

**Meeting: Cabinet**

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

**Meeting: Council**

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**Wards Affected: All Wards**

**Report Title: Torbay Growth Fund**

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

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

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## **1. Purpose of Report**

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

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

We want Torbay and its residents to thrive.

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

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

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

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

## 2.2 The reasons for the decision are to:

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

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## 3. Recommendation(s) / Proposed Decision

That Cabinet be recommended:

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

That Cabinet recommend the Council:

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

## Appendices

Appendix 1: Torbay Growth Fund Criteria

## Background Documents

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

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

# Supporting Information

## 1. Introduction

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

## 2. Options under consideration

- 2.1 None

## 3. Financial Opportunities and Implications

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

## 4. Legal Implications

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

## 5. Engagement and Consultation

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

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

- 6.1 Not applicable.

## **7. Tackling Climate Change**

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

## **8. Associated Risks**

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

## Equality Impacts

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

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