce a local levy of 8.5% of the rate on large retail outlets in their area with a rateable annual value not less than £500,000 and requires that the revenue from this levy be retained by the Local Authority in order to be used to improve local communities in their areas by promoting local economic activity, local services and facilities, social and community wellbeing and environmental protection.’</p> <p>The Council notes that if this power was acquired it would present the opportunity to raise further revenue, and if such a levy was provided in Torbay it would result in the impact set out in the table below.</p> <p>The Council resolves to submit the proposal to the government under the Sustainable Communities Act and to work together with Local Works in order to gain support for the proposal from other councils in the region and across the country.</p> <p>Proposed by Councillor Darling Seconded by Councillor Pountney</p> <p>The Mayor appeared to be positive about this proposal. Can he give an update on this matter to Full Council?</p>

<p>Question (3) by Councillor Pentney to the Mayor and Executive Lead for Employment and Regeneration, Finance and Audit (Mayor Oliver)</p>	<p>The youth unemployment review by Overview and Scrutiny stated that the Torbay Council should lead by example in light of this does the Mayor consider that only three apprenticeships created by Torbay Council is good enough? Torbay Hospital has eighty.</p>
<p>Question (4) by Councillor Darling to the Executive Lead for Business Planning and Governance (Councillor Mills)</p>	<p>Can you please provide a breakdown, by department, of the number of redundancy notices that have been issued to Council employees in the past two months?</p>
<p>Question (5) by Councillor James to the Executive Lead for Children, Schools and Families (Councillor Pritchard)</p>	<p>Would the Mayor or yourself consider writing to government ministers to ask them to investigate linking school success outcomes to the number of young people they get into work after leaving full time education, in order to incentivise schools to focus more on preparing young people for the world of work and ensuring they have the skills employers require so they can find a job easier.</p>
<p>Question (6) by Councillor Darling to the Executive Lead for Business Planning and Governance (Councillor Mills)</p>	<p>Can you please advise in the last 12 months how many work experience placements were facilitated by Torbay Council and how many of these places were for looked after children?</p>
<p>Question (7) by Councillor James to the Executive Lead for Business Planning and Governance (Councillor Mills)</p>	<p>How much time is being spent wasted on a slow IT system leading to lost productivity? How much would it cost to upgrade the systems to the latest operating systems e.g. windows 7 or 8, or to purchase new computers and would this lead to cost savings for the next financial year from time no longer spent waiting for slow computers to work?</p>
<p>Question (8) by Councillor Darling to the Mayor and Executive Lead for Employment and Regeneration, Finance and Audit (Mayor Oliver)</p>	<p>At the Council meeting on 18 July 2013 I submitted the following question:</p> <p>‘On 17 April 2013 Torbay Council hosted the Local Government Association officers to conduct a work shop in which Councillors and Senior officers considered what financial pressures would be facing Torbay Council beyond 2015 and how cross party solutions could be developed in the interests of protecting our community from Government cuts. At the meeting there was an assurance that there would be a follow</p>

	<p>up meeting to develop such a way forward. At the time of submitting this question three months have passed and no meeting has been arranged. I would welcome an explanation?’</p> <p>In response the Mayor stated that he planned the follow up meeting to take place in October. Can he please advise which October?</p>
<p>Question (9) by Councillor James to the Mayor and Executive Lead for Employment and Regeneration, Finance and Audit (Mayor Oliver)</p>	<p>When the new Tesco is built in Brixham, it is planned to give 1.5 hours free parking to shoppers. However this would not give people enough time to go around the local shops too which could undermine the sustainability of our high street. Would you consider extending it to two hours free parking so that the town is not disadvantaged by this development?</p>
<p>Question (10) by Councillor James to the Mayor and Executive Lead for Employment and Regeneration, Finance and Audit (Mayor Oliver)</p>	<p>Does the council have any funds e.g. pensions, invested or saved in any company that might be considered ethically dubious, for example companies involved in the arms trade, tobacco, gambling or alcohol? If so, how much is this, which companies, and have you investigated the opportunities for moving these investments to more ethical funding opportunities?</p>
<p>Question (11) by Councillor James to the Mayor and Executive Lead for Employment and Regeneration, Finance and Audit (Mayor Oliver)</p>	<p>In run up to Christmas, this council is taking 1100 of our poorest residents to court over non payment of council tax, some of these are people who won’t even be able to afford to get their kids a Christmas present this year. What would you like to say to them and will you be doing anything to help them?</p>
<p>Question (12) by Councillor James to the Executive Lead for Highways, Transport and Environment (Councillor Hill)</p>	<p>Alongside bullying and youth unemployment, Young people consistently raise the issue of Transport costs as something that needs sorting out in Torbay. Stagecoach made almost £3 billion in revenue last year and it is my understanding that the number 12 bus route is the most profitable route in the country, yet we are one of the most deprived areas. What will the Mayor or yourself be doing to address this concern that young people have about the costs of buses in Torbay?</p>
<p>Question (13) by Councillor Faulkner (J) to the Mayor and Executive Lead for Employment and Regeneration, Finance and Audit</p>	<p>Is it appropriate that Torbay Council are taking Torquay shop mobility to court for not paying £75 Business Improvement District contribution? This is a charitable organisation and funders would expect contributions would assist in helping those with mobility problems accessing Torquay shops.</p>

(Mayor Oliver)	
Question (14) by Councillor Cowell to the Mayor and Executive Lead for Employment and Regeneration, Finance and Audit (Mayor Oliver)	<p>Can the Mayor explain how holding one general budget meeting (in Torquay – what about Paignton and Brixham?) counts as consultation? Does he not agree with me that it is right and proper to explain the impact of the £22m budget cuts with as many members of the community, residential and business, as possible?</p> <p>Can he also confirm who will be answerable for his budget during his absence in December?</p>

Agenda Item 9a

Council Meeting

5 December 2013

Council Motion – Change of Governance System (Mayoral decision)

This Council notes:

- that in order to change its present system of governance it is required to hold a referendum of Torbay's electorate;
- the earliest any referendum can be held is July 2015 which is after the next local elections;
- any referendum can only specify one alternative system of governance (i.e. committee system or leader and cabinet); and
- any referendum will incur a cost to the Council.

Therefore, this Council resolves that the Executive Head Business Services be requested to undertake a public consultation exercise to determine:

- (a) Whether the public wish to change the present mayoral system of governance; and
- (b) If so, what the preferred system of governance would be.

Proposed by Councillor Darling

Seconded by Councillor Pentney

Council Meeting

5 December 2013

Notice of Motion Developing a Tourism Bid (Mayoral Decision)

This Council notes the success of the English Riviera Tourism Company in promoting tourism and raising standards of tourism in the bay.

This Council also notes the significant financial stress that Torbay Council faces in the next few years.

In light of the above, this Council opposes the development of a bay wide Business Improvement District and will instead establish a Tourism Business Improvement District for Torbay to ensure the long term financial stability for the English Riviera Tourism Company.

Proposer: Steve Darling

Seconder: Ruth Pentney



Risk Log
Gateway X of the Torbay Council Project Management Methodology



Risk Log

Issue Date:



Meeting: Council

Date: 5 November 2013

Wards Affected: All

Report Title: Future State Process Project

Executive Lead Contact Details: Cllr Dave Thomas, Deputy Mayor and Executive Lead for Strategy, Planning, Housing & Energy, Tel: 01803 207069 and Email: dave.thomas@torbay.gov.uk

Supporting Officer Contact Details: Charles Uzzell, Director of Place, Tel: 01803 207701 and Email: charles.uzzell@torbay.gov.uk

1. Purpose and Introduction

- 1.1 The project is required as there is significant pressure on Council budgets. The contractual relationship between the Council and TOR2 in its current form does not provide the opportunity for the introduction of substantial process efficiencies to meet budget targets without a fundamental change to the interactions between both parties, processes and the organisational structure of both the Council and TOR2 in relation to Waste & Recycling, Street Scene, Assets and TOR2 and calls to the Call Centre that relate directly to TOR 2 services.

2. Proposed Decision

Risk Log

Issue Date:

That the Mayor be recommended:

- 2.1 To approve the implementation of Future State processes, organisational structures and auditing of the contract to contribute towards a target of £930.5k in savings between Torbay Council, TOR2 and other contractors. The target savings breakdown as follows:
- TOR2 - £369,000 (50% to Torbay Council)
 - Torbay Council, Resident & Visitors: £521,500
 - Torbay Council, Contact Centre: £40,000
 - Other departments: To be determined.
- 2.2 To delegate authority to the Director of Place in consultation with the Mayor and Executive Leads to align the organisational structure of the Council to Future State processes to meet resource and efficiency savings. In this regard:
- It is recommended that the management of all property Assets, with the exception of Highways and Street Scene in the first instance are centralised under Torbay Development Agency.
 - It is recommended that the Council Structure will mirror the changes that TOR2 have made in aligning the business around work types – Ordered/Programmed, Reactive and Cyclical work.
 - It is recommended that the calls relating to TOR2 are moved from the Torbay Contact Centre and are taken by the TOR2 Control Hub.
- 2.3 That Torbay Council and TOR2 continue working towards the current performance standards and implement a process of continual performance improvement and auditing of the Joint Venture.

3.0 Reason for Decision

Risk Log

Issue Date:

3.1 Moving both TOR2 and Torbay Council to a Future State will enable both organisations to meet current and future budget targets', also failure to make savings from the revised processes and organisational structures will result in a reduction of services provided by TOR2.

Supporting Information

4. Position

4.1 The Torbay Council/TOR2 Future State Process project is designed to move both the Council and TOR2 from their current inefficient state processes to more efficient processes, realising cost savings and improvement in service delivery. The existing processes have already been documented through a series of joint workshops highlighting where there are duplications, inefficiencies and processes that do not add value.

4.2 Future State will:

- Establish a joined up approach (TOR2 & Torbay Council) leading to greater customer service and reduced complexity.
- Implement Future State Processes based on lean principles that will increase efficiencies and release cashable cost savings.
- Maintain existing service standards and level of performance to residents and visitors to Torbay unless both parties agree a revised standard.
- Move to a Business Improvement approach whilst maintaining effective performance management.
- Simplify processes making them easier to understand and administer.

Risk Log	Issue Date:
<ul style="list-style-type: none"> ● Develop a 'One Team' approach, raising Customer Service and reducing complexity. ● Meet the Council's requirement to make minimum savings over the next 2/3yrs ● Achieve direct Council savings through the removal of duplication, increased self certification, shared systems and services. ● Drive the reduction of Reactive work - which is the most costly and inefficient and increase Cyclical and Ordered/Programme work – which is more cost effective, along with getting it right first time. (See Appendix 2). 	
<p>4.3 TOR2 and Torbay Council have already mapped their current state process and have presented a future state process for their business. TOR2 have forecast a saving of £369k per annum through re-organisation, of processes and the centralisation of a control hub; along with an improvement in productivity through effective and timely information.</p>	
<p>4.4 The council have forecast £561.5k of savings that can be attributed to Future State within their current budget savings in Resident & Visitors and the Contact Centre. To achieve these saving there will be a requirement to design and agree the future state organisational structure of the Council within the context of restructuring due to budget cuts. There will also need future state processes to be implemented across all the work that Residents & Visitors undertake, not just in relation to TOR2 and other services within the Council and the TDA.</p>	
<p>4.5 There is significant commitment from the Council Executive, TOR2 and Elected Members (Cross Party Project Board); especially with the current climate of austerity still impacting budgets.</p>	
<p>5. Possibilities and Options</p>	

Risk Log	Issue Date:
<p>5.1 There is an option to retain the existing organisational structures and revert to original contract requirements for efficiencies to be introduced annually via the JVC efficiency plan. This option may deliver some improvements but relies on cuts to existing front line public services to achieve savings.</p>	
<p>5.2 Another option could be to implement as far as possible the reorganised processes already identified within just the TOR2 operation. However just reorganising TOR2 around the Future State processes will lead to limited efficiencies, as there will still be a significant interface from Torbay Council, which will lead to increased costs of doing business and there will be no savings made by Torbay Council.</p>	
<p>5.3 Minor improvements around streamlining of processes is another option. This will involve the implementation of IT led workflows. This will lead to improved processes and reduce re-work, but it won't give significant savings on its own.</p>	
<p>5.4 All of the above options do not lead to the significant savings that are required to meet budget targets, they also do not allow for and end to end look at how Torbay Council & TOR2 work. Doing the Future State Processes will lead to greater efficiencies, scalability of service, cashable budget savings and a closer working partnership.</p>	
<p>6. Fair Decision Making</p>	
<p>6.1 The business case for this project was presented to the Councillors by Charles Uzzell and Peter Woodhead on 7th August 2013 at the Place Policy Development Group (PPDG). The Project Manager has also met with stakeholders or their representatives throughout the project.</p>	
<p>7. Public Services (Social Value) Act 2012</p>	

Risk Log

Issue Date:

- 7.1 There are no requirements to procure services, as there is already a contract in place between Torbay Council and TOR2.
 - 8. Consultation**
 - 8.1 There has been a consultation with all key stakeholders or representatives for both Torbay Council and TOR2.
 - 8.2 All Councillors have been made aware of the project through the PPDG or meetings with individual Councillors. There is also cross party representation on the Project Board. The Councillors concerns' at the PPDG was that the significant savings promised are delivered with minimal impact to service delivery to the public.
 - 8.3 The Council Executive and Executive Heads of department have been kept informed of the project and proposals by the representatives on the Project Board and the Project Manager.
 - 8.4 Torbay Councils Legal, Audit and Procurement teams has been engaged in the latter stages of the project to ensure we are complying with any legal requirements, along with seeking their advice on any potential changes that were being investigated.
 - 9. Risks**
 - 9.1 Please find the Risk log in the appendices – Appendix 1.
- Appendices**
- Appendix 1 – Risk Log.



Risk Log

Issue Date:

Appendix 2 – Reactive Reduction Model.
Appendix 1

RISK LOG

TOR2 Future State Process Project

Version: 1

Date: 06/09/13

PRINCE 2 - Gateway 1

Author: John Greaves

Project Sponsor: Juan Hernandez

Client: Torbay Council



Risk Log **Issue Date:** _____ **Document Number: PR6**

Categories:

- P = Political - change of policy, administration (locally/nationally) minor impact on schedule or cost. No impact on benefits
- E = Economic/Financial - (int rates/tax/inflation/market dev) impact on benefits
- S = Social - changing demographic, residential, socio-economic on benefits
- T = Technological - infrastructure failure, inadequate design etc
- L = Legislative - planning, contractual, regulatory
- En = Environmental - climate change, transport, energy, waste
- C = Competitive - costs/quality
- CC = Customer- community needs/expectations
- Cm = Community - natural, severe weather, pandemic, pollution
Medium Risk
- Par = Partnership - scope creep, failing to deliver/expectations
Risk
- Org = Organisational - corporate policies, management, conflict
- Ph = Physical - Health & safety, fire, buildings, plant, equipment
- K = Knowledge/information - breaches, loss of intellectual rights
- F = Financial - budget, funding, insurance, investments, fraud
- S = Staff - negligence, human error, lack of skills, capacity

Probability Score:

- 2 = Medium - fairly likely 1 - 20%
- 3 = High - almost certain 21-50%
- 4 = Very high - certain >50%

Impact Score:

- 1 = Low - unlikely <1% 1 = Low -
- 2 = Medium - moderate impact on schedule or cost. Minor
- 3 = High - significant impact on schedule or cost. Major impact
- 4 = Very high - major impact on project. Loss of benefits

Countermeasures (CM):

- P = Prevention/avoidance
- A = Acceptance
- C = Contingency

Risk Score/Rating

- 1 - 4 = Low Risk 6 - 8 =
- R = Reduction 9 - 16 = High
- T = Transfer to 3rd party

Risk Log

Issue Date:

R = Reputation - public opinion, news, confidence/stakeholder trust

ID No	Description	Category	Probability		Impact		Risk Score		Counter Measures	Owner	Author	Date ID	Last Update	Current Status/ Mitigation/Contingency	Indicator
			1 - 4	1 - 4	1 - 4	1 - 4	Prob x Impact								
1	Political pressure for project to be completed by October for the next budget review	P, E, F	2	3	6				P	CU	JG	26/02/13	26/02/13	Structure project plan to allow for cost savings to be decided before implementation, this will give us time to get the information, report cost savings in time for budget review, then implement before new financial year.	☺ = Warm ☹ = Alert
2	Redundancies - unfair dismissal/TUPE	F, S, R	1	2	2				P	CU	JG	26/02/13	26/02/13	Ensure stakeholders - HR & Unions etc are involved in the process and ensure transparent process.	
3	Cost of change	E	2	3	6				C	CU	JG	26/02/13	26/03/13	The cost of potentially reducing the staff levels may lead to a significantly longer payback period. Will only know the full extent of this risk once completed the baseline.	
4	Resistance to change	P, par, Or, S, S	3	3	9				P	PW & SC	JG	26/02/13	26/02/13	Due to the project introducing significant change to whole process of interaction between TOR2 and Torbay Council. We need to ensure that Stakeholders are involved at an early stage and that there is buy in from Managers at all levels.	
5	The council savings are not realised - staff will absorb additional work	Org	3	2	6				P	CU	JG	06/06/13	06/06/13	We need to ensure that this is monitored throughout the project, so it doesn't become a high risk.	

Risk Log

Issue Date:

ID No	Description	Category	Probability		Impact	Risk Score		Counter Measures	Owner	Author	Date ID	Last Update	Current Status/ Mitigation/Contingency	Indicator 😊 = Warm 😡 = Alert
			1 - 4	1 - 4		Prob x Impact	Prob x Impact							
6	There is a channel shift for correspondence during the project (e.g. Twitter, Facebook)	T, CC, Org	2	1	1	2	2	A	PW	JG	06/06/13	06/06/13	This could be seen as a positive move, with issues highlighted and responded to immediately, need to ensure that social media works for us and not against us.	😊
7	Politicians don't understand and own the consequences	P, CC	3	3	3	9	R	PW & CU	JG	06/06/13	06/06/13	Cross party representation on the board to ensure that the necessary messages are communicated to the Councillors.	😡	
8	Some aspects of the process are not under the ownership of Peter Woodhead or Sue Cheriton	Par, Org	3	2	2	6	R	CU	JG	06/06/13	06/06/13	Ensure that all of the SLT and Exec Heads are fully aware of the project and get their agreement to participate as required.	😊	
9	Top level changes in Torbay Council and Keir MG could impact the project.	Org	1	1	1	1	C	SA & CU	JG	06/06/13	06/06/13	The impending merger between May Gurney and a 3r Party could impact on the project, but currently we aren't sure to what extent if any. The Council are going through change management and also recruitment for new Chief Exec, again there is nothing to suggest that it will impact the project. There is some contingency built in as merger should happen before we get to implementation stage.	😊	
10	Cost Shift - the work and cost is transferred elsewhere in the council	Org, F	3	3	3	9	P	SC	JG	06/06/13	06/06/13	Need to make sure this is prevented from happening as in effect we could be double	😡	

Risk Log

Issue Date:

ID No	Description	Category	Probability		Impact	Risk Score		Counter Measures	Owner	Author	Date ID	Last Update	Current Status/ Mitigation/Contingency	Indicator 😊 = Warm 😡 = Alert
			1 - 4	1 - 4		Prob x Impact	Prob x Impact							
	or Tor2													
11	Increase in 3 rd Party claims	F	2	1	2	2	2	R	PC	JG	06/06/13	06/06/13	This needs to be kept under review.	
12	Reputational Risk	R	2	1	2	2	2	P	SC	JG	06/06/13	06/06/13	Keep project within budget and deliver services to the public.	
13	Resources pulled off or do not have sufficient time.	Org	3	3	9	3	9	C	CU & PW	JG	06/06/13	06/06/13	Time scales are tight; however, there is a small contingency built in that can be used to manage a change in resource.	
14	Impact of project on staff affects service/performance	S	2	1	2	2	2	P	JH & SH	JG	06/06/13	06/06/13	Ensure lines of communication remain open and staff are kept up to date with developments.	
15	Inaccurate/incomplete base data	Par, K	2	2	4	2	4	P	CS & JH	JG	06/06/13	06/06/13	We need good base data to know if we are making a difference. What needs to be recorded will be defined.	
16	Delays in capex funding	F	3	1	3	3	3	C	SC & PW	JG	06/06/13	06/06/13	We need to build in a contingency to enable us to cover expenditure should there be a delay in Capex funding.	
17	Inadequate resource for TOR2 to grow the business outside of council work.	E, PAR, F	2	2	4	2	4	A	PW	JG	06/06/13	06/06/13	Until we know the extent of what is required with regards to resource for the FSP, we have no idea what will be left over to devote to growing the TOR2 business.	
18	Implementation from April - savings	F	3	2	6	3	6	A	CU	JG	25/06/13	25/06/13	Do to the potential scale of the change, some of the changes may take longer to implement and	



Risk Log
Gateway X of the Torbay Council Project Management Methodology



Risk Log

Issue Date:

ID No	Description	Category		Probability	Impact	Risk Score		Counter Measures	Owner	Author	Date ID	Last Update	Current Status/ Mitigation/Contingency	Indicator
		1 - 4	1 - 4			1 - 4	Prob x Impact							
	realisation										13	13	won't meet the April 2014 timescale	☺ = Warm ☹ = Alert

Distribution:

Abbreviations:

Initials	Name
PW	Pete Woodhead
JG	John Greaves
CU	Charles Uzzell
SA	Steve Ashman
SC	Sue Cheriton
PC	Patrick Carney



Risk Log

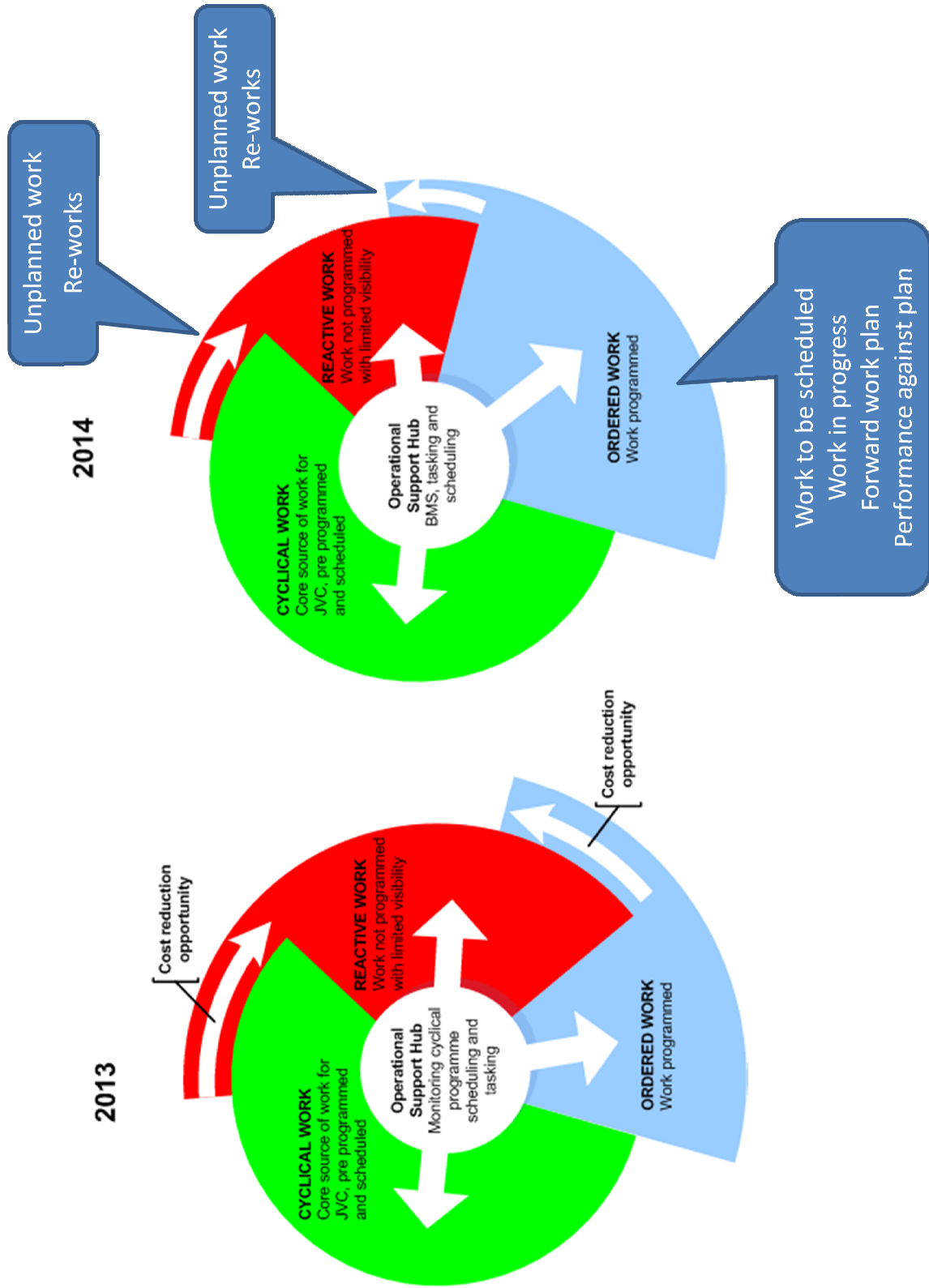
This document has been distributed to:

Issue Date:

Name	Department	Date of Issue
Peter Woodhead	TOR2	07/06/13
Charles Uzzell	TC – Commissioners	07/06/13
Sue Cheriton	TC – R&V	07/06/13
Patrick Carney	TC – Streetscene	07/06/13
Claire Shears	TC - Assets	07/06/13
Ian Hartley	TC - Waste	07/06/13
Yvette Ball	TC – Contract Manager	07/06/13
Juan Hernandez	TOR2	07/06/13
Tony Milton	TOR2	07/06/13
Stephen Gunter	TOR2	07/06/13

JH	Juan Hernandez
SH	Steve Hurley
CS	Claire Shears

Appendix 2 : Reactive Reduction Model.



Agenda Item 11



Title: **White Rock Land Swap**

Public Agenda Item: **Yes**

Wards Affected: **Blatchcombe**

To: **Adjourned Annual Council** On: **5th December 2013**

Key Decision: **Yes**

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

Contact Officer: **Alan Denby**

☎ Telephone: **01803 208671**

✉ E.mail: **Alan.denby@tedcltd.com**

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

- 1.1 This report is an update to a previous report and minute. The Torbay Development Agency (TDA) is seeking to take forward the Council's economic strategy, support growing businesses and create new jobs by building a new business centre at Whiterock Business Park. It is anticipated that this will create up to 30,000 square feet of new workspace for businesses.
- 1.2 In delivering this project an estimated 220 gross new jobs will be created with additional value to the local economy in excess of £2 million per annum.
- 1.3 Further to the report presented to Council 16th May 2012, funding of just over £3 million was sought from the South West European Regional Development Fund (ERDF) Competitiveness programme. In September the Council was advised that the bid was unsuccessful with available ERDF funding having declined due to other pressures not least of which the erosion of funds because of a changing exchange rate. Despite this news it is still the intention of the TDA to support delivery of the Economic Strategy through the project and bring about the predicted benefits for the local economy.
- 1.4 The site to be acquired for the new business centre is adjacent the hotel at Whiterock Business Park. The TDA has negotiated a land deal for the Council to acquire this land from the present landowner in exchange for land owned by the Council nearby (the former PLUSS site).
- 1.5 The TDA would like to seek authority to complete the land swap deal urgently because this is the best site available. Should funding not be secured within 2 years the landowner will buy the site back from the Council at the market value at the time (subject to a minimum price, of £275,000).

- 1.6 There is an outstanding sum of £154,000 from DWP on the PLUSS development which will need to be repaid although this was repayable at the point PLUSS ceased to operate from the site around 12 months ago. The earlier report of May 2012 set out that repayment of this sum will need to form part of the business case for the business centre.
- 1.7 In line with the Council's corporate plan this project will help develop a successful economy and improve job prospects within the community. It will also support the driving business growth priority of the Council's economic strategy.

2. Recommendation(s) for decision

Decision for Mayor

- 2.1 That the Council enters into a land swap with Abacus Project Limited. Namely: Council to transfer the PLUSS site at Whiterock in return for the transfer of Abacus Project Limited's site fronting onto Brixham Road.

3. Key points and reasons for recommendations

- 3.1 The existing Innovation Centre sites at Vantage Point (Paignton) and Lymington Road (Torquay) cover approximately 13,000 square feet and provide space to 42 businesses. In the past year 80 jobs have been created and since the centres began operating in 2006 this number is over 300 jobs. The occupancy rate for the centres is in excess of 85% which exceeds the expected level for this type of facility.
- 3.2 The current extent of support for start up businesses will continue to create a pipeline of demand that will be attracted to space offered through the Innovation Centres. This will be complemented by an active inward investment programme which is now receiving leads from the US as part of the Mayor's commitment to grow the local economy. This third phase will also provide grow on space for tenants and high quality space particularly for businesses in the following sectors;
- Electronics & photonics
 - Creative sectors
 - Medical technologies
 - Professional & financial services
- 3.3 The award of funding to the South Devon Link Road and the evidence that was presented to Government on the economic benefits to Torbay means it is important that the Council continues its strong commitment to economic growth.
- 3.4 Subject to the specific recommendations in this report a further report will be brought forward detailing how the project will be delivered.
- 3.5 A revised scheme is being prepared which will provide, at the Whiterock Business Park, a building of up to 30,000 square feet with 23,500 square feet of lettable space. A revised business case, setting out how the scheme can be

funded in the probable absence of alternative external grants is currently being prepared, and the TDA anticipates that a project cost of £3.5-4M will be achievable based on cost comparison data¹. The space will create and sustain an estimated 200 jobs and an additional £2m per year of economic benefits to Torbay.

- 3.6 Every effort will continue to be made to identify sources of external grant funding however the project does not fit the parameters for Regional Growth Fund and it is not anticipated that there will be other available grants. Loan funding through the Heart of the SW local enterprise partnership will be explored. If other funding can be secured this will be matched by the previously approved funding.
- 3.7 Should it prove impossible to develop a viable project the landowner will buy the site back at the market value at the time (subject to a minimum price, of £275,000).
- 3.8 The project will help to improve Torbay's economic performance. In turn this improvement to economic performance will reduce child poverty, reduce the cost of deprivation to the public sector, improve job opportunities and encourage our young people to remain in the Bay.

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

Steve Parrock
Chief Executive Torbay Economic Development Company Ltd

¹ Gleeds Cost Comparison report August 2013

Supporting information to Report

A1. Introduction and history

A1.1 The Torbay Economic Development Company (TEDC) operates two Innovation Centres through the South West Innovation Centres banner. It also manages the Cockington Court Craft Centre and manages for South Devon College the incubation space at the South Devon Energy Centre.

The concept of the innovation centre is to nurture small companies and help them grow, creating and sustaining new wealth and employment for local economies. The creation and growth of small businesses is a strong indicator of an entrepreneurial culture in a place. It is likely to result in additional jobs growth in future years as economies with many small growing businesses demonstrating consistent jobs growth over economies dominated by large employers.²

There some 4,600 VAT/PAYE registered businesses in Torbay. On an annual basis new start businesses equate to between 8-10% of that VAT number meaning that there are 350-450 new businesses starting in Torbay each year. This is a real asset for Torbay to build on and is in part driven by the strong performance of Outset Torbay³ as they deliver the European funded start up business advice and the delivery by the TEDC of the new enterprise allowance programme which has seen 47 clients since summer 2011. The EU funded enterprise coaching and intensive start up support activities will be delivered until 2014 under the current programme. This complements the programme for this project.

The TEDC works with a number of partners to provide flexible and low-cost business premises and access to a range of support services. Studies prove that this is a combination which substantially increases new business survival rates. The TEDC currently manage Centres in:

- Paignton - Opened in November 2006, this Centre operates from a self contained suite of offices on the Ground Floor of the outstanding £28m South Devon College. Torbay Council through the Torbay Development Agency spearheaded the establishment of the business units, and obtained funding from the SWRDA, match-funded by the Government Office South West through the European Objective 2 scheme.
- Torquay - Launched in November 2008, this Innovation Centre operates from a purpose-built complex close to the heart of Torquay. Torbay Development Agency secured funding of £1.5m from the SWRDA to enable the new centre to be constructed. Another £600,000 came from the Government Office South West through the European Objective 2 scheme. Additional finances were made available from the Single Regeneration Budget and Torbay Council.

² This is borne out by data from Business, Innovation & Skills and supported by the Harvard Business Review & Kauffman Foundation

³ Delivered by Outset Torbay and reported to have seen over 560 individuals start the Outset programme

The original business case set out an overall requirement for a minimum area of 30,000 square feet in order to generate the rental income to cover the support costs. For a number of reasons, principally related to the availability of funding and decisions made by partners, the sites which came forward at Vantage Point and Lymington Road do not provide the quantum of space to allow the centres to operate optimally.

The two centres give a total of around 12,000 sq ft and therefore the centres while full are not delivering the full benefits that a larger centre would. They also have a higher level of overhead than originally envisaged. The third phase innovation centre is therefore critical to the overall business plan.

The existing sites have delivered consistently high occupancy notwithstanding the occasional fluctuations in the challenging economic climate. Occupancy rates have been over 90% for much of the period of operation giving confidence in the ability of the TEDC to let a greater amount of space. They have also delivered against the predicted outputs required by the funders and are acknowledged as a success.

This proposal for the third site, which would be located at Whiterock Business Park as part of the recently consented development, capitalises on that success. The Whiterock Business Park is estimated to create over 1200 jobs. The White Rock scheme includes 350 new homes, a 36,800m² industrial estate, a supermarket, student accommodation as well as sports facilities, new roads and 15 hectares of landscaped open space.

This report would enable up to 30,000 square foot Innovation Centre with dominant road presence as part of the Whiterock Business Park. Earlier reports to Council note that the site is part of the Whiterock planning application area, the innovation centre site is part of the district centre at the front of the site and proposed neighbours include a food store, motel and pub. It would be adjacent to the South Devon College Energy Centre which is offering pre start up and incubation space for those thinking about starting a business in the low carbon economy and is therefore well positioned to capitalise on those links and offer additional complementary space and support.

Part of the outline planning process has established a footprint and indicative floor plans and elevations for the building. The TEDC propose a scheme that fills the identified footprint and should be around 30,000 square feet. This would result in around 23-25,000 sq ft net lettable space. It is expected that the design of the building will provide a mix of accommodation types ranging from fully serviced office units, in multiples of 25 sq m (net) nominal size, to light industrial units in multiples of 50sq m net nominal size, to cater for businesses in fields such as health, science and technology.

Costs & Funding

The costs of the project have been estimated at £4m. Assuming 23,000 of lettable space and an average rent of £20 per square foot (this is lower than rents achieved at Vantage Point & Lymington Road) the maximum rental roll would be £460,000.

Financial projections for the centre demonstrate that occupancy of 72% allows for breakeven and levels above that deliver a surplus. The projections below are deliberately conservative on occupancy rates but provide an indication of the occupancy and associated income that could be expected.

	2013/14	2014/15	2015/2016	2016/2017	2017/2018
Occupancy	15%	40%	60%	70%	80%
Income	£71,124	£189,560	£283,794	£331,063	£385,893

In the absence of external grants it is probable that the costs will be met through additional borrowing. Repayment of the borrowing will be made from the rental income, as set out above, and also use of dedicated regeneration funds assigned to the TDA.

Experience of the other centres has been that occupancy rates have been higher than expected and the TEDC is confident of being able to deliver to this model. This confidence is based on track record but also the marketing that will be undertaken by Deeley Freed for Whiterock, the wider inward investment promotion for Torbay which is seeing enquiries for space that currently cannot be met and the demand forecast to be generated by the South Devon Link Road which is expected to result in over 3,000 new jobs for Torbay.

With regard to the EU Competitiveness funding the SW Regional Development Agency allocated £5m for activities in Torbay in support of starting up businesses and social enterprises. Currently Torbay stands to receive approximately £4.5 million from the allocation. Should the recommendations in this report be accepted then a bid for £2.5 million will be made to the programme and is considered to have a strong probability of success and will see Torbay receive a sum in excess of its original allocation.

The Deal – Whiterock

Provisional terms have been agreed with Deeley Freed on behalf of Abacus for a straight swap of their land (4230 square metres) for the Council building currently occupied by PLUS Ltd (4091 square metres). Both land areas are very similar. The proposed site for the innovation Centre has Brixham Road frontage and will be a very visible building sitting next to the new Premier Inn. The proposed site has a minded to grant outline planning approval for 30,000 square feet of office space. This site is an ideal location for the Innovation Centre and is well located to fill, the immediate frontage of the Business Park and also close to the proposed energy centre to be developed by South Devon College. The value of the PLUS site to be sold has been set by the District Valuer at £275,000 and the same figure was given to the site to be acquired.

PLUSS – Site & Loan issues

The deal is a straight swap. There will be an obligation to sell the (swapped) site back to Abacus within 2 years if funding is not secured.

PLUSS had been occupying Council premises at Waddeton Close, Whiterock for some time, providing supported employment services to adults with learning disabilities. The Council currently owns 25% of the PLUSS company.

The other issue to be addressed with the PLUSS building is that a loan was received by Devon County Council, with the Council inheriting the liability for, along with the site in 1998 for improvement and refurbishment works. It is likely that a repayment of £154,000 will be required to the Department of Work & Pensions.

Benefits

It is estimated that there would be economic benefits in the order of 220 gross new jobs, around 145 net new jobs and a gross value added to the local economy of over £2 million per annum. Over the economic life, which is modelled using Government appraisal guidance, of the project the benefits are estimated at over £20M providing a cost benefit ratio for the scheme of 4:1.

Delivery of the business growth programme will therefore respond to strategic direction from Torbay and market opportunities. It is expected that delivery of the programme will achieve the following benefits for Torbay

- Improved business survival and growth rates
- Improved public finances
- Increased employment
- Increased demand for business growth services
- Increased awareness of finance, export and innovation measures

A2. Risk assessment of preferred option

A2.1 Outline of significant key risks

A2.1.1 Should no funding be identified within 2 years the Council may be required to sell the site back to Abacus for £275,000 or market value (whichever the greater).

A2.2 Remaining risks

A2.2.1 None

A3. Other Options

A3.1 Take no action – this would result in the current position being maintained with regard to space for growing businesses. It would not be consistent with the Council's aspirations for sympathetic regeneration and jobs led growth.

To seek a smaller site – Seeking a site of 10-15,000 square feet. This would have a marginal impact on the overall performance of the Innovation Centres because one of the principal issues is the overall quantum of space, there would be limited benefit and support to the growing numbers of small businesses that

are seeking space.

To seek alternative funding options – Regional Growth Fund was bid for in the summer of 2011 to bring the scheme forward however the bid failed to gain support and future rounds of RGF will not support this type of activity. Future EU funds are likely 9-12 months away and it is not certain that they can be secured and therefore grant funding is now considered unlikely.

A4. Summary of resource implications

A4.1 When the business centre project is delivered there will be business rate benefits to the Council from the space. At that point business rates, estimated at £90-110,000 per annum, will make a positive contribution towards the Council increasing the amount of business rates collected locally.

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

A5.1 There will be no negative impacts for equalities and crime & disorder as a result of this report being taken forward. The project is expected to contribute to the growth of businesses and increasing demand for employment which in turn will have a positive impact on equalities in line with other Council and TDA activities to support people gaining employment.

A5.2 The scheme will be designed using appropriate BRE Environmental Assessment Method targets to ensure that the project has a minimal impact on the quality of the local environment.

A6. Consultation and Customer Focus

A6.1 Demand for the kind of space and business support proposed has been highlighted through the regular Business Barometer survey. 89% of businesses questioned identified the need for improved business performance as a priority for Torbay. The Innovation Centre and business support which goes with it are essential in delivering this.

A6.2 The support currently available is valued by businesses, further highlighting that they would see an extension of this as a positive step. When asked what their overall impression was of Torbay as a place to do business responses included: "I have received good business support from the Torbay Development Agency" and "Outset Torbay is a very effective agency and helps business start-ups which is very useful for my clients"

A7. Are there any implications for other Business Units?

A7.1 There will be an impact on Financial services through the borrowing that will be required for the scheme.

Appendices

None

Documents available in members' rooms

None

Background Papers:

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

TEDC Business Plan 2013

Torbay Economic Strategy



Meeting: Full Council – Mayoral decision

Date: 5 December 2013

Wards Affected: All

Report Title: PLUSS – Future Arrangements

Executive Lead Contact Details: Cllr Scouler, Executive Lead Adult Social Care and Older People, 01803 553236 and christine.scouler@torbay.gov.uk

Supporting Officer Contact Details: Paul Looby, Executive Head - Finance, 01803 207283 and paul.looby@torbay.gov.uk

1. Purpose and Introduction

- 1.1 Prior to August 2005, Devon, Plymouth and Torbay Councils provided a range of employment and training programmes for people with disabilities and operated an equipment store. Known as the Industrial Services Group (ISG) this service was overseen by a Joint Social Services Committee but the management of the service was unwieldy. Following a review it was concluded that there was a need for change to ensure that the service could be delivered in a more cohesive and efficient manner.
- 1.2 The upshot of the review process was that in August 2005, Devon, Plymouth and Torbay Councils formed PLUSS, a local authority controlled company, limited by guarantee. PLUSS effectively took over what had hitherto been undertaken by ISG. It delivered services to the three member Councils through a series of service contracts as well as providing services to other external organisations, including the Department for Work and Pensions (DWP).
- 1.3 In June 2006, Somerset County Council transferred like services to PLUSS and became a member alongside the three existing member authorities. Each of the four Councils has representation on the Board.
- 1.4 PLUSS has since established itself as one of the leading organisation of its type in the country. Over the years the value of its contracts with the four local authorities has reduced such that it no longer carries out the bulk of its work for the four member Councils. It does, however, have a number of significant contracts with other public sector bodies.

2. Proposed Decision

That the Mayor be recommended:

- 2.1 That PLUSS is sold to Turning Point upon the terms as outlined in this report; and
- 2.2 That the Executive Head – Finance be delegated the authority to agree all necessary documentation to enable the sale of PLUSS to be completed.

3. Reason for Decision

- 3.1 PLUSS is now a well established company and operates as a national provider of services. Allied to the fact that the four member Councils are increasingly concentrating on core services the timing was right to review the Councils ownership of PLUSS and for PLUSS to focus on its future.
- 3.2 Initial soundings from within the four Councils elicited a favourable response to the idea of them relinquishing their ownership of PLUSS, although there was a concern to ensure that any transfer of ownership should be to new owners driven by a sound social purpose thereby enabling the continuation of services of value to local communities.
- 3.3 PLUSS' own business plan identified the need for significant growth for the company to be able to maintain its current market share, achieve growth and retain its financial viability. Given the limited opportunities for growth through traditional commissioning PLUSS' view was that it needed to "merge" with a partner that shared similar core values and vision.
- 3.4 As a result of these considerations the Board of PLUSS explored options with three organisations whom the PLUSS Board felt might best meet the long term needs and aspirations of PLUSS. Detailed discussions were held with each of the three organisations during the period September 2011 to October 2012 and updates on how these discussions were progressing were provided at Chief Executive level and through meetings with the four Councils via the owner representatives, being four senior finance officers who meet on a regular basis with the attendance of representatives of PLUSS (including some Board member representatives) as needed. Their role is to act as a conduit between PLUSS and its owners, deal with any issues that may arise for the owners in relation to PLUSS' activities and ensure by such communication that the interests of the Councils, as owners, are protected.
- 3.5 Following these discussions it emerged that one of the organisations, Turning Point, would be best suited as the preferred partner, primarily because their core values and vision aligned with those of PLUSS. Accordingly, as Turning Point, represented the best "fit" discussions continued with this organisation.

Supporting Information

4. Position

- 4.1 As a registered charity Turning Point operates as a social enterprise and is focused on improving lives and communities. In particular it provides a range of services for people with substance misuse issues, learning difficulties and mental health issues with employment for these people being its central focus. The prime interest in acquiring the ownership of PLUSS is the joint benefits this would bring to both organisations in terms of expanding services, particularly employment support services to a range of customers, thereby ensuring that they can deliver a strategic

ambition of being able to offer meaningful employment support to all of their customers.

4.2 Following a full options appraisal of Turning Point the PLUSS Board selected Turning Point as its preferred option subject to obtaining the consent of the four Councils as owners of the Company and to undertaking the necessary due diligence. In summary the sale of PLUSS to Turning Point provides these advantages:-

- it brings in additional specialist support services to disadvantaged groups in Devon and Somerset;
- it provides a mechanism for the Councils to remove themselves from the running of PLUSS; and
- it supports the broad move of local authorities towards commissioning core services.

In addition Turning Point becoming the owner of PLUSS will bolster PLUSS' resources in terms of bidding for national contracts and 'Prime' bidder status for Government procurement employment exercises with the potential for ensuring that these services continue to be delivered to local people by a local organisation familiar with their needs and local circumstances.

Commercial Negotiations

4.3 The principle of proceeding with negotiations with Turning Point was discussed with the relevant members of the executive at an early stage within each Council, and the consensus was that negotiations should go ahead to see if agreement could be reached with Turning Point on the terms of the sale.

4.4 The owner representatives referred to in paragraph 3.4 were asked to lead on the commercial negotiations of the sale of PLUSS from the four member Councils to Turning Point and these officers have been supported by their in-house lawyers. Further, to assist in the process a report was commissioned from an independent firm of accountants in order to gauge the value of PLUSS.

4.5 Following a series of discussions a position has been reached whereby the Councils will receive a payment for PLUSS. PLUSS is a member of the Devon Local Government Pension Scheme (LGPS) and once pension liabilities are factored in the value of the company is low.

4.6 The sale means that the Council will no longer have any liabilities towards the Devon LGPS and will cease to act as guarantors in respect of the PLUSS overdraft facility. Turning Point will also guarantee the loan that has been provided by each Council to PLUSS. This represents a better position than is currently the case as in effect the four Councils are guaranteeing the loan in the event of PLUSS defaulting. The properties occupied by PLUSS and currently leased or sub-let from the Councils will continue to be leased on market terms. Existing contracts with PLUSS will continue until such time as they need to be re-tendered. Aside from indemnities dealing with pension liabilities and warranties given by the Councils to PLUSS on inception the heads of terms provide that no warranties or indemnities will be given by the Councils in respect of the sale of PLUSS to Turning Point. The existing pension liability of the Councils would be dealt with if PLUSS ends its membership of the Devon LGPS. The

paragraphs below deal in more detail with the pension position. From the date of sale the Councils will no longer be represented on the Board of PLUSS

- 4.7 In summary the sale to Turning Point represents a good opportunity to secure the long term viability of PLUSS. From the Councils perspective the sale reduces liability and risk and it is generally considered that now represents the right time to dispose of PLUSS, especially as it is to an organisation which it can benefit from and hopefully prosper. It is hoped that the sale of the PLUSS will be concluded around July next year.

Pension Position

- 4.8 PLUSS is a member of the Devon LGPS but is presently consulting with the trade unions and its staff on closing the scheme. Subject to consultation PLUSS would then close the scheme next year ahead of its sale to Turning Point. It is estimated that there is a fund deficit on a full closure basis. PLUSS is not in a position to meet the entire full closure deficit and under the terms of the membership of the scheme the onus falls upon the four local authority owners to meet the shortfall because of the guarantee they provided in respect of the original staff group who transferred from the local authorities to PLUSS.
- 4.9 The liabilities and corresponding assets for the original staff will transfer back to the original employer on an ongoing funded basis. As there are different actuarial assumptions relating to local authorities and companies (even if a company is local authority owned) the fund assets to be transferred will be in excess of the liabilities, which will result in all four owners being in a surplus position. On closure PLUSS' remaining liabilities will be covered by a payment from PLUSS and from a proportion of the pension surplus from the four authorities remaining with PLUSS' section of the Devon LGPS fund. Thereafter, no further contributions will be required from any party in respect of the liabilities remaining with the PLUSS section of the Devon LGPS fund. Estimated figures regarding the options on closing the LGPS for PLUSS are subject to movements in market conditions. It has been made clear to all parties, and will be a condition of the sale, that the proposal to close the scheme may have to be postponed should a large adverse change in stock market conditions occur at any time prior to or on the closure date.

Financial, HR and Legal Considerations

- 4.10 In short the financial considerations are as follows. The pension surplus outlined in paragraph above will be apportioned across the four Councils and for the most part will be utilised to offset PLUSS' pension liabilities upon it ceasing to be a member of the Devon LGPS. The sale of PLUSS enables the Councils to relinquish certain financial liabilities that would otherwise have stayed with them had they remained the owners of PLUSS. Further, it enables the pension position to be dealt with at a time which is advantageous from the perspective of the four owners.
- 4.11 At the time of the original transfers the four owners entered into loan agreements with PLUSS. The loan repayments will continue to be paid by PLUSS and will not be affected by the sale of PLUSS.

- 4.12 The HR implications are that PLUSS will continue to operate and therefore there will be no staff transfer. PLUSS will be undertaking all necessary consultations with their staff and their respective unions regarding the closure of the LGPS scheme and the sale of PLUSS to Turning Point.
- 4.13 In terms of legal considerations the four Councils have been represented by their respective in-house lawyers and this team has been heavily involved in negotiating both heads of terms and the terms of the sale. Inevitably in a transaction of this type there is much legal work to be undertaken in order for the sale to proceed. Whilst good progress has been made to date final details still need to be negotiated and agreed with lawyers acting for Turning Point, hence the delegation to the Executive Head – Finance to agree the documentation.

5. Possibilities and Options

- 5.1 The Council could choose to not proceed with the sale of PLUSS to Turning Point and by doing so would mean the sale does not proceed as all 4 Councils must agree to its sale. Should the sale not proceed the owning Councils would need to address the future of PLUSS as due to the cuts all four councils are presently experiencing it is already the case that the income gained from local authorities by PLUSS has significantly reduced which will have an impact on the Company's future viability. The four councils could seek to develop the services provided by PLUSS, however officers do not believe that the necessary expertise is held within each Council to make this a realistic option.
- 5.2 The creation of PLUSS as a local authority controlled company in 2005 was the right move at that time. Since then with social, political and economic change the need to re-evaluate PLUSS and its future has led to the conclusion that the future for PLUSS is likely to be more secure if it moved away from being a local authority company and engaged with a new owner whose core values and vision aligned with those of PLUSS. Turning Point offers an ideal opportunity for PLUSS to achieve its aims and in turn affords the owners the opportunity to divest themselves of ownership of PLUSS, which removes long term risks and liabilities, but most importantly will help secure the long term future for PLUSS.

6. Equal Opportunities

An equality impact assessment has been prepared by Plymouth City Council on behalf of the four member Councils and is attached at Appendix 1.

7. Public Services (Social Value) Act 2012

Not applicable

8. Consultation

PLUSS has commenced and is continuing to carry out substantial consultation with its staff with regards to the closure of the pension scheme and the sale of the company to Turning Point. On the basis that the sale of the company does not impact significantly on parties outside of the company or each council as the company will continue to pursue its present objects no consultation has taken place beyond PLUSS' staff. Regard will be had to the outcome of PLUSS' consultation with its staff and each council is being kept up to date by PLUSS on how such consultation is going. Should the consultation mean a significant departure from the position explained in this report is necessary, an update will be provided to members and if necessary a further report will be prepared.

9. Risks

- 9.1 Should the Council not agree to the sale of PLUSS to Turning Point then the sale will not proceed as if any one of the owning authorities choose not to proceed then the sale cannot take place. As explained above should the sale not proceed the risk to the Council is primarily twofold:-
- 9.1.1 the pension continues for existing staff and the Council's guarantee of the pension liabilities remains extant. The Council would therefore remain liable for any shortfall in the pension. It is not possible to say what this shortfall could amount to however experience suggests from other wholly owned companies that the shortfall is likely to increase over the short to medium term.
- 9.1.2 should PLUSS be unable to proceed as a going concern and therefore have to be dissolved it would be likely that the Council's outstanding loan to PLUSS would have to be written off (the loan is for £189,000) and the pension liability would crystallise requiring payment from the Council to the Devon LGPS to make up the liability. What this payment would be would depend on the actuarial report commissioned by Devon LGPS on PLUSS being dissolved.
- 9.2 There is a risk that PLUSS' value could increase should it remain successful in delivering the services it delivers. What this increase in value might be is of course impossible to predict and would wholly depend on the performance of the company and the contracts it is successful in obtaining. Officers across all four authorities do not believe in the current financial climate that such success would likely be aided by the owning Councils continuing their involvement in the company as none of the four authorities have the resources to make the necessary investment and in the short to medium term at least it is expected that the contract values that PLUSS has with each authority will decrease therefore the company will become reliant on third party contracts for its continued success.

Appendices

Equality Impact Assessment

EQUALITY IMPACT ASSESSMENT

Sub title or department

Transfer of the Pluss Organisation to Turning Point Limited



PLYMOUTH
CITY COUNCIL

STAGE 1: What is being assessed and by whom?	
<p>What is being assessed - including a brief description of aims and objectives?</p>	<p>The Pluss Organisation ('the Organisation') is a Local Authority Controlled Company limited by guarantee. Its membership comprises Devon County Council, Torbay Council, Somerset Council and Plymouth City Council. It was set up on 1st August 2005 as a result of the transfer by Devon, Torbay and Plymouth Councils of their respective Industrial Services Group operations to the Organisation. Somerset Council transferred its Industrial Services operations in June 2006 and became a member of the Organisation on this date.</p> <p>The Organisation exists for the main purpose of providing services, facilities and premises enabling disabled and other disadvantaged persons to obtain sheltered employment, and other employment opportunities in the community. A significant number of people with disabilities and others facing varying degrees of disadvantage are employed within the Organisation including its manufacturing operations. The member Councils are currently in separate contracts with Pluss for the provision of Supported Employment services and.....services. The Organisation also provides services to external organisations, including the DWP.</p> <p>The members of the Organisation intend to transfer their interest in the Organisation to Turning Point Limited on or after 1st April 2014. Turning Point is a private company limited by guarantee and a registered charity. It operates as a Social Enterprise and its objects and service provision base are closely aligned with those of the Organisation. Its services include the provision of assistance and support to people with substance misuse and mental health issues with employment for such persons being its central focus. At a time</p>

STAGE 1: What is being assessed and by whom?

of decreasing funding available to the member Councils for the procurement of services from the Organisation, the transfer to Turning Point will put the Company in a stronger commercial position which will enable it to secure contracts from sources other than the member Councils. This should ensure that the current employment of the workforce and the creation of new employment opportunities are secured to a greater extent than if the ownership of the Organisation was retained by the member Councils. It is not anticipated that service users will be adversely affected by the transfer as the current services will be continue to be provided to the community with the potential additional benefit that additional specialist support services will be made available to communities within the areas of the owner authorities which would benefit disabled and other disadvantaged groups.

The transaction will be a straightforward transfer of the member councils' interests in the Organisation which will retain its identity. Accordingly service delivery to users will remain essentially unchanged and there are no TUPE implications as the Organisation will transfer in its current form with the same structure.

A condition of the purchase by Turning Point is the closure of the LGPS by the Organisation and the employees will be offered alternative pension provision. The Organisation has in any event put forward proposals for the closure of the pension scheme to the member Councils irrespective of whether the transfer to Turning Point proceeds.

Whilst unfortunate, this is considered necessary to put the Company on a stronger commercial footing to enable it to compete effectively with other organisations for the award of contracts for the provision of its services. This will facilitate protection of the employment of its current employees with the possibility that new employment opportunities will arise and be available to both the current workforce and also to other disabled and disadvantaged persons who have yet to find employment.

Consultation with staff on the proposed closure of the LGPS and transfer to Turning Point will be undertaken by the Organisation and reported to the member Councils so that staff

STAGE 1: What is being assessed and by whom?	
	will be fully informed of the proposals and the implications for them. Employees are represented by Trade Unions collectively who will be heavily involved in discussions and negotiations with the Organisation ensuring they have access to good advice and representation.
Responsible Officer	Steve Crane
Department and Service	Corporate Support, Legal Services
Date of Assessment	

STAGE 2: Evidence and Impact				
Protected Characteristics (Equality Act)	Evidence and information (e.g. data and feedback)	Any adverse impact?	Actions	Timescale and who is responsible?
Age	The average age of the employees of the Organisation is 44.84 for females and 45 .53 for males	No. The services currently provided by the Organisation would continue to be provided within the same locality and from the same premises and consequently there are no adverse implications in respect of Transport or access to the workplace for employees and no implications for service	Monitor the employee consultation by the Company on the proposed transfer to Turning Point Ltd and closure of the LGPS	All member Councils

STAGE 2: Evidence and Impact					
Protected Characteristics (Equality Act)	Evidence and information (e.g. data and feedback)	Any adverse impact?	Actions	Timescale and who is responsible?	
		<p>users on service accessibility. The transfer would potentially result in additional support services being made available to disadvantaged groups within the areas of the owning authorities.</p> <p>The pension scheme closure would affect all employees of the Organisation including those outside of this characteristic.</p> <p>There would be no differential impact on persons within this characteristic.</p>			
Disability	Many of the Organisation's employees are disabled or disadvantaged. Of the Organisation's 656 employees 308 are disabled.	No. The services currently provided by the organisation would continue to be provided within the same locality and from the same premises. Consequently there are no implications in respect of Transport or access to the	None	N/A	

STAGE 2: Evidence and Impact					
Protected Characteristics (Equality Act)	Evidence and information (e.g. data and feedback)	Any adverse impact?	Actions	Timescale and who is responsible?	
	<p>Divided into disability groups, numbers are;</p> <p>Mobility/Dexterity Restrictions – 183</p> <p>Hearing and/or Speech Impairment - 31</p> <p>Learning Disability – 36</p> <p>Mental Health disability – 44</p> <p>Visual Impairment - 14</p>	<p>workplace for employees and no implications for service users on service accessibility. The transfer would potentially result in additional support services being made available to disadvantaged groups within the areas of the owning authorities.</p> <p>The pension scheme closure would affect all employees of the Organisation including those outside of this characteristic.</p> <p>There would be no differential impact on persons within this characteristic.</p>			
Faith, Religion or Belief	<p>Out of 656 employees, 485 did not respond to the Organisation's request for information and 72 respondents practiced no religion. Of</p>	<p>No. The services provided by the Organisation would continue to be provided and made available to persons irrespective of their Faith, Religion or Belief.</p>	<p>None</p>	<p>N/A</p>	

STAGE 2: Evidence and Impact					
Protected Characteristics (Equality Act)	Evidence and information (e.g. data and feedback)	Any adverse impact?	Actions	Timescale and who is responsible?	
	<p>the remainder and divided into groups, numbers are;</p> <p>Buddism – 1</p> <p>Christianity – 91</p> <p>Hinduism – 1</p> <p>Islam – 1</p> <p>Sikhism – 1</p> <p>Wicca – 1</p> <p>Other - 3</p>	<p>The pension scheme closure would affect all employees of the Organisation including those outside of this characteristic.</p> <p>There would be no differential impact on persons within this characteristic.</p>			
Gender - including marriage, pregnancy and maternity	<p>Of the 656 employees, 256 are female and 399 are male.</p> <p>7 employees are presently on maternity leave</p>	<p>No. The services currently provided by the organisation would continue to be provided within the same locality and from the same premises. Consequently there are no implications in respect of Transport or access to the workplace for employees and no implications for service users on service accessibility.</p>	None	N/A	

STAGE 2: Evidence and Impact					
Protected Characteristics (Equality Act)	Evidence and information (e.g. data and feedback)	Any adverse impact?	Actions	Timescale and who is responsible?	
		<p>The transfer would potentially result in additional support services being made available to disadvantaged groups within the areas of the owning authorities.</p> <p>The pension scheme closure would affect all employees of the Organisation including those outside of this characteristic.</p> <p>There would be no differential impact on persons within this characteristic.</p>			
Gender Reassignment	No information held by the Organisation.	No. The services provided by the Organisation would continue to be provided and made available to persons irrespective of whether they have undergone or are undergoing Gender Reassignment.	None	N/A	

STAGE 2: Evidence and Impact					
Protected Characteristics (Equality Act)	Evidence and information (e.g. data and feedback)	Any adverse impact?	Actions	Timescale and who is responsible?	
Race	Of the 656 employees, 521 are White British and 106 did not respond to the Organisation's request for information. Remaining Group Numbers are; Asian or Asian British – Indian – 4 Asian or Asian British – Pakistani – 1 Asian or Asian British – Other – 1	The pension scheme closure would affect all employees of the Organisation including those outside of this characteristic. There would be no differential impact on persons within this characteristic. No. The services provided by the Organisation would continue to be provided and made available to persons irrespective of their Race or ethnic background The pension scheme closure would affect all employees of the Organisation including those outside of this characteristic. There would be no differential impact on persons within this characteristic.	None	N/A	

STAGE 2: Evidence and Impact					
Protected Characteristics (Equality Act)	Evidence and information (e.g. data and feedback)	Any adverse impact?	Actions	Timescale and who is responsible?	
	Black or Black British – African – 2 Black or Black British – Caribbean – 1 Chinese – 2 Mixed – White and Asian – 2 Mixed – White and Black African – 1 Mixed – White and Black Caribbean – 1 White Irish – 3 White – Other - 11				
Sexual Orientation -including Civil Partnership		No. The services provided by the Organisation would continue to be provided and made available to persons irrespective of their Sexual Orientation.	None	N/A	

STAGE 2: Evidence and Impact				
Protected Characteristics (Equality Act)	Evidence and information (e.g. data and feedback)	Any adverse impact?	Actions	Timescale and who is responsible?
		<p>The pension scheme closure would affect all employees of the Organisation including those outside of this characteristic.</p> <p>There would be no differential impact on persons within this characteristic.</p>		

STAGE 3: Are there any implications for the following? If so, please record 'Actions' to be taken		
Local Priorities	Implications	Timescale and who is responsible?
<p>Reduce the inequality gap, particularly in health between communities.</p>	<p>The actions identified above will not have a negative impact on staff.</p> <p>No adverse impact on reducing the inequality gap has been identified, as staff and service users will still be employed and have access to the full range of services available and receive appropriate support. This enables individuals affected to continue to work and promotes social inclusion.</p>	

STAGE 3: Are there any implications for the following? If so, please record 'Actions' to be taken		
Local Priorities	Implications	Timescale and who is responsible?
Good relations between different communities (community cohesion).	No adverse impact on community cohesion has been identified, as for staff and service users affected, this will continue to help break down barriers and build community cohesion with the wider community.	
Human Rights	<p>This service recognises Article 14 of Human Rights Act – The right to receive Equal Treatment and prohibits discrimination including sex, race, religion and economic and social status in conjunction with the Equalities Act which includes age and disability.</p> <p>All staff and service users will be treated fairly and that their human rights will be respected.</p> <p>No adverse impact on human rights has been identified.</p>	

STAGE 4: Publication		
Director, Assistant Director/Head of Service approving EIA.		Date

Agenda Item 13



Meeting: Council

Date: 5th December 2013

Wards Affected: All wards in Torbay

Report Title: Tor Bay Harbour – Port Masterplan

Executive Lead Contact Details: Non-Executive Function.
Cllr Nicole Amil, Chair of the Harbour Committee
☎ Telephone: 01803 207509/207829
✉ E.mail: Nicole.Amil@torbay.gov.uk

Supporting Officer Contact Details: Kevin Mowat
Executive Head of Tor Bay Harbour Authority
Tor Bay Harbour Master
☎ Telephone: 01803 292429
✉ E.mail: Kevin.Mowat@torbay.gov.uk

1. Purpose and Introduction

- 1.1 The aim of this report is to seek Council approval to the adoption of the Port Masterplan for Tor Bay Harbour as part of the Council's Policy Framework.
- 1.2 In addition to delivering benefit to Tor Bay Harbour Authority and Torbay Council the Port Masterplan will assist regional and local planning bodies and inform local stakeholders.

2.1 Proposed Decision

- 2.1.1 That, in accordance with the recommendation from the Harbour Committee, the Council approve the Port Masterplan for Tor Bay Harbour, as currently shown on the Harbour website - <http://www.torbay.gov.uk/portmasterplan>
- 2.1.2 That the Council approves the adoption of the Port Masterplan for Tor Bay Harbour as part of the Council's Policy Framework.

2.2 Reason for Decision

- 2.2.1 The need for a Tor Bay Harbour Port Masterplan was addressed in the 2011/12 Tor Bay Harbour Business Plan and that action was rolled on into the 2012/13 Business Plan.
- 2.2.2 In March 2012 the Harbour Committee approved the need for Tor Bay Harbour to have a Port Masterplan and the Torbay Development Agency was asked to assist the Executive Head of Tor Bay Harbour Authority with the project management and delivery of the plan.

2.2.3 On the 3rd June 2013 the Council's Harbour Committee approved the following recommendation :-

'that the Harbour Committee recommend to the Council the adoption of the Port Masterplan for Tor Bay Harbour as part of the Council's Policy Framework.'

Supporting Information

4. Position

4.1 In 2010 the Department for Transport (DfT) issued 'Guidance on the preparation of port master plans'. The main purposes of port masterplans are to:

- clarify the port's own strategic planning for the medium to long term;
- assist regional and local planning bodies, and transport network providers, in preparing and revising their own development strategies; and
- inform port users, employees and local communities as to how they can expect to see the port develop over the coming years, typically within a 25 or 30 year time horizon.

4.2 A port masterplan achieves its purposes by setting out:

- how the port expects to grow and develop its business over time;
- why this is feasible in the context of wider patterns of supply and demand;
- where changes of land-use are likely to be required to support growth areas;
- what alternative ways of meeting demand have been and will be considered;
- what environmental measures will be taken to ensure that not only are adverse effects mitigated, but as far as possible the port makes a positive contribution to the environment and amenity;
- when individual development proposals will be put forward;
- how people will be consulted — both within the master planning process itself, and beyond; and;
- how the port's development plans integrate, support and inform the regional and local economic, transport and planning policy context as the result of close liaison with local and regional planning bodies during the production of the masterplan.

4.3 Tor Bay Harbour Authority and Torbay Council will benefit from a port masterplan in a number of ways :-

- engaging with local and regional planning bodies at an early stage of expansion plans will allow harbour development to be incorporated at various levels of spatial planning and will help to secure the buy-in of these crucial stakeholders;

- keeping local stakeholders informed of the business direction of the harbour will help the harbour to build good working relationships locally;
 - being clear and transparent about demand forecasts and expansion plans will raise the profile of the harbour both locally and regionally; and
 - strategically considering future developments will reduce the lead-time for individual projects when they come to fruition.
- 4.4 A port masterplan is *not* intended to be rigid and inflexible. Ports and harbours operate in a commercial world and it is essential that they should have the flexibility to adapt to changing patterns of demand, and to competitive opportunities. The masterplan should therefore present a framework within which such adaptation can occur without undue bureaucracy.
- 4.5 The DfT guidance states that '*smaller ports with modest growth aspirations may consider that the scale of their projected development does not justify the managerial resource input required to produce a good master plan. But there will be exceptions on either side of this threshold: major ports at the smaller end of the range which do not foresee growth, and currently minor ports, or promoters of wholly new facilities, whose aspirations give them a clear interest in securing the buy-in of those who will become engaged, sooner or later, in the planning system. We encourage ports of any size to produce a master plan where they see that it would be beneficial for them to do so*'.
- 4.6 Every masterplan will be different depending on the size of a port and the extent of plans for future development. The DfT encourages ports to vary the scale and scope of their masterplan in accordance with these factors. This variation in scale and scope has meant that certain responses to the consultation, which specifically relate to DfT guidance, may not be adopted.
- 4.7 Critically port masterplans should feed into regional and local planning strategies. Consequently there has been liaison with regional and local planning bodies during the preparation of the masterplan and it is hoped that this will benefit Tor Bay Harbour by ensuring that its development intentions are represented in the appropriate spatial plans. This is very important in Torbay, where coastal land has a very high monetary and amenity value; and a large amount of the marine environment is protected under a Special Area of Conservation.
- 4.8 In the future, it is expected that the Port Masterplan will usefully assist in the preparation of the government's new Marine Plan for the south coast.
- 4.9 Appendix 1 contains some key extracts from the Tor Bay Harbour Authority – Port Masterplan. In particular Appendix 1 shows the following:
- Introduction
 - The strategy for Tor Bay and the three harbours of Paignton, Brixham and Torquay
 - Proposals for Tor Bay, Brixham, Paignton and Torquay harbours
- 4.10 On the 3rd June 2013 the Council's Harbour Committee agreed to recommend to the Council the adoption of the Port Masterplan for Tor Bay Harbour as part of the Council's Policy Framework.'

5. Possibilities and Options

- 5.1 Not to adopt the draft Port Masterplan for Tor Bay Harbour. There is no legal requirement for a port to produce a masterplan.

6. Fair Decision Making

- 6.1 Engagement with interested parties including local/regional planning bodies, local stakeholders and the local community, both during the master planning process and once the masterplan has been published, was considered to be an essential aspect of developing an effective masterplan.
- 8.2 The Masterplanning process has involved a number of consultation events, including a stakeholder day in October 2012 and a drop in sessions in each town in February 2013. Through the process a list of interested stakeholders was developed (including neighbourhood planning groups) and the draft masterplan was sent to all on the list. In addition the draft was made available on the Harbour Authority website from mid April 2013, and this was highlighted by a number of press articles.
- 8.3 Also, as part of development of the Tor Bay Port Masterplan key stakeholders were asked to comment at the Harbour Liaison Forum meetings and presentations were given to a number of community groups as well as the Business Forum and the Mayor's Forum. Responses were received from a number of individuals and organisations including the Marine Management Organisation, Natural England, English heritage and the Heart of the South West Local Enterprise Partnership.
- 8.3 All of the key issues raised during the feedback on the draft plan are summarised in a document that can be found on the Tor Bay Harbour website - <http://www.torbay.gov.uk/portmasterplan>. Where suggestions have been incorporated into the final Masterplan this has been acknowledged, and where they have not the reasons for this are outlined.

7. Public Services (Social Value) Act 2012

- 7.1 The proposed decision does not have any direct implications relating to the Public Services (Social Value) Act 2012.

8. Risks

- 8.1 There are no significant key risks. There is a risk that, in the absence of a port masterplan, Tor Bay Harbour Authority and Torbay Council will be unable to clarify their own medium to long term strategic planning for the harbour; and therefore fail to assist regional and local planning bodies in preparing and revising their own development strategies; and also fail to inform harbour users, employees and local communities as to how they can expect to see Tor Bay Harbour develop over the coming years.

Appendices

Appendix 1 Tor Bay Harbour - Port Masterplan Extracts

Additional Information

Guidance on the preparation of port master plans - Ports Division, Department for Transport (2008 ~ 2010)

Tor Bay Harbour Authority – Port Masterplan Draft Version (April 2013)

<http://www.torbay.gov.uk/portmasterplan>

Tor Bay Harbour - Port Masterplan Extracts

Introduction

The Port Masterplan has been prepared by Royal HaskoningDHV for Tor Bay Harbour Authority (TBHA). The Masterplan covers the area within the limits of TBHA's jurisdiction and includes the enclosed harbours of Brixham, Paignton and Torquay. The Harbour Authority is responsible for improvements to the Harbour facilities to accommodate changes in the needs and demands of port customers, port users, stakeholders and legislation in order to ensure a growing business. Great efforts and significant expenditure has been made in preparing for and implementing a number of developments over the years (approximately £50m in the last 10 years alone).

The purpose of the port masterplan is to :-

- Identify the port's own strategic planning for the medium to long term
- Inform port employees, port users, local community and key stakeholders as to how they can expect to see the port develop over the coming years
- Assist regional and local planning bodies, and transport network providers, in reviewing and preparing their own development strategies in accordance with the port's future development

The Tor Bay Harbour Authority – Port Masterplan is a high level document that provides overall strategic spatial development guidance on the most sustainable future for Tor Bay Harbour and the three enclosed harbours. The Port Masterplan for Tor Bay Harbour will :-

- form part of the evidence base for the Local Development Framework and assist regional and local planning bodies, and transport network providers, in preparing and revising their own development strategies
- inform port users, employees and local communities as to how they can expect to see the port develop over the next 20 years in response to anticipated changes in the marine industry (both commercial and leisure), the fishing and tourism industries, as well as industry trends within the regional ports sector
- clarify the port's own strategic planning for the medium to long term
- show how the harbour authority expects to grow and develop its business over time
- indicate where changes of land-use are likely to be required to support growth
- highlight environmental measures to ensure that the Harbour Authority makes a positive contribution to the environment and amenity

Chapter 3

The strategy for Tor Bay and the three harbours of Paignton, Brixham and Torquay

The visionary strategy outlines the ambition and targets as well as the future desired position of Tor Bay Harbour. Furthermore, it forms a sophisticated framework for the development of options and for the port masterplan itself. The overarching strategy for Tor Bay Harbour Authority is to provide a high quality service that is committed to improve Tor Bay Harbour and provide a cleaner and safer environment by addressing the following objectives :-

- Maintain Tor Bay Harbour and the three enclosed harbours under the management of one Port Authority
- Review and use the statutory powers of the Harbour Authority to fulfil its statutory duties in a timely manner for the purpose of improving, maintaining and managing

the harbour while continuing to contribute to the finances of the owning authority - Torbay Council

- Develop robust partnerships with key maritime stakeholders to attract and deliver commercial port businesses contributing to job creation and the local economy
- Manage the harbour in a sustainable manner by supporting a variety of maritime activities including fishing, shipping, marine related businesses, heritage, eco-tourism and marine recreational facilities.
- Balance the responsible stewardship of the marine environment with appropriate socio-economic development and use of Tor Bay
- Measure and monitor the needs and wishes of harbour users, the local community and visitors through appropriate research
- Improve connectivity between the enclosed harbours by upgrading facilities for marine transport

Chapter 6

Masterplan Proposals

Tor Bay Harbour

The following proposals were put forward for Tor Bay :-

- The identification and support of sea angling locations within the statutory harbour limits including at Babbacombe Pier
- The sinking of an old ship to form an artificial reef in Tor Bay to provide opportunities for leisure divers
- The development of the Council owned land at Broadsands to provide a maritime centre with dinghy and boat park and launching facilities
- The support to any eco-tourism in the Bay and opportunities presented by the Geopark

Brixham Harbour

The following proposals were put forward for Brixham harbour :-

- A half tide cill and cill gates with a pedestrian lifting or swing bridge as an extension of Middle Pier
- Redevelopment of the Coastguard Building after it is vacated in 2014
- Development of a small reclaimed area adjacent to Strand Quay to support maritime events
- Possible development of a Maritime Museum for heritage fishing vessels
- Return of South Quay to marine related use
- A new Northern Arm breakwater
- Redevelopment of the old derelict tanker berth to provide a bulk fuel station for fishing vessels and/or a Tall Ship berth.
- A new reclaimed area along the south western side of the Outer to provide a berth for Pelagic fishing vessels, facilities for a hatchery and shellfish storage and depuration, a ship maintenance facility, a recreational slipway, boat repair businesses, boat building & marine related retail premises, additional car parking and boat storage, a Facilities Building for a new marina and improved access to Oxen Cove
- Additional marina pontoon berths on the west side of the Outer Harbour
- An extension to the marina adjacent to the existing Victoria Breakwater

Paignton Harbour

The following proposals were put forward for Paignton harbour :-

- Redevelopment and refurbishment of South Quay
- Relocation of crab processing factory and store to inland site
- Retain listed buildings and consider redevelopment or refurbishment
- Potential for redevelopment of the existing Harbour Light restaurant
- Raising of East Quay wall to limit overtopping
- A new slipway on the seaward side of the East Quay
- Extension to East Quay to improve passenger boat facilities and better protect the harbour from surge waves
- Enhancement of entrances to harbour to North Quay and South Quay

Torquay Harbour

The following proposals were put forward for Torquay harbour :-

- Widen the Strand Quay to create a promenade and an area for events
- Provide pontoon berths in the Inner Harbour (already planned for 2014)
- Maintain access for heavy good vehicles to Beacon Quay and Haldon Pier along Victoria Parade
- Modify landscaping in Victoria Parade to provide drop-off bays
- Acquire fuel station and refurbish or relocate to Haldon Pier
- Provide landmark 'gateway' to Harbour at Beacon Hill entrance
- Improve facilities for passenger pleasure boats at the Fish Quay
- Install pontoons for fishermen adjacent to the west end of Princess Gardens
- Extend Beacon Quay over top of listed D-Day slipways to provide wider area for boat park, promenade and coach marshalling
- Relocate and improve the passenger ferry pontoon and brow at Beacon Quay
- Provide improved pontoons and access brow for visiting yachts and cruise ship passengers on inside of Haldon Pier
- Refurbish and upgrade old ferry landing stage on west side of Princess Pier to provide safe all tide access to ferries
- Improve provision for sea angling off Princess Pier
- Provide slipway and boat park on south side of Haldon Pier
- Provide pontoons for visitors and passenger boats inside Princess Pier
- Provide berthing dolphins on seaward side of outer arm of Princess Pier for events such as Tall Ships
- Extend Haldon Pier westwards to provide multipurpose berth for vessels up to 5.5m draught.
- Install mobile or fixed crane on Haldon Pier to lift out boats
- Integrate Masterplan with proposed hotel development on North Quay
- Transfer Living Coasts site into the Harbour estate
- Review flood protection

Agenda Item 14



Meeting: Council

Date: 5 December 2013

Wards Affected: All wards in Torbay

Report Title: Torbay Council Annual Pay Policy Statement

Executive Lead Contact Details: Derek Mills, Executive Lead for Business Planning and Governance, 07791 598091, Derek.Mills@torbay.gov.uk

Supporting Officer Contact Details: Mark Bennett, Executive Head Business Services, (01803) 207360, Mark.bennett@torbay.gov.uk

1. Purpose

- 1.1 Section 38 (1) of the Localism Act 2011 requires English and Welsh Authorities to produce a pay policy statement for each financial year. This is a statutory requirement. The pay policy statement must be approved formally by full council. The pay policy statement draws together the Council's overarching policies on pay and conditions and will publish them on the Council's Website and update them as necessary through the year.

2. Proposed Decision

- 2.1 It is recommended that Council approve the Torbay Council Annual Pay Policy Statement in order for the Council to be compliant with Section 38 (1) of the Localism Act 2011.

3. Reason for Decision

- 3.1 The publication of the Annual Salary Statement is a Statutory requirement under Section 38 (1) of the Localism Act 2011. If Council does not approve the Salary Statement then there is a significant risk that the Council will be in breach of the legislation from 1st April 2014.
-

Supporting Information

4. Position

- 4.1 See attached Pay Policy Statement for full details.

5. Possibilities and Options

- 5.1 None

6. **Preferred Solution/Option**

6.1 None

7. **Consultation**

7.1 Consultation is currently being undertaken with Trade Union representatives.

8. **Risks**

8.1 Non-Compliance with Section 38 (1) of Localism Act 2011. It is currently not determined as to whether there would be a financial penalty for non-compliance. However, it is advisable for the Council to publish in terms of its legal obligations, and reputation.

10 **Appendices**

Appendix 1 – Torbay Council’s Pay Policy Statement April 2014/15.

Additional Information

Copies of Torbay Councils associated Pay Policies will be made available upon request. All policies are currently on the HR Intranet pages.

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

Localism Act Pay Policy Guidance from the Local Government Association

<http://www.local.gov.uk/localism-act>

TORBAY COUNCIL ANNUAL PAY POLICY STATEMENT APRIL 2014/15

Human Resources

This document can be made available in other languages, on tape, in Braille, large print and in other formats. For more information please contact 01803 207366 or HRPolicy@torbay.gov.uk

1. Purpose and Scope of the Policy Statement

- 1.1 Section 38 (1) of the Localism Act 2011 requires the Council to prepare an Annual Pay Policy Statement.
- 1.2 In dealing with staff pay it is the Council's strategy to ensure that our Pay Policy facilitates the recruitment and retention of staff with the skills and capabilities the Council needs.
- 1.3 Arrangements for staff pay must comply with Equal Pay legislation.
- 1.4 This Pay Policy Statement applies to the Executive Director Operations and Finance, Directors, Executive Heads and Senior Officers within Torbay Council. It addresses the legal requirement to set out how pay is determined for this group. This includes the following posts within Torbay Council:
 - Executive Director Operations and Finance
 - Directors
 - Executive Heads (and those posts with specific responsibility such as Section 151 Officer)
 - Senior Officers (non-executive heads) – These are posts where the salary is above £50,000.
- 1.5 This Pay Policy Statement is a supplement to Torbay Council's overarching Pay and associated policies which form part of the terms and conditions of employees. These include but are not limited to;
 - Torbay Council Pay Policy
 - Job Evaluation Scheme Policies (Greater London Provincial Councils Job Evaluation Scheme).
 - NJC Terms and Conditions of Employment (Green Book)
 - JNC Terms and Conditions for Chief Executives

- JNC Terms and Conditions for Chief Officers (Directors within Torbay Council are appointed to these Terms and Conditions).
- Torbay Council Local Government Pension Scheme Policy Discretions
- Employment of Apprentices Policy
- Re-Evaluation Policy
- Temporary Acting Up Policy
- Expenses Policy
- Market Supplement Policy
- Market Forces Policy
- Staff Travel Plan
- Key Skills Retention policy
- Flexible retirement
- Voluntary Reduced Hours Scheme
- Re-organisation and Redundancy Policy
- Retirement Award

1.6 Draft guidance from the Secretary of State makes reference to the Hutton Review of Fair Pay. This indicated that the most appropriate metric for pay dispersion is the multiple of chief executive pay to median salary. Tracking this multiple will allow the Council to ensure that public services are accountable for the relationship between top pay and that paid to the wider workforce. This annual pay policy statement will pay-publish this multiple along with the following information:

- The level of salary for each of the Officers as defined in (1.4) above;
- The salary of the lowest paid employee

This information can be found at appendix 2 of this policy.

2. Arrangements for Officer Pay

2.1 The general terms and conditions of employment are governed by the following national agreements:

- Executive Director Operations and Finance - JNC for Chief Executives of Local Authorities,
- Directors - JNC for Chief Officers of Local Authorities,
- Executive Heads - NJC for Local Government Services
- Educational Advisors and Inspectors/ Educational Psychologists – Soulbury Pay and Conditions
- All other Employee Groups – NJC for Local Government Services
- Public Health – NHS Terms and Conditions of Service

2.2 The Hay Job Evaluation scheme is used to evaluate the following roles within the Council.

- Executive Director Operations and Finance

- Directors
 - Executive Heads
 - Other Senior Officer Roles (non-executive heads), where the annual salary is in excess of £50,000 per annum are evaluated under both the Hay and the GLPC scheme. This is due these roles normally being graded at N under the GLPC and the cross over point of the two schemes.
 - Public Health posts are evaluated in accordance with “Agenda for Change”.
 - All other posts within the Council are evaluated under the Torbay Council GLPC evaluation scheme in accordance with the agreed policies.
- 2.3 The Hay scheme produces a point’s score for each post evaluated, this is called the Know-How score. Know- How is the sum of every kind of knowledge, skill and experience required for the standard acceptable job performance.
- 2.4 The Officers evaluated under Hay within Torbay Council are paid on spot salaries based on median salary levels as set in 2008 for Local Government. Torbay Council publishes this in bands of £5,000. This is set out in appendix 1. This salary information, together with corresponding job descriptions, is also available from the Council’s internet page, link as follows:-
<http://www.torbay.gov.uk/index/yourcouncil/financialservices/expenditure/salarydisclosure.htm>
- 2.5 In determining the salary for the Executive Director Operations and Finance, the Council will take advice from Human Resources Hay Trained assessors and the Executive Head Business Services, formally as the Head of Human Resources. Further independent advice will be sought from South West Councils (HR and Employment Services) and other professional organisations to ensure the correct level of remuneration is awarded. Full Council will agree the overall budget for the remuneration level of the Executive Director Operations and Finance. The Council’s Employment Committee will make the final decision on the actual salary level and any other terms and conditions provided that it is line with the Council’s Annual Pay Policy Statement.
- 2.6 In determining the salary for Executive Heads and other senior officers as defined by 1.4 above, the Directors will take advice from Human Resources Hay trained assessors. The Directors following consultation with the Executive Director will then agree the salary level.
- 2.7 Following significant changes in duties, posts can be re-evaluated. The evaluation will be based on a Job Evaluation Questionnaire which will be assessed by an independent panel of Hay Trained assessors within Human Resources. External advice and benchmarking can also be undertaken. These assessments will then be considered by the Mayor, Employment Committee, Executive Director and/or Directors depending on the job role. Where appropriate the Employment Committee will be involved for Executive Director Operations and Finance and Directors salary. Changes to Executive Heads roles and other senior officers will be agreed by Directors following consultation and agreement of the Executive Director Operations and Finance. Successful re-evaluations can result in a change to the salary.

2.8 Salary increases in relation to cost of living will be applied according to the awards made by the appropriate National Joint Council as described in paragraph 2.1.

2.9 No additional payments are made to in respect of:

- Bonus payments or Performance payments to the Senior Officers defined in 1.4, with the exception of the Director of Public Health post.
- Director of Public Health post attracts additional NHS allowances in regard to Clinical Excellence and on-call duties, details can be found on the NHS Employers webpage, as follows:-
<http://www.nhsemployers.org/Aboutus/Publications/PayCirculars/Pages/PayCircular-MD1-2013.aspx>
- Additional payments are made to NJC Employees who are employed on SCP 29 or below of the Torbay Council Salary Scale. These are paid in accordance with NJC Terms and Conditions of Employment (Green Book) part 3, pay and grading.

2.10 Additional payments are made to any Council Officers who act as Returning Officers and carry out duties at elections. These payments are calculated according to the approved scale or set by a government department depending on the nature of the election. This is treated as a separate employment as and when required.

2.11 In comparing Executive Director Operations and Finance Pay with the wider workforce the Council will use the following definitions:

- The lowest-paid employee: the employee or group of employees with the lowest salary (full-time equivalent) employed by the Council at the date of assessment.
- The median: the mid -point salary when full-time equivalent salaries are arranged in order of size (highest to lowest). Based on salary levels of staff on the date of assessment.

This excludes those employed on casual contracts of employment, but includes part time employees where their salaries are normalised to the full-time equivalent. It also excludes Apprentices who are employed on the Torbay Council apprentice pay grade.

3. Contributions and other terms and conditions

3.1 All staff who are members of the Local Government Pension Scheme make individual contributions to the scheme in accordance with the following table. These figures represent the 2013/2014 contribution rates.

Band	Salary Range	Contribution Rate
-------------	---------------------	--------------------------

1	£0 To £13,700.00.	5.50%
2	£13,701.00 To £16,100.00.	5.80%
3	£16,101.00 To £20,800.00.	5.90%
4	£20,801.00 To £34,700.00.	6.50%
5	£34,701.00 To £46,500.00.	6.80%
6	£46,501.00 To £87,100.00.	7.20%
7	More than £87,101.00.	7.50%

3.2 The Employer Contribution pension rate is: 17%

3.3 All employees are currently able to apply for a Car Parking permit, which enables the employee to park on council property for a reduced daily rate.

4. Payments on Termination

The Council's approach to statutory and discretionary payments on termination of employment of chief officers, at retirement age or prior to this, is set out within its Redundancy policy and is in accordance with Regulation 5 of the Local Government (Early termination of Employment) (Discretionary Compensation) Regulations 2006 and Regulations 8 and 10 of the Local Government Pension Scheme (Benefits, Membership and Contribution) Regulations 2007. Final payment details are submitted to Full Council for approval.

5. Settlement Agreements

5.1 Torbay Council will only enter into Settlement Agreements in exceptional circumstances where it is in the Council's overall commercial and financial interests to do so. Any Settlement Agreement for the Executive Director Operations and Finance or Directors will need to be approved by the Council's Employment Committee and Full Council. This will include any severance package including associated pension costs equating to £100,000 or more.

Settlement Agreements for any other member of staff will need to be authorised by the Director of the service following consultation of the Executive Director Operations and Finance.

6. Publication

- 6.1 Once approved by Full Council, this Policy and any subsequent amendment will be published on the Council's website. Human Resources Policy will be responsible for the annual review to ensure an accurate pay policy is published ahead of each financial year.
- 6.2 In accordance with the Code of Practice on Local Authority Accounting the annual Statement of Accounts includes pay details of Senior Officers reporting directly to the Chief Operating Officer and statutory posts where the salary is above £50,000 per annum.
- 6.3 Full Council decisions in relation to staff pay matters are available from the Council's internet page, link as follows:-

<http://www.torbay.gov.uk/DemocraticServices/ieDocHome.aspx>

Appendix 1 - Current Salary Levels for Chief Operating Officer, Directors and other Senior Officers

Post Title and Know-How Score	Salary Spot Rate or Salary Band (as FTE)	FTE as hours, where 1.0 = FTE
Executive Director Know How Score 700 This post was first appointed to in August 2013	£125,000 - £129,999	0.8
Director of Children's Services Know-How Score 608	£110,000 - £114,999	1
Director of Adults Know-How Score 608	£110,000 - £114,999	0.8
Director of Place Know-How Score 608	£110,000 - £114,999	0.8
Director of Public Health Salary evaluated under NHS Agenda for Change	Salary information to be published pending consent of post-holder	
Executive Head Business Services Know-How Score 400	£60,000 - £64,999	1
Executive Head Commercial Services Know-How Score 400	£60,000- £64,999	1
Executive Head Resident and Visitor Services Know-How Score 400	£60,000 - £64,999	1
Executive Head Information Services (CIO) Know-How Score 400	£60,000- £64,999	1
Executive Head Spatial Planning Know-How Score 400	£60,000- £64,999	0.8
Executive Head Community Safety Know-How Score 400	£60,000- £64,999	1
Executive Head Finance (Section 151 officer) Know-How Score 460	£75,000- £79,999	1
Executive Head Safeguarding and Wellbeing Know-How Score 528	£90,000- £94,999	1
Executive Head Torbay Harbour Authority Know-How Score 350	£50,000- £54,999	1
Non- Executive Head Roles		
Coroner	£65,000- £69,999	1
Head of Schools	£60,000- £64,999	1
Headteacher of the Virtual School/Head of Behaviour Support	£55,000 - £59,999	1
Group Manager – Childrens' Commissioning and Performance	£50,000- £54,999	1

Principal Improvement and Performance Manager	£50,000 - £54,999	1
14-19 Strategy Manager	£50,000 - £54,999	1

*FTE = Full Time Equivalent

The above salary information is correct as of 21st November 2013. Changes to the information may occur during the year, therefore for the most up-to-date information please refer to the published Salary Levels list, available from Torbay Council's web-site:-

<http://www.torbay.gov.uk/index/yourcouncil/financialservices/expenditure/salarydisclosure.htm>

Appendix 2 Multipliers

The idea of publishing the ratio of the pay of an organisation's top salary to that of its median salary has been recommended in order to support the principles of Fair Pay and transparency. These multipliers will be monitored each year within the Pay Policy Statement.

The Council's current ratio in this respect is 6.34:1, i.e. the highest salary earns 6.34 times more than the Council's median salary. When measured against the lowest salary the ratio is 10.11:1.

In comparing the highest paid salary with the wider workforce the Council will use the following definitions:

- The lowest-paid employee: the employee or group of employees with the lowest rate of pay (full-time equivalent) employed by the Council at the date of assessment. This includes all types of employment within the Council.
- The median: the mid-point salary when full-time equivalent salaries of all core council staff are arranged in order of size (highest to lowest). Based on the salary levels of staff on the date of assessment. This includes all types of employment within the Council.

The lowest full time equivalent salary is £12,435, which is Point 5 of Grade A. Date of assessment: 01/11/2013

	Annual Salary	Ratio to Highest
Highest Salary	£125,787	
Median (Mid-point) value	£19,817.04	6.34:1
Lowest full time salary	£12,435.00	10.11:1

Equality Statement

These guidelines apply equally to all Council employees regardless of their age, disability, sex, race, religion or belief, sexual orientation, gender reassignment, pregnancy and maternity, marriage and civil partnership. Care will be taken to ensure that no traditionally excluded groups are adversely impacted in implementing this policy. Monitoring will take place to ensure compliance and fairness.

Policy Feedback

Should you have any comments regarding this policy, please address them to the HR Policy Feedback mailbox –

HRpolicy@torbay.gov.uk

History of Policy Changes

This policy was first agreed by members of the Torbay Joint Consultative Committee in March 2012

Date	Page	Details of Change	Agreed by:
November 2012	Various	Amendment from Chief Executive to Chief Operating Officer	SSG 8.11.12 Approved by Full Council
6 th December 2012	4-5	Update to pension ranges re: LGPS contribution rates Addition of Payments upon Termination Section	Approved by Full Council
6 th December 2012	7	Update to Ratio + Multiplier information (Appendix 2)	Approved by Full Council
6 th December 2012	6	Update to current salary levels + addition of newly appointed posts (Appendix 1)	Approved by Full Council
5 th December 2013	Various	Update to current salary levels and reference to Chief Executive Officer throughout. Inclusion of Public Health information.	To be approved by Full Council – 5.12.13

Policy to be reviewed January 2015



Meeting: Council

Date: 5 December 2013

Wards Affected: All Wards

Report Title: Proposed Council Tax Support Scheme 2014/15

Executive Lead Contact Details: Mayor Oliver, Torbay Council, Town Hall, Castle Circus, Torquay, TQ1 3DR, telephone, 01803 207001 email Gordon.oliver@torbay.gov.uk

Supporting Officer Contact Details: Linda Owen, Revenue and Benefits, Town Hall, Castle Circus, Torquay, TQ1 3DR, telephone 01803 207572, email linda.owen@torbay.ov.uk

Key Decision: Yes

1. Purpose and Introduction

- 1.1 The Department of Communities and Local Government have advised that if a Council does not agree its local scheme for 2014/15 by the 31 January 2014 then the Council's own scheme for 2013/14 becomes its new default scheme and will continue for the financial year 2014/15.
- 1.2 This means that working age households receiving state benefits would have their income increased through the annual government uprating, however the components used to calculate Council Tax Support would remain unchanged. This would result in a reduction in Council Tax Support for working age households that receive state benefits.
- 1.3 It is estimated that if the uprating was not applied the expenditure of the scheme for working age households, if everything else remained constant, would reduce by approximately £40,000 for the year.
- 1.4 The Government will uprate the Prescribed pensioner scheme for Council Tax Support from 1 April 2014. Once this is known it is proposed to use this information to uprate the Council Tax Support scheme for pension age households.
- 1.5 This report sets out the Council's proposed response that will allow for uprating to be applied to the current scheme.

2. Proposed Decision

- 2.1 To agree uprating the applicable amounts and non dependant deductions in the 2013/14 scheme in order to calculate Council Tax Support from 1 April 2014.
- 2.2 It is recommended that:

1. Applicable amounts and non dependant deductions are uprated for the local Council Tax Support scheme is approved.
2. Delegated authority is given to the Executive Head of Finance, in consultation with the Executive Lead Member for Finance, to make any further adjustments required to the 2014/15 Council Tax Support scheme, the Exceptional Hardship Policy and Fund and the Vulnerable policy.

3. Reason for Decision

- 3.1 If the applicable amounts were not uprated working age residents would effectively have a cut in their entitlement as the cost of living increases.
- 3.2 In the case of non-dependent deductions, the general taxpayers would pick up the cost of living increase rather than other adults in individual households who could contribute to these costs. Additionally, uprating these allowances will not significantly increase the costs falling on this council and its taxpayers.
- 3.3 Appendix 2 provides details of the 2014/15 schemes in Devon.

4. Position

- 4.1 On 1 April 2013, the national Council Tax Benefit scheme was abolished and replaced with locally determined Council Tax Support schemes
- 4.2 For 2013/14 local authorities had to devise their own local schemes for low-income families within the following framework:
 - Government funding was reduced by 10% nationally (around £1.6m for Torbay).
 - The funding changed from being demand-led subsidy to annual cash limited grants to local authorities and major precepting authorities (Fire & Police). Consequently in a changing economic climate the expenditure could be higher or lower than the amount of grant received.
 - Pensioners had to be protected and a pensioner scheme (equivalent to the old Council Tax Benefit Regulations 2006) was prescribed in regulations.
 - Councils are expected to observe their duty to protect certain other vulnerable groups although these are not defined in regulations.
 - Schemes should support incentives to work and avoid disincentives to move into work.
 - To provide certainty for claimants, schemes may be revised from one year to the next but not within year.
 - Consultation is required with precepting authorities who are also affected by any new scheme that reduces their council tax income
- 4.3 Torbay's draft scheme was prepared as part of a Devon wide approach, where the over arching principle was to develop a cost neutral scheme. However, it was unlikely that each authority's scheme would be identical, or produce the same end

result for residents across the county, because of the different local demographics and the constraints placed on the design of local schemes by the government.

- 4.4 A detailed analysis of over 35 different financial models of reducing support was evaluated, based upon the principles of fairness, ease of understanding and ease of administration, taking into account the demographic profile of Council Tax Benefit claimants in Torbay.
- 4.5 The proposed scheme and its financial impacts were calculated by changing specific variables that are used in the Council Tax Benefit Regulations 2006. As defined by the Department of Communities and Local Government (DCLG), all pensioners are protected under the national framework.
- 4.6 Torbay's draft scheme was published in July 2012 to form the basis of the public consultation, which ran from 6 August to 1 October as part of a co-ordinated, Devon wide approach.
- 4.7 Section 9 of the Local Government Finance Act 2012, passed in November 2012, required all local authorities to approve their local scheme to reduce the Council Tax liability of persons it considers to be in financial need by 31 January 2013.
- 4.8 Following the consultation process the new scheme was approved by members at Full Council in December 2012.
- 4.9 Appendix 1 provides details of the current 2013/14 schemes in Devon.

2014/15 Council Tax Support Scheme

- 4.10 The scheme that will be adopted for 2014/15 is the same as the scheme that was adopted for 2013/14. The reasons for this are it:
 - provides minimal disruption for the council and residents
 - is based on the previous scheme and involves no additional new risk
 - does not create any new administrative costs
 - does not disproportionately affect any particular group – disabled persons, single parents, etc
 - allows more time for the council to monitor the effects of other benefit cutting schemes around the country
 - presents a very low risk of legal challenge
- 4.11 The Government updates state benefit income every April and the components (applicable amounts and non dependant deductions) that were used for calculating levels of entitlement for the old Council Tax Benefit scheme were also increased each year, normally in line with inflation.
- 4.12 The components used to calculate Council Tax Support consist of the following:

- **Personal Allowances** - the basic amounts of money the government says a claimant needs to live on. The level depends on the claimant's age and whether they are part of a couple. There are additional allowances for dependant children.
- **Premiums** - additional amounts added to the personal allowance because of claimant's personal circumstances. The government recognises that it is more expensive to live with a family or if someone has a disability or caring responsibilities. Extra amounts are added to income based benefits to account for this.
- **Disregards** - the amount of earnings not taken into account when calculating entitlement to benefits. There are standard earnings disregards for singles, couples and lone parents. People in certain groups, such as carers and people with disabilities are eligible for a higher disregard.
- **Non Dependant Deductions** - the amount that is deducted for other people who are 18 or over and live in the household. The deduction rates for non-dependants are set according to their income, as it is assumed that they can make a financial contribution to the household.

4.13 Under the current scheme pensioners are protected and the level of entitlement for them must remain. Protection will be achieved by keeping in place the existing national rules, with eligibility and rates defined in Regulations broadly similar to those that already exist. This is known as the Prescribed pensioners scheme.

5. Possibilities and Options

5.1 None for the purpose of this report

6. Fair Decision Making

6.1 This decision will have a positive impact on the community.

7. Public Services (Social Value) Act 2012

7.1 The procurement of services or provision of services is not relevant for this report.

8. Risks

8.1 By maintaining existing levels of support it is not anticipated that there will be any legal challenge to the council's scheme.

8.2 The council continues to face the financial risk of receiving less Council Tax income than budgeted due to an increase in the number of residents receiving Council Tax Support.

9. Equality Implications

9.1 The scheme takes account of the public sector equality duties through ensuring it does not disproportionately affect any particular group. It protects income for

vulnerable families through adopting the 2013/14 scheme and introducing the clause to 'uprate' their allowance.

10. Legal Implications

- 10.1 Schedule 1A of the Local Government Finance Act 2012 requires local authorities to consider whether to revise or to replace its scheme each year. Any revisions or a replacement scheme must have been considered and agreed no later than the 31st January 2014 for operation by 1st April 2014.
- 10.2 There are no requirements to undertake public consultation should the scheme remain unchanged.

Appendices

Appendix 1 - 2013/14 Council Tax Support schemes in Devon

Appendix 2 - 2014/15 Council Tax Support schemes in Devon

Appendix 3 – Summary of Welfare Benefits Up-rating Bill

Agenda Item 15

Appendix 1

Devon's Approved Schemes 2013/14

All schemes are based on the *old* Council Tax Benefit rules but with the changes shown below.

Name of Authority	Limit Liability	Second Adult Rebate	Band Restriction	Capital Limit	Hardship Fund
East Devon District Council	80%	Withdrawn	Band D	£8,000	Yes
Exeter City Council	80%	Withdrawn	No restriction	£6,000	Yes
Mid Devon District Council	80%	Withdrawn	Band D	£8,000	Yes
North Devon District Council	75%	Withdrawn	Band D	£6,000	Yes
South Hams District Council	100%	Withdrawn	No restriction	£16,000	No
Teignbridge District Council	100%	Withdrawn	No restriction	£16,000	No
Torrige District Council	75%	Withdrawn	Band D	£6,000	Yes
West Devon District Council	100%	Withdrawn	No restriction	£16,000	No
Torbay Council	75%	Withdrawn	No restriction	£6,000	Yes
Plymouth City Council	75%	Withdrawn	Band E	£6,000	Yes

Devon's Proposed Schemes 2014/15

All schemes are based on the *old* Council Tax Benefit rules but with the changes shown below.

East Devon District Council

Increase in applicable amounts and non dependant deductions. No other changes

Exeter City Council

Increase in applicable amounts and non dependant deductions. No other changes

Mid Devon District Council

Increase in applicable amounts and non dependant deductions. No other changes

North Devon District Council

Increase in applicable amounts and non dependant deductions. No other changes

South Hams District Council

Consultation started on 12 August and ran until 7 October.
Proposing 80% maximum award, Band D restriction, £6,000 savings limit plus exceptional hardship fund.

Teignbridge District Council

Consultation started on 6 August and ran until 18 October.
Proposing 75% maximum award, Band D restriction, £6,000 savings limit plus exceptional hardship fund.

Torrige District Council

Increase in applicable amounts and non dependant deductions. No other changes

West Devon District Council

Consultation started on 12 August and ran until 7 October.
Proposing 75% maximum award, Band D restriction, £6,000 savings limit plus exceptional hardship fund.

Torbay Council

Increase in applicable amounts and non dependant deductions. No other changes

Plymouth City Council

Increase in applicable amounts and non dependant deductions. No other changes

Agenda Item 15

Appendix 3

Welfare Benefits Up-rating Bill

Bill No 116 of Session 2012-13

RESEARCH PAPER 13/01 4 January 2013

Social security legislation requires the Secretary of State to review benefit levels each year to determine whether they have retained their value relative to prices. For most benefits annual up-rating is not mandatory, but historically governments have exercised their discretion by increasing the principal means-tested working-age benefits each April in line with prices. Since 2011 the measure used has been the Consumer Price Index (CPI).

In his 2012 Autumn Statement, the Chancellor announced that increases in most working-age benefits would be limited to 1% a year for three years from 2013-14, as part of a package to deliver additional welfare savings of £3.7 billion a year by 2015-16. Increases in the basic rates of benefits such as Jobseeker's Allowance and Employment and Support Allowance (ESA), and benefits including Statutory Sick Pay and Statutory Maternity Pay, will be limited to 1% a year, but disability and carer premiums payable with means-tested benefits, and the ESA Support Component, will rise by the full CPI (2.2% from next April). Up-rating by 1% will also extend to the couple, lone parent and child elements of tax credits and, for 2014-15 and 2015-16, to Child Benefit and the basic and 30 hour elements of Working Tax Credit (these are already frozen for 2013-14). Universal Credit (UC) earnings disregards and certain UC elements are also to be limited to a 1% increase in 2014-15 and 2015-16, as will Housing Benefit rates (subject to certain exceptions).

The Bill amends primary legislation to enable the decisions on up-rating in 2014-15 and 2015-16 to be implemented. This paper has been prepared for the Second Reading debate in the House of Commons.



Meeting: **Overview and Scrutiny Board
Council**

Date: **27 November 2013
5 December 2013**

Wards Affected: **All**

Report Title: **Revenue Budget Monitoring 2013/14 – Quarter 2**

Executive Lead Contact Details: **mayor@torbay.gov.uk**

Supporting Officer Contact Details: **paul.looby@torbay.gov.uk**

1. Key Points and Summary

- 1.1 Members were advised of the financial challenges that the council faced in the last monitoring report: both with respect to delivering a balanced budget in 2013/14 and setting a robust budget in 2014/15. Despite a robust budget process for 2013/14 the Council is still subject to ongoing demand pressures, particularly within Children's Safeguarding and Wellbeing. At the end of quarter 2 the Council is projecting an overspend of £1.411m based upon the latest information available to finance officers and projected expenditure based upon existing demands for services and the impact of in year saving plans and recovery plans where overspends exist. This compares to a projected overspend of £2.415m at the end of the first quarter.
- 1.2 As part of a corporate approach to addressing these challenges all services have been asked to deliver in year savings and a number of services have made significant savings to help ensure the council delivers a balanced budget at year end. The inherent risks the Council faced when the budget proposals were approved in February 2013 were set out in the budget report to Council and these risks were accepted by Members.
- 1.3 Members will recall the Council approved a Budget Pressures Contingency as part of the 2013/14 budget setting to support and address specific pressures identified within the year. Due to the ongoing pressures faced within Children's Services all of this reserve (£1m) has been released to offset the increased costs within Safeguarding and Wellbeing.
- 1.4 As is best practice within the Council, the significant overspend identified within Children's Services will continue to be monitored by their management team and the implementation of the existing recovery plan will continue to try and contain spend.

- 1.5 Directors and Executive Heads continue to work closely with their Executive Lead Members and will consider all options for addressing the projected overspend and will be assessing the impact of the current budget pressures when developing the 2014/15 budget.
- 1.6 The Council continues to adopt strict measures of financial control including a robust process for reviewing any vacancies as well as challenging all expenditure not yet committed. This approach has resulted in a number of services reporting underspends or managing the impact of other pressures. A number of services have already put in place measures to bring forward internal operational budget savings which have helped to reduce the corporate overspend and will be used as part of the budget savings required for the delivery of a robust budget for the next financial year (2014/15).
- 1.7 As stated in the last monitoring report the Council must achieve a balanced budget at year end. This will be achieved by either:
- a) Children's Services producing in-year recovery plans which reduces or removes the projected overspend. At this stage of the year the Director of Children's Services considers this will be extremely challenging due to the nature of the demand pressures and therefore a overspend is expected at year end;
 - b) all other services deliver in year savings at least equal to the value of the overspend within Children's resulting in a breakeven or an underspend at year end;
 - c) if insufficient savings can be made there is a risk that, as a last resort, uncommitted reserves or uncommitted budgets will be required to ensure a balanced budget can be achieved at the end of the year.
- 1.8 Whilst the council does hold reserves and contingencies and are being used to address in year pressures, these can only be used for one off purposes and are not a solution to ongoing financial commitments.

Strategy for in Year Budget Management

- 1.9 Commitments and spending pressures within Safeguarding and Wellbeing have been well documented. The Director of Children's Services set out a number of plans to reduce the overspend and recently presented a cost reduction plan to Members of the Priorities and Resources Panel. This forms the basis of a Strategy to address the pressures and increased costs faced by the service.
- 1.10 Members will recall that an additional £2m was added to the base budget for Safeguarding and Wellbeing in 2013/14 to address the increased cost pressures (this was in addition to the use of one off reserves to fund pressures in the last financial year) but significant pressures still exist. In addition, the Council has a number of other volatile income budgets which need to be monitored closely over the next quarter.

1.11 It is recognised by the Director of Children’s Services that the cost pressures within Children’s Safeguarding will be difficult to reduce however, the service will be expected to continue to address the key underlying issues and cost pressures through the implementation of their recovery plans and where possible identify further savings during the year.

1.12 The Council has adopted a Strategy to address the financial challenges faced now and in the future. The fundamental issue is the implementation of continued strict financial management and control by the Senior Leadership Team and Executive Lead Members. Measures include:

- a moratorium on all non essential expenditure and a reduction in all other expenditure with an assessment of the services consequences.
- a freeze on all non essential recruitment.
- a review of budgeted expenditure that could be ceased and an assessment of the services consequences including reshaping of services where possible.
- bringing forward any savings proposals for 2014/15 and implementing these with immediate effect to derive in-year savings.
- redeployment of staff directly affected by any restructuring proposals where vacancies exist.
- identification of any invest to save schemes (supported by a robust business case) that will have immediate cost savings in 2013/14 and beyond.

Paul Looby
Executive Head of Finance and Chief Finance Officer

Appendices

Appendix 1 Summary of Main Variations

Appendix 2 Pooled Budget with Torbay and Southern Devon Health Care Trust

Appendix 3 Budget Monitoring of Council Subsidiaries and Associates

Documents available in Members’ rooms

None.

Background Papers:

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

None.

Summary of Main Variations

A.1 Report Overview

A1.1 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 and to set out how the Council will maintain expenditure within its approved budget of £127m.

A1.2 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.

A1.3. Ongoing financial monitoring will be provided to Members quarterly and performance reporting will be provided to Members on a 6 monthly basis.

A.2 Financial Performance

A2.1 Table 1 overleaf provides a summary of the projected outturn position for Council services.

Table 1

Projected Outturn Position – Quarter 2

Business Unit/Service	2013/14 Budget	Spend to Date	Projected Out-turn	Variation at Out-turn
	£'000	£'000	£'000	£'000
Adults				
- Adult Social Care	43,756	20,866	43,375	(381)
- Supporting People	4,418	2,200	4,318	(100)
	48,174	23,066	47,796	(481)
Children, Schools & Families	28,455	20,999	31,455	3,000
Public Health				
Community Safety	1,982	435	1,855	(127)
Public Health (ring fenced budget - £7.150m)	0	2,713	0	0
	1,982	3,148	1,855	(127)
Place				
- Residents & Visitors	7,807	4,074	7,807	0
- Spatial Planning	5,671	2,667	5,571	(100)
- TDA - Clientside	2,393	2,002	2,293	(100)
- TDA - TEDC	1,677	1,246	1,650	(27)
- Torbay Harbour Authority (ring fenced budget - £4.928m)	0	71	0	0
- Waste & Cleaning	11,826	9,731	11,826	0
	29,374	19,791	29,147	(227)
Operations and Finance				
- Commercial Services	3,539	1,514	3,424	(115)
- Information Services	3,516	2,074	3,466	(50)
- Business Services	1,655	756	1,655	0
- Finance	10,255	(3,637)	9,666	(589)
	18,965	707	18,211	(754)
Total	126,950	67,711	128,361	1,411

Main Variations

A2.2 A summary of the main variances and the principal reasons for any underspends or overspends and any emerging issues within each directorate are explained below.

Place

A2.3 There is a projected underspend of £0.227m. A summary of the main variations are identified below:

Residents and Visitor Services is projecting a balanced position at year end. The service is subject to a number of pressures including a shortfall in car parking income of £0.300m. Other pressures reported in the last monitoring report still exist i.e. TOR2 timing and implementation of 2013/14 savings. operational costs at Torre Abbey, additional costs for Events. However the Executive Head for Residents and Visitors has implemented a strict moratorium on all discretionary spend allowing only Health & Safety works, committed and contracted expenditure to be taking place to ensure the service delivers a balanced budget at year end.

Waste and Cleaning is projecting to remain within its approved budget. Members will recall that underspends have been achieved within this budget over the last few years due to TOR2's introduction of various waste reduction and diversions initiatives and a fall in the tonnages of waste. As at the end of September tonnages are in line with forecast levels and will be monitored closely over the next quarter to assess if a balanced budget position can be declared.

Spatial Planning – is projected to declare an underspend of £0.1m. There are a number of volatile income budgets within this service i.e. planning, building control which are closely monitored throughout the year. The Concessionary Fares Budget - is projected to underspend by £0.1m due to a lower number of passenger journeys than forecast at the start of the financial year.

Economic Development Company is projecting to declare an underspend of £0.127m of which £0.1m relates to a reduction in planned repairs and maintenance spend in response identifying savings to reduce the corporate overspend and £0.027m due to a reduction in staffing costs within the EDC.

A2.4 **Public Health**

Public Health is a ring fenced account and is expected to spend within its overall allocation of £7.150m for 2013/14.

Community Safety is projected to underspend by £0.127m. The main reason is due to additional income within the Crematoria budget. Other savings include vacancy management and a moratorium on spend to help reduce the corporate overspend.

A2.5 Children, Schools & Families

Children's are projecting an overspend of £3.0m after the use of a £1m from the budget pressures reserve and after the application of savings proposals from their recovery plan and underspends reported primarily within Family Services.

The projected overspend is primarily due to budget pressures within Safeguarding and Wellbeing where, based upon current commitments the budget is overspending by £4.5m an increase from £3.8m reported at the end of quarter one.

In overall terms the overspend is due to the costs for children in care and placements within the independent sector and continued use of agency social workers primarily as a result of cover for maternity leave.

The overspend represents 11% of the net budget for Children's Services. The number of looked after children at the end of September 2013 is 299 a decrease of 1 since the end of March 2013. The number of children on Child Protection Plans at the end of September was 157 a decrease of 23 since the end of March 2013.

Children's Services Response to the projected overspend

The latest forecast spend indicates the challenges faced by Children's Services. As reported previously the service is continuing to be remodelled to reduce the number of Looked After Children and the amount of time they spend in care. It will also reduce the number of children subject to a Child Protection Plan, thus reducing budget pressures in relation to statutory activity and placement costs. However, the changes are based on a long term sustainable strategy e.g. the process of developing a more robust and assertive Fostering Strategy, which is designed to increase the number of in-house foster carers and move Children from ISP placements without affecting outcomes.

As previously reported Members will have been advised of the Children's Services dependence upon Agency staff for social workers. This dependence was reduced by the successful Make an Impression Campaign and the approved Recruitment and Retention Strategy. However, due to a number of social workers taking maternity leave it has been necessary to increase expenditure on agency staff to maintain caseloads at acceptable levels.

The reliance upon Independent Sector residential placements in the past has put considerable strain upon the budget. Children's have introduced a robust placement review and approval process via the Access to Resources and Permanency Panels, however whilst there has been some success the increased demand has negatively skewed any gains.

The Children's Services Management team are fully aware of the financial challenges faced by the Council and importance of strict financial management

and control. The management team have already started to implement a number of changes which will retain the projected overspend. These measures include:

- undertaking a restructure of the Children's Services Management team;
- a comprehensive review of all budgets across the service to deliver savings and efficiencies;
- implementation of a residential migration project as a cost effective alternative to residential care. An experienced organisation will be used to support officers in moving children in to foster placements from residential care by using a comprehensive matching process and targeted support to enable children to live in a family environment;
- development and implementation of a new strategic approach for Foster carers by increasing the number of in-house foster carers and reduce the reliance upon the costly independent sector;
- review and analysis of services and costs with disabilities service;
- initiate a new brokerage system to reduce the costs of residential care.
- embed the successful recruitment and retention strategy

Additional proposals are now under development to provide 'in house' specialist carers, community based parent and child assessments, intensive youth support (including the social impact bond proposal) and a new targeted early childhood service. Where possible each of these proposals will be developed from within existing resources, however there may be elements of 'invest to save' to secure the long term benefits to both the budgetary situation and outcomes for children and families.

These changes are part of an ongoing plan to manage the budget to ensure expenditure is contained and runs alongside existing business plans which will be continually developed and reviewed. They are an integral part of a two year budget reduction plan for Children's Services.

Adults

A2.6 This portfolio covers Adult Social Care and Supporting People and is projecting an underspend of £0.481m.

Adult Social Care

Adult Social Care provides services to some of the most vulnerable adults within the Bay. As at the end of September Adult Social Care is projecting an underspend of £0.381m. This is due to a reduction in care home placements for residential care and nursing care numbers and continues a recent trend which started at the end of the last financial year and Ordinary Residency costs have been below budgeted levels during the first 6 months of the financial year.

Whilst the position half way through the year is encouraging Members are reminded of the volatility of placements and increased costs for Ordinary Residency which could put pressure on the Council's largest area of expenditure in the second half of the financial year.

Appendix 2 shows the pooled budget for the partnership as managed by the Torbay and Southern Devon Health and Care NHS Trust.

Supporting People is currently projected to underspend by £0.1m due to vacancy management and savings derived from contractual changes since April 2013.

A2.7 Operations and Finance – are projected to underspend by £0.754m.

Finance – is projected to underspend by £0.589m due to:

- savings within treasury management primarily due to savings on interest payments due to the repayment of loans at the end of 2012/13 and as a result of a further £10m loan repayment in August 2013. The annual interest saving is £0.4m. The payment of advance interest to exit these loans was £0.8m – a payback period on interest costs saved is under 3 years.
- staff savings arising from a restructure and administrative savings within the department.
- additional receipt of housing benefit administration grant.
- lower than budgeted for external audit fees.

Commercial Services – is projected to underspend by £0.115m due to savings within the Members Allowances budget and a reduced contribution to the insurance reserve.

Business Services – is projected to spend within its allocated budget. Savings have been achieved due to vacancy management, implementation of a restructure and addition income from bought back services. These savings have been offset by additional costs with respect to the implementation of the Council's new payroll system.

Information Services is projected to underspend by £0.050m due to vacancy management savings and IT infrastructure savings.

A3. Reserves

A3.1 The Comprehensive Spending Review (CSR) reserve is the Council's uncommitted reserve which was set up to meet the financial challenges it faces over the next few years. These challenges include:

- any unforeseen events or pressures that emerge during the year;
- invest to save initiatives where demonstrable savings can be delivered in future years;
- making provision for any costs of restructuring Council services.

The Chief Finance Officer has advised that where possible reserves should only be used to support one off initiatives as it is not sustainable to use reserves to support ongoing commitments. As identified within the 2012/13 outturn report the balance for the CSR reserve was £3.1m.

A3.2 The Council is faced with a number of other cost pressures which will further reduce the level of reserves it holds. These include redundancy costs which will arise from the 2014/15 budget round (£1.6m last year) and will be a cost in 2013/14. In addition, if the Council is unable to declare a balanced budget at year end after the application of other uncommitted budgets and savings any overspend will have to be funded from reserves. This will reduce the Council's uncommitted reserves and impact upon how the Council manages further reductions in government grant in 2014/15 and 2015/16.

A3.4 A summary of the Council's uncommitted reserve and monies approved by the Mayor to be released from the CSR reserve in 2013/14 are shown below in table 3.

Table 2 - Uncommitted Reserves

Comprehensive Spending Review Reserve	Working Balance £'m
Balance as at 30 September	2.9
Potential Calls on CSR Reserve	
Redundancy Costs arising from 2014/15 budget	1.5m (estimated)
Budget Pressures in 2013/14 (current projected overspend of £1.4)	To be confirmed

A3.5 The Council also has its General Fund balance. Since Torbay became a Unitary authority in 1998 there has not been a call on the general fund balances. The current balance is £4.4m and represents 3.5% of the Council's net budget.

A3.6 There has been significant media attention as to the level of reserves held by Council's. The Audit Commission in December 2012 issued a report "Striking a Balance" seeking to improve Council's decision making on reserves.

<http://www.audit-commission.gov.uk/wp-content/uploads/2012/12/strikingabalance.pdf>

The report found that many Councils had been setting aside funds as a response to funding reductions and financial uncertainty. CIPFA welcomed the report and made the following response:

“We have to be extremely careful about using one-off reserves to fund shortfalls in recurring funding. Reserves are not a long term solution. At best they buy time to enable service changes to be planned and implemented in an orderly way.

A3.7 It should be recognised that the general fund balance is uncommitted (unlike other earmarked reserves) and provides funds that would only be used for any unforeseen or unexpected expenditure that could not be managed within service budgets or earmarked reserves. With this in mind and in light of the difficult financial climate faced by the Council and reduction to the Council’s net budget, the Chief Finance Officer believes that a cash balance of £4.4m is a prudent and sustainable level to protect the Council from the increased risks it faces with respect to the ongoing grant reductions from Government and increased demand for some services. In addition the Council’s external auditors will have a view as to the level of the Council’s General Fund Balance.

A.4 Dedicated Schools Grant (DSG)

A.4.1 DSG funded activities is currently reporting an underspend of £0.855m. This is primarily due to receipt of additional DSG after the budgets were approved. The DSG is a ring fenced grant and can only be used to fund schools related activities.

A.5 Debtors

A5.1 This section of the report provides Members with an update for the second quarter in 2013/14 in respect of council tax and business rate collection.

Council Tax

A5.2 The targets for the collection of Council Tax in 2013/14 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.

A5.3 The Council is due to collect £64.5m after the granting of statutory exemptions and reductions and Council Tax Support in the period April 2013 to March 2014. To date the Council has collected £34.9m which is 54.3% of the Council Tax due in year. The collection level is lower than last year when 55.95% was collected.

Following the introduction of the Local Council Tax Support Scheme the Council is monitoring closely the impact of the changes upon collection rates. The collection rate for accounts where last year there was no Council Tax liability in 2012/13 is 30.77%. The collection rate where the account was not entitled to maximum Council Tax Benefit is 38.38% compared to 38.14% for last year.

A5.4 The total arrears outstanding at 31 March 2013 were £3.67m and this has been reduced by £1m which is about 26.9% of the total arrears due. At the equivalent

time last year the Council had collected £1.1m off arrears of £3.97m, which equates to around 29.3%.

A5.5 There are no Council Tax write-offs over £5,000 to report. 298 council tax accounts with a value of £0.077m have been written off in the second quarter.

Non-Domestic Rates

A5.6 The targets for the collection of NNDR (business rates) re:

- (i) collect 97% of the business rates due within the 12 months of the financial year (i.e. April to March); and
- (ii) collect 50% of the arrears brought forward from previous years.

A5.7 The Council is due to collect £36.6m after the granting of mandatory relief in the period April 2013 to March 2014. To date the Council has collected £22.3m which is 61.1% of the business rates due in year. In the equivalent period last year the Council had collected £22.1m which equates to 60%.

A5.8 The total arrears outstanding were £1.55m and this has been reduced by £0.553m which is about 35.7% of the total arrears due. Last year the Council had collected £0.469m off arrears of £1.49m which equates to around 31.4%

A5.9 There are nine write offs above £5,000 which have been circulated to Members of the Overview and Scrutiny Board and are available to all Members upon request.

A5.10 The Council has written off 38 accounts in quarter two with a value of £0.086. There are 7 write offs above £5,000.

A5.11 There are two benefits and two sundry debtor write off's over £5,000. The total amount written off in quarter two is £65.8k and £65.9k respectively for these debtors.

A5.12 Latest projections is there is a reduction in the council's net yield for business rates as a result of increased reliefs for SBR, mandatory and empty property exemptions. Implications of these changes will continue to be reflected in future budget projections.

A.6 Financial Performance of External Companies

A6.1 For completeness a summary of the financial performance of the companies that Torbay Council has an interest in is included. Attached as appendix 3 is a list of those companies which summarises their projected outturn position.

2013/14 Service Line financial performance - rolling 6 monthly profile, as at September 2013

Cum I&E - prior period	Monthly income and expenditure performance						Cumulative Income & Expenditure	Plan to date	Favourable/ (Adverse) Performance	Forecast	Plan	Forecast Favourable/ (Adverse) Performance	Underlying financial position
	April	May	June	July	August	September							
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
NET EXPENDITURE BUDGETS BY SERVICE LINE													
Health													
Hospital Services	1,908	1,886	1,865	2,129	1,949	1,978	11,715	11,714	(1)	23,442	23,427	(15)	
Community Services - Southern Devon	758	744	756	758	748	780	4,544	4,544	0	9,142	9,144	2	
Community Services - Torbay	1,351	1,335	1,355	1,325	1,320	1,337	8,023	8,032	9	16,265	16,292	27	
HQ & Corporate	1,206	1,117	1,002	413	947	817	5,502	5,563	61	11,262	11,264	2	
Public Health	438	454	445	439	436	519	2,731	2,731	0	5,427	5,430	3	
Professional Practice	334	340	335	389	351	369	2,118	2,119	1	4,206	4,190	(16)	
Medical Directorate	87	138	115	112	109	113	674	674	0	1,373	1,391	18	
sub-total	0	6,082	5,873	5,565	5,860	5,913	35,307	35,377	70	71,117	71,138	21	0
Continuing healthcare	1,079	1,026	1,052	4,680	1,963	2,311	12,111	11,467	(644)	25,060	23,560	(1,500)	
Reserves	0	0	0	0	0	0	0	382	382	2,488	2,470	(18)	
Sub-total Health	0	7,161	7,040	10,245	7,823	8,224	47,418	47,226	(192)	98,665	97,168	(1,497)	0
Adult Social Care (ASC)													
Independent Sector (net of client income)	2,600	2,609	2,598	2,598	2,601	2,248	15,254	15,567	313	30,793	31,174	381	
In house services - Learning Disability	203	208	206	206	203	197	1,223	1,233	10	1,705	2,467	762	
Sub-total ASC	0	2,803	2,804	2,804	2,804	2,445	16,477	16,800	323	32,498	33,641	1,143	0
TOTAL	0	9,964	9,857	13,049	10,627	10,669	63,895	64,026	131	131,163	130,809	(354)	0
INCOME FROM COMMISSIONERS													
CCG/NCB - Block contract income	7,082	5,359	6,236	9,341	7,149	6,934	42,101	42,101	0	85,788	85,788	0	
CCG/NCB - Variable contract income	2,922	4,676	3,783	3,783	3,783	3,356	22,303	22,661	(358)	1,500	0	1,500	
Torbay Council							0	0	0	45,017	45,398	(381)	
Devon County Council							0	0	0	132,305	131,186	1,119	
NET SURPLUS/(DEFICIT)	0	40	178	75	305	265	1,153	736	417	1,142	377	765	0
memoranda health expenditure analysis													
Employee related costs ⁽¹⁾	4,877	4,755	4,781	4,794	4,794	4,878	28,879	28,934	55	58,041	58,041	0	
Operating costs	1,197	1,284	1,101	786	1,064	1,035	6,467	6,829	362	15,180	15,945	765	
TOTAL	0	6,074	6,039	5,882	5,858	5,913	35,346	35,763	417	73,221	73,986	765	0
Monthly expenditure budget													
(Over)/underspend	0	8	27	65	60	(10)				0	0	0	0

Note 1: Employee costs exclude staff included under the ASA risk share.

Budget Monitoring of Council Subsidiaries & Associates

Budget Monitoring of Council Subsidiaries & Associates 2012/13 - Quarter One	Council Ownership	Gross Income to Date £m	Gross Spend to Date £m	Surplus or (Deficit) to date £m	Projected Outturn £m
Subsidiaries					
Torbay Economic Development Company	100%	2.5	1.7	0.8	0
English Riviera Tourism Company	100%	0.7	0.3	0.4	0
Associates					
TOR2	19.99%	9.7	9.6	0.1	0.4
South West Careers	25%	6.6	6.8	(0.2)	(0.1)
PLUSS	25%	12.9	12.8	0.1	0.2



Meeting: Overview & Scrutiny Board
Council

Date: 27th November 2013
6th December 2013

Wards Affected: All

Report Title: Capital Investment Plan Update - 2013/14 Quarter 2

Executive Lead Contact Details: mayor@torbay.gov.uk

Supporting Officer Contact Details: martin.phillips@torbay.gov.uk

1 Purpose

- 1.1 The Council's capital investment plan with its investment in new and existing assets is a key part of delivering the Council's outcomes. This is the second Capital Monitoring report for 2013/14 under the Authority's agreed budget monitoring procedures. It provides high-level information on capital expenditure and funding for the year compared with the latest budget position as reported to Council in February and July 2013.

2 Proposed Decision

Overview & Scrutiny Board

- 2.1 **That Members note the latest position for the Council's Capital expenditure and income for 2013/14 and make any recommendations to Council.**

Council

- 2.2 **That Council note the latest position for the Council's Capital expenditure and funding for 2013/14.**
- 2.3 **That Council approve £0.515m to invest in energy saving measures in street lighting funded from prudential borrowing to be repaid from future savings in energy and maintenance costs.**
- 2.4 **That Council approve the revisions to the Capital Investment Plan and its funding as outlined in paragraphs 4.7 of this report.**

3 Reasons for Decision

- 3.1 Quarterly reporting of the Capital Investment Plan to both the Overview and Scrutiny Board and to Council is part of the Council's financial management process.
- 3.2 The Capital Investment Plan funding and expenditure should be in balance: as a result the Plan needs to be updated to reflect changes to funding.
- 3.3 Council approval is required for the proposed prudential borrowing scheme.

4 Summary

- 4.1 Members of the Overview and Scrutiny Board and Council receive regular budget monitoring reports on the Council's Capital Investment Plan throughout the year. The Council's four year Capital Investment Plan is updated each quarter through the year. This report is the monitoring report for the second quarter 2013/14 and includes variations arising in this quarter.
- 4.2 Based on the latest forecast of capital funding, including Central Government's proposed

changes for capital funding in 2015/16, there are a number of changes recommended to the capital investment plan – (paragraphs 4.6 and 4.7).

- 4.3 After the proposals in 4.2 above the overall funding position of the 4-year Capital Investment Plan Budget of £63.1 million, covering the period 2013/14 – 2016/17, is in balance but still relies upon the generation of a further £5.4m of capital income from capital receipts (£4.9m) and capital contributions (£0.5m) over the life of the Capital Investment Plan. Of this £5.4m, £4.9 million is required from capital receipts before the end of the current Plan period. Of this sum £0.4 million of capital receipts has been received so far this year, leaving a balance of £4.5 million still to be realised. It is only after this target has been reached that any capital receipts can be applied to new schemes.
- 4.4 The Plan also requires a total of £0.5m from capital contributions including Community Infrastructure Levy and S106 developer contributions. In addition to the £0.5m, £2.1m is due to be generated from S106 contributions to part fund the South Devon Link Road. If the South Devon Link Road contributions are not generated then the Council's prudential borrowing requirement for this scheme will be £20m. The Council's revenue budget includes provision to meet the costs of £6m of borrowing, leaving £14m to be funded from other (currently unidentified) capital income. If this other capital income is not achieved then repayment costs for the balance of £14m will be a future year revenue budget pressure of approximately £0.9m per annum.
- 4.5 As the target income for capital receipts and capital contributions are required to meet existing Council commitments, it is important that any capital income raised is allocated to commitments and not used to support additional expenditure on new schemes.
- 4.6 The Council's capital investment plan needs to be revised to account for three key factors;
- Reductions to capital grants in 2013/14 and 2014/15
 - New capital grant distribution arrangements for 2015/16
 - Delay in introduction of the Community Infrastructure levy

The revised estimate of future capital funding is shown in the table in paragraph 15.5 in this report.

- 4.7 The changes to capital expenditure proposed are detailed in section 15. In summary these are:
- Removal from the estimate of any expenditure in 2015/16 associated with the capital grants being allocated to other bodies.
 - All other unallocated capital allocations are held back pending confirmation of a funding source.
 - The exception to the above is Disabled Facilities Grants where it is proposed to allocate £1m in total for 2014/15 and 2015/16. This is in addition to the current 2013/14 budget of £0.6m for Disabled Facilities Grants.
 - Reduce contingency on capital budget from £1.1m to £0.6m to reflect that the capital investment plan is now significantly lower than previous expenditure levels
 - Remove the unallocated £0.7m budget from the New Growth Points Grant
 - Use balance on regeneration reserve and capital funding reserve of £0.3m to support the Plan
 - Any future capital project approvals are on an individual project and funding basis until the future capital funding streams are clarified

The revised estimate of funding is shown in the table in paragraph 8.2 in this report.

- 4.8 Expenditure and commitments to the end of the second quarter is contained in the appendix to this report. A summary of spend to date by funding type is as follows:

Funding Type	Revised Budget 13/14	Spend and commitments to end Quarter Two	Balance Unspent
	£m	£m	£m
"Old" Funding	4.4	1.8	2.6
"New" Funding	11.2	5.6	5.6
Prudential Borrowing	4.8	1.3	3.5
Specific Funding	4.2	1.9	2.3
Total 2013/14	24.6	10.6	14.0

5 Supporting Information

- 5.1 The original capital budget for 2013/14 approved by Council in February 2013 was £25.4 million. That has been subsequently revised for re profiling of expenditure from 2012/13, new schemes and re profiling expenditure to future years. All changes with reasons have either been included in previous monitoring reports, or are detailed in this report.
- 5.2 It should also be noted that re profiling budgets often result from valid project management reasons such as scheme re engineering, further consultations and clarification with users or detailed tendering.
- 5.3 Of the total £63.1 million of the 4 year programme, £24.6 million is currently scheduled to be spent in 2013/14.

6 **Movements in 2013/14 Estimated expenditure**

- 6.1 The movements in the estimate of expenditure in 2013/14 on the Capital Investment Plan between the estimate at Quarter One of £27.3m and the current approved budget for 2013/14 of £24.6 m, split by the categories of funding, are as follows:

Scheme	Variation in 2013/14	Change £m	Reason
Estimate as at Quarter One – July 2013		27.3	Capital Investment Plan 2013/14 (Report 21 Aug 2013)
"Old" Funding Regime"			
Childrens' projects	Re profiling to 2014/15	(0.1)	Part budget for unallocated review project funds moved to 2014/15 and some reallocation between schemes
St Margaret Clitherow RC Primary School	Re profiling to 2014/15	(0.2)	Half of scheme budget unlikely to be required until 2014/15
Barton Infrastructure	Budget moved to 2013/14	0.1	Some funds required for work in 2013/14
Former B&Q site	Re profiling to 2014/15	(0.3)	Scheme budget re-profiled
Haldon Pier Structural repair	Re profiling to 2014/15	(0.5)	Review of likely spend profile in 2014/15
Brixham Regeneration	Reduced budgets for 2013/14	(0.1)	Reductions in Provisions for grant repayments and reprofiling of Innovation Centre budget following the external funding bid not being successful.
Innovation Centres Phase 3		(0.4)	
		(1.5)	
"New" Funding Regime"			
Cockington School expansion	Part of budget re-profiled to 2014/15	(0.8)	Further delays on one aspect of the scheme now re profiled to 2014/15

Whiterock Primary School expansion	Rephased to 2014/15	(0.1)	Scheme budget re-profiled
Roselands Primary School expansion	Rephased to 2014/15	(0.2)	Scheme budget re-profiled
Transport Structural Maintenance	Increase 2013/14 budget	0.2	Additional Govt allocation re 13/14
		(0.9)	
“New” Ring fenced funding			
Edginswell Station	Project development for new scheme	0.1	Total £0.160m budget part funded (£0.08m) from existing Transport resources
Riviera Renaissance	Re phase budget to 14/15	(0.2)	Review of spending profile
Western Corridor	New Budget	0.6	Funding includes Dept for Transport Pinch Point Fund
Windmill Skate Park	New budget for 2013/14	0.1	Funded from external contributions
Meadfoot Sea Wall structural repairs	New budget for 2013/14	0.3	Possibility of Environment Agency grant to offset some scheme costs
		0.9	
Prudential Borrowing			
Beach Chalets Meadfoot	Re profile to 2014/15	(0.3)	Some expenditure likely in 2014/15
Empty Homes Scheme	Re profile to 2014/15	(0.1)	Budget unlikely to be required until 2014/15
South Devon Link Road	Re profile to 2013/14	0.1	Budget adjustment to cover 2013/14 expenditure
Paignton Velodrome Cyclopark	Part phased to 2014/15	(0.8)	Site problems delaying some works
		(1.1)	
General Contingency			
General Contingency	Re profile to 2015/16	(0.1)	Budget unlikely to be required until 2015/16
Estimate – Quarter Two 2013/14		24.6	

7 Expenditure

- 7.1 The Council approved the original 4-year Capital Investment Plan Budget for the period 2012/13 – 2015/16 in February 2012. This plan has been subsequently updated for any further revision to both projects and timing, resulting in the latest revision attached to Annex 1. The Plan now totals £63.1 million over the 4 year period of which £24.6 million relates to 2013/14 and £23.3 million relates to 2014/15.
- 7.2 The purpose of this report and the Monitoring statement attached is to highlight and make recommendations in relation to any existing or potential issues which may affect the delivery of the major projects included in the Plan and to consider any potential effect on corporate resources.
- 7.3 Expenditure to the end of this second quarter was £7.6 million with a further £3 million of commitments on the Council’s finance system. The expenditure of £7.6 million is 31% of the latest budget for 2013/14. This compares with £6 million (or 21% of outturn) for the second quarter last year and is in line with previous years.

	2009/10 £m - (%)	2010/11 £m - (%)	2011/12 £m - (%)	2012/13 £m - (%)	2013/14 £m (%)
Quarter One	8 – (16%)	10 – (23%)	3 – (14%)	2 – (11%)	4 (15%)
Quarter Two	11 – (22%)	13 – (30%)	7- (32%)	4 – (21%)	4 (16%)
Quarter Three	13 – (27%)	9 – (21%)	5 – (22%)	5 – (26%)	-
Quarter Four	17 – (35%)	11 – (26%)	7- (32%)	8 – (42%)	-
Total In Year	49	43	22	19	25

Main Variations & Management Action

8 "New Funding Regime"

8.1 An estimate of funds was identified in the Capital Investment Plan (February 2012) for the four years of the Plan, which was provisionally allocated to a number of "priority" areas. In a number of services, requests have now been submitted for funding which has been approved in line with the Council delegated approval. Subsequent to the initial approval funding and expenditure adjustments were been made to the four year estimate of funding.

8.2 As a result of the changes in funding and the subsequent need to ensure capital funding and expenditure is in balance, the impact of the proposals in section 15 of this report the proposed Capital Investment Plan is shown in the last column on the table below.

Scheme	Allocation Council Feb 2012 £m	Allocated to Q1 2013/14 £m	Allocated In Q2 2013/14 £m	Total Un allocated £m	Revised Capital Plan £m
	(Revised)				
Employment Schemes – such as Riviera Centre investment	2.0	1.0	0	0	1.0
Torre Abbey – Council maximum funding pending English Heritage Grant and other income.	2.0	2.0	0	0	2.0
Princess Pier Structural Repairs – Council match funding to a bid for to the Environment Agency	1.4	1.4	0	0	1.4
Grants for both Disabled Facilities and Childrens Adaptations	3.2	0.8	0	1.0	1.8
Provision for Infrastructure Works	2.0	1.7	0	0	1.7
Improving Leisure Facilities	1.7	0.9	0	0	0.9
Schools – Basic Need (including school places) and capital repairs	9.6	9.8	0	0	9.8
Transport – Structural Repairs and Integrated Transport	6.2	6.1	0	0	6.1
Adult Social Care	1.0	0.1	0	0	0.1
Affordable Housing	0.1	0.1	0	0	0.1
Total Schemes	29.2	23.9	0	1.0	24.9

8.3 The Capital Investment Plan as at 2013/14 Quarter Two shows the approved schemes to the extent that funding has been received or confirmed. Where the value of the approved schemes exceeds the confirmed funding, temporary prudential borrowing has been used pending the future receipt of funds, at which point the funding will be swapped. However if funding is not realised, such as lower than anticipated grant funding, then the Capital Investment Plan will have to be reduced accordingly or alternative sources of funding allocated such as prudential borrowing.

8.4 Scheme Updates:

Cockington Primary School: The expansion of Cockington Primary School is in progress but some delays have been encountered in relation to the adjoining playing field so a further £0.8 million has been rephased to 2014/15.

Whiterock and Roselands Primary Schools expansion – latest review of these schemes indicates that some budget £0.2m and £0.1m respectively should be re profiled to next year. The

Whiterock scheme is being designed in two phases to reflect the limited budget currently available for the scheme, with the aim of building as much as possible within existing £1m budget but ensuring cohesion and a natural link for Phase 2 work to follow when funding permits.

Mayfield expansion scheme was completed in August and in line with the budget of £1.4 m. The main building work for the expansion of Warberry CoE Primary School achieved completion in September 2013 - although work to the playground area and other refurbishment works are still in progress.

8.5 As outlined in 4.7 above it is proposed to allocate £1m of funding in total to Disabled Facility Grants for 2014/15 and 2015/16. This allocation, combined with the existing £0.6m for budget from previous years, will give a total of £1.6m budget for the two years which is in line with the annual allocation of the non ring fenced grant. The average spend on these grants over the past three financial years is under £0.6m per annum. Funding for 2015/16 is now expected to be part of the "pooled" Health and Social Care Integrated Transformation Fund.

8.6 Last December the Government announced increased funding for Transport Structural Maintenance of £0.211 m for 2013/14 and £0.113m for 2014/15. Although this is not a ring fenced grant, in view of the grant terms it has now been agreed to add these allocations to the Transport Structural Maintenance programme.

9 **"Old Funding Regime"**

This section relates to the schemes in the Capital Investment Plan that were allocated to services from capital funding that originated in 2011/12 and earlier financial years.

9.1 Children's Services:

£0.1 m of funding set aside for Education Review Projects has been rescheduled to 2014/15 as there are currently no definite plans for this funding.

St Margaret Clitherow RC Primary School: A review of the budget allocation and expenditure profile for this scheme indicates that £0.15 m budget can be re-phased to 2014/15.

As part of the re organisation of Children's Centres in Torbay in connection with the contract with Action for Childrens, some activities have been relocated to premises in Victoria Park in Paignton. It is proposed to use the existing allocation for children centres to undertake £0.075m of remedial works to the building to meet planning requirements.

9.2 Affordable Housing:

The small scheme earmarked for Hele's Angels is no longer progressing so the £0.015 m earmarked funding has been returned to the unallocated funds awaiting reallocation to another scheme.

The scheme for 12 affordable homes at Preston Down Road now requires the Council's contribution for adaptations in 2013/14 and the budget has been re profiled accordingly. The proposed scheme on the former B&Q site in Torre is likely to slip by about 12 months so again budgets have been moved and work under the Empty Homes scheme are delayed with £0.055 m reprofiled to 2014/15.

9.3 New Growth Points – White Rock Innovation Centre Phase 3 - bids to secure additional funding for this proposal have been unsuccessful so this scheme remains 'on hold' although some elements of the proposals will be pursued within available resources.

It is expected that the Mayor will approve and then report to Council that the land swop part of the original proposal will go ahead. This land swop involves the transfer of the old supported employment workshop in Waddington road to a developer in exchange for land with parking. When the supported employment service was "de commissioned" from the Waddington Road site the Council is liable to repay £154,000 of a loan back to DWP which was to have been funded from the capital receipt from the sale of site. This loan dates back to pre LGR when Devon County Council was responsible for social care in Torbay.

Following the subsequent EDC proposal for an innovation centre using the site, the repayment of grant was to have been funded as part of the innovation centre business case. As the land swop

and its value is for regeneration purposes the repayment of grant will now be funded from the New Growth Point's grant.

- 9.4 Haldon Pier some planned work to the inner face of the sea wall Pier will continue during the autumn and winter however it is now likely that £0.5m of the budget will not be required until 2014/15 when the scope of works for the next phase is confirmed.
- 9.5 Torbay Enterprise Centre (ROOTE) – In 2008 the Council received from DCLG £0.750m for this Torbay Resettlement Project under the DCLG's Places of Change Programme. The Council and developer have not been able to agree terms of the lease of the site. The Council is in negotiation with the developer about this project and the implications on Council funding.

10 **"New" Ring fenced funding**

- 10.1 Local Transport Bodies: As previously reported The Heart of the South West Local Enterprise Partnership (LEP) as a Local Transport Board (LTB) is to be awarded funds from 2015/16 to prioritise and allocate on a regional basis to major transport schemes. The Council has submitted bids to this Board for transport works in relation to Western Corridor (a £7.3m scheme) and a new train station at Edginswell (a £4.1m scheme) which have both been prioritised by the LEP.

In July 2013 The Dept of Transport announced that LEP has been awarded £27m for 2015/16 to 2018/19 for "Local Major Transport projects". The award of £27m and the LEP's current list of priority schemes will enable the funding for both the Council's two funding bids. However as this is a future year funding allocation, it is unclear when the LEP will receive this funding and when the LEP will be in a position to confirm the allocation of funds to the two Torbay schemes.

In addition from 2015/16 the LEP's will have access to a "Local Growth Fund" which is proposed to be a combination of existing revenue and capital resources such as Councils' new homes bonus grant, Councils' capital integrated transport allocations along with a number of other existing local and national funding streams. The value of this Fund is currently unknown.

- 10.2 Western Corridor – The Council has been allocated a total of £1.05m from Dept for Transport Pinch Point Fund capital grant to improve traffic flows along the Western Corridor. In addition, and in order to progress the major Western Corridor Scheme plans and commence some preparatory work, the Mayor has approved further funding of £0.6m some of which £0.5m will be 'repaid' when the Local Transport Board provisional allocations from the "Local Major Transport projects" grant to the scheme are confirmed. Integrated Transport resources of £0.5m for 2015/16 have been transferred to Contingency to provide resource cover should anticipated resources from LTB fail to materialise.
- 10.3 Edginswell Station – In order to progress the major Edginswell Station scheme, The Mayor approved project development costs of £0.16 m towards this scheme of which £0.08m will be funded from S106 contributions and existing Integrated Transport budget in 2014/15. The joint scheme (with Marsh Barton Station) is regarded as a high priority by the Local Transport Board and has been awarded provisional funding from the "Local Major Transport projects" grant and the Local Growth Fund, however but these are both subject to confirmation.
- 10.4 Windmill Hill – The Council is receiving a £0.056m contribution from Hele's Angels to build a skate park on its land at Windmill Hill, Torquay.
- 10.5 Coastal Communities/Riviera Renaissance – The Council is acting as accountable body for this grant on behalf of a number of partners. The Plan has been updated for the partners' latest profile of expenditure on the various schemes within the Grant.
- 10.6 Meadfoot Sea Wall - The Mayor has approved an allocation of £0.3m to fund essential Meadfoot Sea Wall structural repairs to prevent further damage to the sea wall, and slipway and to fill existing voids at the rear of the sea wall. The repairs will also protect the sewer pipe which runs along the area. The Environment Agency is expected to provide £0.155m of funding towards this repair. As essential works the Council's 2013/14 revenue contingency has been used to provide the balance of funding.

11 **Schemes funded from Prudential Borrowing**

- 11.1 South Devon Link Road: Whilst the Government are bringing forward their grant funding of this scheme to cover most of the costs for 2013/14 the Council has incurred some expenditure in this year so £0.07 m budget has been moved from 2014/15 to cover this cost.
- 11.2 Meadfoot Beach Chalets – It is still hoped to complete the bulk of the work to replace the existing beach chalets at Meadfoot in the current financial year, however it is likely that some costs will not be incurred until 2014/15, consequently £0.3 m of the budget has been transferred to next year.
A further budget of £0.052 m for replacement of deteriorating Beach Huts has also been approved by the Mayor. This is to be funded from reserves on an “invest to save” basis.
- 11.3 Cyclo Track – Construction on the site has not yet commenced due to technical issues in relation to the infrastructure required for the project. It is expected that during 2013/14 the closed road circuit, which represents 50% of the estimated cost, is undertaken with the works on the velodrome expected to take place in 2014/15 dependent on the resolution of the technical issues. British Cycling has confirmed that their funding can now be spread over both financial years. In the unlikely event of the Velodrome phase not progressing the business case for the Council’s £0.4m contribution to the closed road circuit should fund the prudential borrowing costs.
- 11.4 Office Rationalisation project – The latest phase of works is underway to vacate Pearl Assurance House and Commerce House (both leased buildings where break clauses have been enacted) to locate staff in a number of Council owned properties including 87 Abbey Road, Torhill House and St Edmonds.
- 11.5 Street Lighting Energy Reduction - That Council approve £0.515m to invest in energy saving measures in street lighting funded from prudential borrowing to be repaid from future savings in energy and maintenance costs. Further information on the project is included in Appendix Two, and if approved it is anticipated this work will be carried out in 2014/15.

12 Contingency

- 12.1 The Council approved a capital contingency of £1.1 million. This contingency is still in place to provide for unforeseen emergencies or shortfall in projected income over the 4-year Plan period and represents almost 2% of the total Capital Investment Plan budget. Currently it is not anticipated that the contingency will be required this financial year so the bulk of the contingency has been moved to future years. As per 4.7 of this report due it is proposed to reduce this contingency by £0.5million to support approved schemes.
- 12.2 A further allocation of £0.5 million has been added to the Contingency from Integrated Transport resources in future years as back-up resource cover for budget approved on Western Corridor. This has been provided in the event that if anticipated resources from the Local Transport Board do not materialise then we will have alternative cover to fund the advance works approved by the Mayor (see para 10.2 above).

13 **Receipts & Funding**

- 13.1 The funding identified for the latest Capital Investment 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 Investment Plan is shown in the Table below:

	2013/14	2014/15	2015/16	2016/17	Total @ Q2 13/14
	A	B	C	D	E
Funding	£m	£m	£m	£m	£m
Supported Borrowing	1	0	0	0	1
Unsupported Borrowing	8	11	8	5	32
Grants	14	9	1	0	24
Contributions	1	0	0	0	1
Reserves	0	1	0	0	1

Revenue	1	0	0	0	1
Capital Receipts	0	2	1	0	3
Total	25	23	10	5	63

Notes to Table:

Column E – reflects the Capital Investment Plan as at Quarter Two 2013/14 and shows the approved schemes to the extent that funding has been received or confirmed. Where the value of the approved schemes exceeds the known funding, temporary prudential borrowing has been used pending the future receipt of funds, at which point the funding will be swapped.

Grants

- 13.2 Capital Grants are the major funding stream (69% in 12/13) for the Council to progress its investment plans. The majority of these grants result from “bid” processes from other public sector bodies.
- 13.3 Since the last Capital update (Outturn 2012/13) to Council in July 2013 the Council has been notified of a grant for 2013/14 as follows:
- Department for Transport ‘Local Pinch Points’– Western Corridor 2013/14 allocation of £0.5million with a similar allocation of £0.55 million for 2014/15. (Total Grant = £1.055m).
- 13.4 The Council has been notified that it has been unsuccessful in its bid for £2.5m of funding for the proposed ‘Phase 3’ Innovation Centre at Whiterock.
- 13.5 There are a number of central government proposals to allocate capital grant funding in 2015/16 on a pooled basis rather than direct to the Council. Further detail on these changes is outlined in section 15 above and paragraph 10.2 illustrates these changes in that that transport funding for specific schemes in Torbay from 2015/16 is to be agreed by the (regional) LEP.

Capital Receipts –

- 13.6 Capital receipts in the year to date are £0.4 million. Within the £0.4m is £0.3m for Bench House in Brixham which is part of the funding for the Brixham regeneration project. At the start of 2013/14 the Council held a balance of £0.7 million capital receipts which have not yet been used to fund capital expenditure.
- 13.7 The target for securing capital receipts from asset sales to fund the 4-year Capital Investment Plan after 2012/13 was £6.2 million (required by March 2016).
- 13.8 This means that the approved Plan as at 1 April 2013 relies upon the future generation of a total of £4.5 million capital receipts from asset sales by the end of 2015/16. These targets are expected to be achieved provided that -
- approved disposals currently “in the pipeline” are completed
 - the Council continues with its disposal policy for surplus and underused assets and,
 - no new (or amended) schemes are brought forward that rely on the use of capital receipts for funding.
- 13.9 Of the receipts expected £0.8 million is in relation to the Tesco development at Brixham, £1m from the Oldway Development and a significant sum is expected for the disposal of the old Paignton Library site. For all of the three named receipts the capital receipt is dependent on specific actions from the site developer. All capital receipts up to the target of £6.2m are required to fund capital schemes already approved.
- 13.10 There is an ongoing risk over the value of receipts. However the current approved plan has taken a prudent approach on the value of potential receipts and number of assets to be disposed. Assets approved for disposal are reported to Council for approval, with the latest report presented to Council in May 2013

Capital Contributions – S106 & Community Infrastructure Levy

- 13.11 The general target for securing capital contributions to fund the 4-year Capital Investment Plan, following review of the Budget in February 2013 was £2.5 million (required by March 2016). In addition the South Devon Link Road business case estimated external contributions including s106 payments of £2.1m to help fund the scheme.
- 13.12 The intention is that capital contributions are applied to support schemes **already approved** as part of Capital Investment Plan and not allocated to new schemes unless the agreement with the developer is specific to a particular scheme outside the Capital Investment Plan.
- 13.13 Income from s106's capital contributions so far in 2013/14 is around £0.2 million and of this £0.03 million is assigned to help finance the South Devon Link Road. Of the balance where possible depending on deed conditions this will be allocated to support existing expenditure and therefore reduce the target for capital contributions.
- 13.14 The Council was expecting to agree a charging schedule for its Community Infrastructure Levy to be applicable from April 2014 which will, in part, replace S106 contributions from developers. The later than anticipated start of the Levy, combined with a lack of development within the area linked to economic conditions has resulted in a high risk that the targeted level of income will not be achieved by March 2016. As a result as outlined in section 15 below it is now proposed that this target is reduced.

14 Borrowing and Prudential Indicators

- 14.1 The Council set its Prudential Indicators and monitoring arrangements for affordable borrowing in February 2013. The Authorised Limit for External Debt including long term liabilities (the maximum borrowing the Council can legally undertake) and the Operational Boundary (the day-to-day limit for cash management purpose) are monitored on a daily basis by the Executive Head of Finance and reported to Members quarterly.

The limits are as follows

- **Authorised Limit** £192 million
- **Operational Boundary** £173 million

External Debt, and long term liabilities, such as the PFI liability, as at end of September 2013 was £147.4 million, following repayment of £10 million of borrowing in August 2013. The current level of debt is within the Operational Boundary and the Authorised Limit set for the year. No management action has been required during the quarter.

- 14.2 After this repayment and based on approved capital expenditure due to be funded from borrowing in the current capital investment plan of £33.5m, it is now projected that by the end of the Plan the Council's level of external borrowing and long term liabilities will be less than its Capital Financing Requirement which indicates the Council will be using its own cash resources to fund the Plan.
- 14.3 The Council's capital expenditure has an overall positive impact on the Council's Balance Sheet. The majority of expenditure in the Capital Investment Plan is on the Council's own assets which will therefore increase the value attached to the Council's fixed assets. This also applies to investment in assets funded from borrowing where the increase in asset value will exceed any increase in the Council's long term liabilities. As at 31 March 2013 the Council's "Non Current Assets" were valued at £286 million

15 Revision to Capital Investment Plan

- 15.1 There are a number of issues impacting on the funding of the approved Capital Investment Plan which now require the plan to be revised.
- Reductions to capital grants in 2013/14 and 2014/15
 - New grant distributions arrangements for 2015/16
 - Delay in Community Infrastructure levy

15.2 Reductions in capital grants for 2013/14 and 2014/15:

As previously reported the estimated grant allocation for schools' basic need (pupil places) was lower than expected at just £1m per annum for 2013/14 and 2014/15. In addition the Council application for additional targeted needs funding was not successful.

15.3 New grant distributions arrangements for 2015/16:

As part of the Chancellors budget announcement in June 2013 and subsequent supporting documents being issued it is clear there is a fundamental shift in the allocation of capital grants for 2015/16 onwards.

With the introduction of the Local Enterprise Partnerships (LEP) a number of funding streams are being pooled or directly distributed to the LEP. For the Council 35% of its (revenue) new homes bonus grant (approx. £0.9million) will be "pooled" and on capital grants it is likely that the Integrated Transport Capital Grant will be allocated to the LEP. This is an annual capital grant of £1.1m to the Council.

With the introduction of the Health and Social Care Integrated Transformation Fund a number of funding streams are being pooled or potentially directly distributed to the CCG. For the Council it is expected that the existing (revenue) s256 social care funding will be transferred to this Fund and on capital grants it is likely that both the Disabled Facilities Grant and the Social Care Capital Grant will be allocated to this Fund. The combined value of these capital grants to the Council is £1.3m per annum. A "shadow" fund may be in operation for 2014/15.

Although these capital grants are not now being allocated to the Council, this does not mean that funding will not be spent in the Torbay area, however the Council will need to have an influence on the decision making associated with both these funds. As an example the LEP has, in principle, indicated that it hopes to allocate some expected funding for 2015/16 onwards to two transport projects within the Bay; Western Corridor and Edginswell train station.

15.4 Delay in Community Infrastructure Levy:

The original four year plan assumed an operational Community Infrastructure Levy from 2013/14. With delays in the approval of the Council's Local Plan the level of income was reduced during 2012/13. However as the latest estimate of a Local Plan is now autumn 2014, it is unlikely the Council will have an approved and operation CIL scheme until April 2015, the level of income estimated needs to be reduced further.

15.5 The latest estimate of future capital funding is now as follows:

Estimate – Oct. 13	2012/13 £m	2013/14 £m	2014/15 £m	2015/16 £m	Total £m
Capital Grant					
- Allocated/Provisional	7.0	5.0	3.9	0	15.9
- Estimate	0	0	1.2	2.5	3.7
Capital Receipts					
- Estimate	0	1.0	1.0	1.0	3.0
Contributions					
- S106	0.1	0.2	0	0	0.3
- CIL Estimate	0	0	0	0.5	0.5
Total	7.1	6.2	6.1	4.0	23.4

15.6 This presents a funding shortfall compared to the last expenditure estimate of £29.2m (table 8.1).

This figure can be reduced by removal from the estimate any potential expenditure in 2015/16 associated with the capital grants being allocated to other bodies. In addition all other unallocated capital allocations budgets are held back pending confirmation of a funding source. The exception to this is Disabled Facilities Grants where it is proposed to allocate £1m in total spread between 2013/14 and 2014/15. This is in addition to the current 2013/14 budget of £0.6m for Disabled Facilities Grants. These proposals reduce the funding shortfall to £1.5 million.

- 15.7 To fund this shortfall of £1.5 million the following funding adjustments are proposed:
- 1) Reduce the Contingency on capital budgets from £1.1m to £0.6m to reflect that the capital plan is now significantly lower than previous funding levels
 - 2) Use the unallocated £0.7m on the old New Growth Point Grant
 - 3) Use balance on regeneration reserve and capital funding reserve of £0.3m
- 15.8 This results in the Capital Investment Plan being back in balance however there will be no spare capital resources for new schemes or emergency capital works unless new funding is identified. It should be noted that although funding has been allocated to services it has not all been contractually committed. In particular £16m of funding over the four years of the plan has been allocated to transport and schools.
- 15.9 Members could review the overall capital plan including the allocations to transport and schools to consider where previously approved schemes should be cancelled, delayed or allowed to proceed with a lower specification.
- 15.10 Members could also consider increasing the income targets either by increasing targets for say capital receipts or CIL within individual years or by assuming a level of income for 2016/17.
- 15.11 Any estimate of future income needs to include the funding of the balance of up to £14 million of costs on the South Devon Link Road which are currently unfunded and will become a £0.9m revenue budget pressure in 2016/17 if the £14 million is funded from prudential borrowing over 25 years.
- 15.12 The Council has two major unfunded budget pressures that Members may wish to consider. The first is the ongoing occurrence of repairs to sea facing walls, cliffs and infrastructure. The Environment Agency does support a number of these schemes but mostly only part funds these works. Secondly as the bid for funding for a major extension at White Rock Primary School to meet changes in pupil numbers for a proposed £3.5m scheme was unsuccessful, the majority of this scheme is currently unfunded although £1m of the £9.6m allocated to schools over the four years of the Plan to schools has been allocated to commence works at this school.

16 Possibilities and Options

- 15.1 Council could consider reducing the Capital Investment Plan to reflect any potential reduction in capital receipts or other capital resources.

16 Consultation

- 16.1 Where appropriate individual capital schemes have public consultation and negotiation with stakeholders.

17 Risks

- 17.1 That capital receipts, other capital contributions such as S106 and Community Infrastructure Levy and future year grant allocations will not be received to support the Plan.
- 17.2 The contingency is approximately 1% of total planned expenditure on a total programme of £62million. There could be inflationary cost pressures on the programme thus increasing expenditure.

Appendix

Appendix One - Capital Investment Plan Budget 2013/14 – 2016/17 (as at October 2013)

Appendix Two – Street Lighting Energy Saving

Annex 1

CAPITAL INVESTMENT PLAN - QUARTER 2 2013/14- EXPENDITURE

	Expend in Prev Years (active schemes only)	Actuals & Commitments 2013/14 @ Ctr 2		Previous 2013/14 (@ Ctr 1)	2013/14 Q2 Adjustments	New Schemes 2013/14	Revised 4-year Plan Oct 2013				Total for Plan Period		
		£'000					£'000		£'000			£'000	
		£'000	£'000				£'000	£'000	£'000	£'000		£'000	£'000
Old Funding Regime (pre 12/13)													
Adults & Resources													
Adult Personal Social Services	-			0				0	0	0	0	0	
Mental Health Care Initiatives	-			22				22	0	0	0	22	
Various ICT Improvements	-	6		23				23	0	0	0	23	
Childrens, Schools & Families													
Asbestos Removal	-	6		45				45	0	0	0	45	
Barton Primary Cap Project	-			9				9	0	0	0	9	
Capital Repairs & Maintenance 2010/11	1,908	1,384		2,402				2,402	140	50	0	2,592	
Capital Repairs & Maintenance 2011/12	-			0				0	0	0	0	0	
Childrens Centres	462	1		81				202	0	0	0	202	
Curfudge St - Remodelling	2,612	31		27	6			81	300	0	0	381	
Education Review Projects	-			220	81			301	100	0	0	401	
Ellacombe - Remodelling	716			0				0	0	0	0	0	
EOTAS Halswell House	48	1		2	(2)			0	0	0	0	0	
Foxhole Community Multi Use Games Area	190			0				0	0	0	0	0	
Foxhole Schools - Amalgamation	9,122			36	(36)			0	0	0	0	0	
Minor Adaptations Childcare	-			5				5	0	0	0	5	
My Place Parkfield	5,264			98				98	0	0	0	98	
Oldway Primary Disabled Changing Rooms	117			13	(13)			0	0	0	0	0	
Paignton Community Sports College - Astroturf pitch	1,778			0				0	0	0	0	0	
Paignton Community Sports College Mobile Replace 14-19 Project	898			64	(64)			0	0	0	0	0	
Preston Primary - ASD Unit	1,476	8		23	1			24	0	0	0	24	
Primary Places 2011/12	-			11	(7)			4	0	0	0	4	
School Security	-			7	(7)			0	0	0	0	0	
Short Breaks for Disabled Children	-			17				17	0	0	0	17	
Special Education Needs - reactive works	-			(2)				24	0	0	0	24	
St Margaret Clithrow Primary Bxrn - Expansion	-			300	(150)			150	150	0	0	300	
Torquay Community College Re-build (Building Schools for the Future)	28,669	105		176				176	0	0	0	176	
Westlands 14-19 Project	692	1		59	(59)			0	0	0	0	0	
Youth Modular Projects	-			51				51	0	0	0	51	
	53,952	1,580		3,827	(250)			3,577	690	50	0	4,317	

CAPITAL INVESTMENT PLAN - QUARTER 2 2013/14- EXPENDITURE

Annex 1

	Expend in Prev Years (active schemes only)	Actuals & Commitments 2013/14 @ Ctr 2	Previous 2013/14 (@ Ctr 1)	2013/14 Q2 Adjustments	New Schemes 2013/14	Revised 4-year Plan Oct 2013				Total for Plan Period	
						Total 2013/14 Revised	2014/15	2015/16	2016/17		
Place & Resources											
Babbacombe Beach Road	-		0				0	70	0	0	70
Barton Infrastructure	33	34	0	70			70	35	0	0	105
Barton Playing Fields	60						0	0	0	0	0
Enhancement of Development sites	12	18	50	(300)			50	153	0	0	203
Former B&Q site Torre (24 units)	-		300	(500)			0	300	279	279	858
Haldon Pier - Structural repair Phase I/2	2,163	22	909	(500)			409	500	0	0	909
Harbour Development Phase 1&2 (Quay & Buildings)	20,088	(53)		(122)			-122	0	0	0	-122
Highway Capital Maintenance annual programme	-						0	0	0	0	0
Integrated Transport programme	-		0				0	0	0	0	0
Housing - Advances Budget to be allocated	-		0				0	109	0	0	109
NGP - Great Parks Access	84	6	0				0	0	0	0	0
NGP - HCA Match Land Acquisitions	702	15	0	15			15	550	0	0	565
NGP - Strategic Cycleway	412	19	4				4	0	0	0	4
NGP - Torbay Innovation Centre Ph 3	69		298	(298)			0	346	0	0	346
NGP - Windy Corner Junction	10		1				1	0	0	0	1
Sanctuary HA - Hayes Road	250		0				0	250	0	0	250
Sanctuary HA - Langridge Road , Pgn (4 units adapt)	-	3	46				46	0	0	0	46
Hele's Angels scheme	-		15	(15)			0	0	0	0	0
Sea Change - Cockington Court	3,188	76	85				85	0	0	0	85
Sovereign HA - Beechfield (102 units + adapt 3 units)	144		151				151	0	0	0	151
Torbay Enterprise Project	500		0				0	250	0	0	250
Westcountry HA - Preston Down Road (12 units)	-		0	11			11	0	0	0	11
Public Health	27,715	140	1,859	(1,139)			720	2,563	279	279	3,841
Insulation Scheme	-		17	(17)			0	0	0	0	0
Private Sector Renewal	-	21	67	(38)			29	0	0	0	29
	0	21	84	(55)			29	0	0	0	29
TOTAL	81,667	1,747	5,815	(1,444)	0		4,371	3,253	329	279	8,232

CAPITAL INVESTMENT PLAN - QUARTER 2 2013/14- EXPENDITURE

Annex 1

	Expend in Prev Years (active schemes only)	Actuals & Commitments 2013/14 @ Ctr 2	Previous 2013/14 (@ Ctr 1)	2013/14 Q2 Adjustments	New Schemes 2013/14	Revised 4-year Plan Oct 2013				Total for Plan Period	
						Total 2013/14 Revised	2014/15	2015/16	2016/17		
New Funding Regime (12/13 onwards)											
Childrens, Schools & Families											
Capital Repairs & Maintenance 2012/13	-	130	302			302	100	100	0	502	
Cockington Primary expansion	-	225	1,727	(800)		927	2,400	45	0	3,372	
Ellacombe Primary expansion						0	0	0	0	0	
Mayfield expansion	987	252	434	(150)		434	0	0	0	434	
Roselands Primary expansion	-	27	456			306	156	0	0	462	
Schools Access	-	15	42			42	0	0	0	42	
Torre CoE Primary expansion	-	166	790			790	550	15	0	1,355	
Warberry CoE Primary expansion	-	848	1,446			1,446	21	0	0	1,467	
Whitlock Primary expansion	-	166	400	(100)		300	700	0	0	1,000	
	987	1,829	5,597	(1,050)	0	4,547	3,927	160	0	8,634	
Place & Resources											
Affordable Housing	-		0			0	251	0	0	251	
Flood Defence schemes (with Env Agency)	-	201	378			378	155	0	0	533	
Livermead Sea Wall structural repair	34	530	686			686	0	0	0	686	
Oldway Estate works			0			0	400	0	0	400	
Princess Pier - Structural repair (with Env Agency)	-					0	1,850	0	0	1,850	
Princess Promenade Phase 3		54	89			89	0	0	0	89	
Riviera Centre renewal	-		891			891	0	0	0	891	
Social Care - Hollacombe CRC	-	60	60			60	0	0	0	60	
SWIM Torquay - improve facilities	-	505	587	(30)		557	30	0	0	587	
Torre Abbey Renovation - Phase 2	3,648	1,298	1,421			1,421	0	0	0	1,421	
Transport Gateway Enhancement	-	29	45			45	0	0	0	45	
Transport Integrated Transport Schemes	-	310	631			631	495	120	0	1,246	
Transport Structural Maintenance	-	230	824	211		1,035	953	840	0	2,828	
Transport Western Corridor	-	108	245			245	0	0	0	245	
	3,662	3,325	5,857	181	0	6,038	4,134	960	0	11,132	
Public Health											
Disabled Facilities Grants	-	438	597	17	0	614	500	519	0	1,633	
	0	0	0	0	0	0	0	0	0	0	
	0	0	0	0	0	0	0	0	0	0	
	4,669	5,592	12,051	(652)	0	11,199	8,561	1,639	0	21,399	
Govt Dept Non-ringfenced grants to be allocated to Projects											

CAPITAL INVESTMENT PLAN - QUARTER 2 2013/14- EXPENDITURE

Annex 1

	Expend in Prev Years (active schemes only)	Actuals & Commitments 2013/14 @ Ctr 2	Previous 2013/14 (@ Ctr 1)	2013/14 Q2 Adjustments	New Schemes 2013/14	Revised 4-year Plan Oct 2013				Total for Plan Period	
						Total 2013/14 Revised	2014/15	2015/16	2016/17		
New Ring Fenced or Specific Funding (12/13)											
Adults & Resources											
Corporate Telephony System	0	167	168			168	0	0	0	168	
	0	167	168	0	0	168	0	0	0	168	
Childrens, Schools & Families											
2 Year Olds Provision		20	253			253	0	0	0	253	
Devolved Formula Capital		72	428	10		438	0	0	0	438	
	0	92	681	10	0	691	0	0	0	691	
Place & Resources											
Brixham Harbour - Major repairs		165	240			240	0	0	0	240	
DfT Better Bus Areas	45	6	470			470	0	0	0	470	
DfT Local Sustainable Transport Fund (Ferry/Cycle)	608	401	650			650	295	0	0	945	
Edginswell Station- Project Development					100	100	60	0	0	160	
Env Agency - Colin Road Culvert Replacement		9	4			4	0	0	0	4	
Meadfoot Sea Wall structural repair					286	286	200	0	0	286	
Riviera Renaissance (Coastal Communities Fund)		636	641	(193)		448	0	0	0	648	
Torbay Leisure Centre - structural repairs	433	111	111			111	0	0	0	111	
Public Toilets - Utilities saving measures			100	(30)		70	30	0	0	100	
Western Corridor					605	605	1,050	0	0	1,655	
Windmill Skate Park		56				56				56	
Public Health											
Green Deal Fuel Poverty	167	314	321			321	0	0	0	321	
	1,253	1,698	2,537	(223)	1,047	3,361	1,635	0	0	4,996	
	1,253	1,957	3,366	(213)	1,047	4,220	1,635	0	0	5,855	

CAPITAL INVESTMENT PLAN - QUARTER 2 2013/14- EXPENDITURE

Annex 1

	Expend in Prev Years (active schemes only)	Actuals & Commitments 2013/14 @ Ctr 2	Previous 2013/14 (@ Ctr 1)	2013/14 Q2 Adjustments	New Schemes 2013/14	Revised 4-year Plan Oct 2013				Total for Plan Period	
						Total 2013/14 Revised	2014/15	2015/16	2016/17		
Prudential Borrowing Schemes											
Place & Resources											
Beach Hut Acquisition and Renewal (incl. Broadsands, Meadfoot)	14	131	1,642	(345)	52	1,349	345	0	0	1,694	
Council Fleet Vehicles	213		100			100	150	0	0	250	
Empty Homes Scheme	0		75	(55)		20	255	225	0	500	
Office Rationalisation Project Ph 2 - Project Remainder	8,372	109	293			293	500	0	0	793	
On Street Parking meters	650	65	207			207	0	0	0	207	
Princess Promenade (Western Section) Repairs	2,592	867	1,176			1,176	0	0	0	1,176	
South Devon Link Road - Council contribution	1,247	63	0	70		70	6,883	7,324	4,699	18,976	
Street Lighting - Energy Reduction						0	515	0	0	515	
Torre Abbey Pathway	25	16	25			25	0	0	0	25	
Torquay Inner Harbour pontoons		33	800			800	0	0	0	800	
Paignton Velodrome Cyclopark		6	1,560	(780)		780	780	0	0	1,560	
	13,113	1,290	5,878	(1,110)	52	4,820	9,428	7,549	4,699	26,496	
	13,113	1,290	5,878	(1,110)	52	4,820	9,428	7,549	4,699	26,496	
Contingency											
General Capital Contingency	0		180	(180)		0	451	680	0	1,131	
	0	0	180	(180)	0	0	451	680	0	1,131	
TOTALS	100,702	10,586	27,310	(3,799)	1,099	24,610	23,328	10,197	4,978	63,113	
CAPITAL INVESTMENT PLAN - QUARTER 2 2013/14- FUNDING											
Supported Borrowing			800	(238)		562	238	0	0	800	
Unsupported Borrowing			10,115	(2,292)		7,823	11,310	7,824	4,419	31,376	
Grants			14,199	(1,086)	580	13,693	9,065	1,114	54	23,926	
Contributions			852	(150)	76	778	260	93	0	1,131	
Reserves			702	(77)	52	677	835	180	0	1,692	
Revenue			250	24	391	665	390	300	280	1,635	
Capital Receipts			392	20		412	1,230	686	225	2,553	
Total			27,310	(3,799)	1,099	24,610	23,328	10,197	4,978	63,113	

Agenda Item 18

Appendix 2

Energy Reduction in Street Lighting

Background

The current energy budget for street lighting is currently £550,000. It is proposed that consideration is given to the use of LED lanterns and CMS technology in street lighting. The use of a white light source such as LED allows lighting levels to be lowered on the highway without a reduction in perceived illumination. LED's last longer than conventional lamps, 50,000+hrs compared to 16,000-24,000 hrs, this will give cost savings on lamp replacement.

The use of a white light source such as LED allows lighting levels to be lowered on the highway without a reduction in perceived illumination. Lighting levels on the highway can vary depending on its usage and time, levels on main roads can be reduced as traffic flow reduces. The introduction of a remote monitoring system can optimise the requirements for each individual site and provide flexibility to alter dimming regimes, on and off timings in the future without further costs.

Energy prices are expected to rise in the foreseeable future and as Council funding reduces, this will put a strain on budgets to maintain service delivery and provide a safe environment for residents and visitors alike. Advances in Technology and future proofing of products would allow Torbay Council to plan ahead by using invest to save projects detailed in this report.

With the use of CMS technology, it allows settings to be altered from the office without site visits; it will also monitor the street lights advising whether lights are out, day burning and general performance of the light. This could provide extra saving through maintenance. Lighting levels can be reduced a number of times during the night to suit requirements this cannot be achieved with part night lighting. On and off times can also be adjusted manually to save at least a further 30mins per unit per night, these features have been allowed for in the calculations

Further reductions in energy and carbon emissions will also reduce Torbay Councils contribution within the Carbon Commitment Levy.

The use of a CMS system using lanterns with compatible gear will mean that each road or section of road can be lit to the required standard, and with the improvements in LED technology, adjustments can be made to existing lanterns to suit the improvements or changes in lighting standards.

Advances in LED technology are continually improving and will become the main light source for most features including road and area lighting. Various companies are now entering the market offering LED products but caution is required to ensure reliability, performance and longevity of the product due to the substantial increase in life of LED'S to the traditional light source. Market research and trials are being undertaken to ensure performance and value for money in product selection for the project.

Work has already been carried out with regard to the use of LED lanterns and CMS, new developments and capital works are designed and specified with LED lanterns. Manufacturers have been asked to provide samples, prices and performance data of their lanterns, trial sites at Rock Walk, St. Marychurch Precinct and Paignton Harbour have already been installed and assessed and further sites are programmed.

Proposed Option - Replace older Lanterns on main Roads with LED, convert modern lanterns to a white light source

- It is estimated that 961 lanterns would be replaced and 1091 converted to a white light source.
- The estimated capital investment is £0.515m with a repayment period of 15 years.
- The equipment in the modern lanterns will have to be taken into consideration to establish the extent and nature of conversion. In some instances lamp and lamp holder would only be changed in others replacement gear trays. It may be possible to use LED replacement gear tray but consultation with the manufacturers would be required to access their suitability. The average cost of replacement is used in the costs.

- There would be a slight inconsistency in lighting standards due to the different light sources but this is unlikely to be noticeable in most cases.
 - Consideration would be required as to whether CMS is also included in the converted lanterns to provide consistency in any dimming regimes proposed, and the compatibility of the lantern to receive the system although this is not considered to be a problem.
 - Savings in maintenance and energy using CMS will be achievable by fine tuning functionality of each street light.
- | | |
|-----------------------|---|
| • Estimated cost | £515,338.00 (£47,985.18 per year repayment) |
| • Total Annual saving | £ 97,203.93 |
| • Maintenance saving | £ 1,182.03 |
| • Net saving | £ 50,400.78 |

Future Options

The proposed scheme only covers older lanterns on main roads. If the proposed scheme is successful this concept can be applied to all main roads lanterns and residential areas. Future approval would be requested from Council.

Agenda Item 20

Standing Order D11 (in relation to Overview and Scrutiny) – Call-in and Urgency Council Meeting, 5 December 2013

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

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

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

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

The table below sets out this information:

Matter for decision	Decision-taker	Reasons for urgency	Consultation
2014-20 European Structural & Investment Fund Strategy	The Mayor	The Mayor at the Council meeting on 26 September 2013 approved that the EU funding strategy currently being developed by the LEP and the thematic priorities within this were endorsed. As the Strategy was required to be submitted to Government by 7 October 2013, the decision taken by the Mayor needed to be implemented before the end of the call-in time frame as any delay likely to be caused by the call-in process would prejudice the Council's and public's interests.	The Overview and Scrutiny Co-ordinator was consulted on 24 September 2013.

Anthony Butler
Monitoring Officer