

Tuesday, 28 June 2022

OVERVIEW AND SCRUTINY BOARD

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

Wednesday, 6 July 2022

commencing at **5.30 pm**

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

Members of the Board

Councillor Douglas-Dunbar (Chairwoman)

Councillor Atiya-Alla

Councillor Barnby

Councillor Barrand

Councillor Brown

Councillor Bye (Vice-Chair)

Councillor Johns

Councillor Kennedy

Councillor Loxton

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OVERVIEW AND SCRUTINY BOARD AGENDA

1. **Apologies**
To receive apologies for absence, including notifications of any changes to the membership of the Board.
2. **Minutes** (Pages 4 - 6)
To confirm as a correct record the minutes of the meeting of the Board held on 8 June 2022.
3. **Declarations of Interest**
 - 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.)
4. **Urgent Items**
To consider any other items that the Chairman decides are urgent.
5. **Climate Change Emergency Update** (Pages 7 - 13)
To receive an update on the implementation of the Climate Change Emergency Actions.

(Note: the Divisional Director for Planning, Housing and Climate Emergency - David Edmondson, the Climate Emergency Officer - Jacqui Warren and Cabinet Member for Infrastructure, Environment and Culture - Councillor Morey will be in attendance for this item.)
6. **Budget Monitoring Outturn 2021/2022** (Pages 14 - 31)
To consider the submitted report which sets out the budget monitoring outturn report for 2021/2022 and consider making recommendations to the Cabinet.

(Note: Martin Phillips, Director of Finance and Councillor Cowell – Deputy Leader of the Council and Cabinet Member for Finance will be in attendance for this item.)

Meeting Attendance

Please note that whilst the Council is no longer implementing Covid-19 secure arrangements attendees are encouraged to sit with space in between other people. Windows will be kept open to ensure good ventilation and therefore attendees are recommended to wear suitable clothing.

If you have symptoms, including runny nose, sore throat, fever, new continuous cough and loss of taste and smell please do not come to the meeting.

Minutes of the Overview and Scrutiny Board

8 June 2022

-: Present :-

Councillor Bye (Vice-Chair in the Chair)

Councillors Atiya-Alla, Barnby, Barrand, Brown, Johns, Kennedy and Loxton

(Also in attendance: Councillors Brooks and Steve Darling)

1. Apologies

An apology for absence was received from the Chairwoman Councillor Douglas-Dunbar, whereupon the Vice-Chairman Councillor Bye took the Chair.

2. Minutes

The minutes of the meeting of the Board held on 11 May 2022 were confirmed as a correct record and signed by the Vice-Chairman.

3. Destination Management Plan 2022-2027

The Leader of the Council, Councillor Steve Darling, Divisional Director for Economy, Environment and Infrastructure Alan Denby, Economy and Enterprise Manager Carl Wyard and the Chair of the Destination Management Group Lynn Stephens attended the meeting to outline the draft Destination Management Plan 2022-2027, which was a sister Plan to the Economic Strategy and responded to the following questions:

- What engagement activity had been carried out to develop the draft Destination Management Plan.
- What was the reason behind using 2020 and 2021 numbers for visitors as a baseline instead of looking at trends over a longer period.
- Similar documents have been produced in the past how confident were offices/Members that we would be able to deliver the actions within the Plan.
- What actions need to be done to ensure that Torbay was an all year round tourism destination.
- How can we reach a wider audience and expand our international offer.
- How can we make the most of our existing assets such as the English Riviera UNESCO Global Geopark, South West Coast Path and links to Agatha Christie.
- How can we ensure that this Plan compliments the Economic Strategy.
- How was the data collected and analysed.

- How can we future proof jobs within the tourism industry in light of increasing cost of living.
- How quickly can we get some of the objectives up and running.
- What were the key challenges and opportunities.
- The Council has a lot of strategies, has consideration been given to expanding the time for this Plan to 2030 to tie up with the Local Plan and Economic Strategy.
- How will you evaluate how effective you have been against the Plan.
- How will you ensure buy in from local people and businesses.
- How will you expand the offer to make it more attractive to different people e.g. younger people, families etc.
- What proposals were there for extending our events and have we considered more shows and tea dances to appeal to a wider audience.
- You have reviewed what has happened before, one suggestion was that previous plans had too many actions with 27, this Plan proposes 28, should this be reduced to less more focussed actions.
- How were we working with South Devon College, schools and local businesses to grow more interest and fill more jobs within the tourism sector.
- Has the College considered offering training opportunities for tourism during the Winter so that people can receive training out of season.
- Traditionally tourism has seen lower paid jobs what action was being taken to address this.
- How does the lack of suitable and affordable housing impact on the delivery of the Plan.
- What contingencies have been included for future economic downturn in light of rises in the cost of living.
- How do we make tourism jobs more attractive and how do we incentivise people into work.
- Quality can be subjective how will you monitor quality and how will you define it within the Plan.

The Board welcomed the approach to the developing the draft Destination Management Plan.

Resolved (unanimously):

That the Cabinet be recommended:

1. to consider extending the period covered by the Destination Management Plan to 2030 to tie up with the Local Plan and Economic Strategy;
2. to revisit the number of priorities to ensure a more focussed and targeted approach reducing them from 28 actions and to identify quick wins which could be implemented within a few months e.g. better signage, heritage trails etc.;
3. to regularly monitor the action plans to ensure that proposals are implemented and reprioritised as appropriate;

4. to continue working closely with South Devon College, schools and local businesses to encourage people into jobs and apprenticeships within the tourism sector in Torbay;
5. to ensure that the Destination Management Plan dovetails with the emerging revised Economic Strategy;
6. to consider rewording the start of the document to put it in context with the trends which have evolved over a number of years; and
7. to ensure better signage and connectivity within individual towns in addition to between the three towns.

Chairwoman

Update on Cabinet Response to the recommendations of the Overview and Scrutiny Board – Interim Climate Change Emergency Task and Finish Report

No.	Recommendation:	Cabinet Response:	Update: June 2022
1.	that all reports to Councillors include enhanced information on how the decision will impact on climate change;	'Section 7 Tackling Climate Change' of the Council's report template will be reviewed and enhanced in line with this recommendation.	Completed
2.	that, in order to achieve consistency in the application of our Environmental Policies, the Assistant Director Planning, Housing and Climate Emergency be requested to develop and issue a guidance document setting out how Policies in the Local Plan relating to climate change should be complied with. That guidance should explain compliance will mean submitting a statement, similar to the design and access statement, explaining how the policy is being considered;	The Cabinet welcomes this recommendation and requests the Assistant Director of Planning, Housing and Climate Emergency develop and issue a guidance document in respect of the expectations of the Planning Authority regarding compliance with policies in the Local Plan that relate to climate change.	A refresh of the Healthy Torbay Supplementary Planning Document is planned and will include comprehensive guidance on climate change for developers. Low carbon development training was provided to Planning Committee on 16 June. Similar will be provided to all DM Officers with an accompanying guide to support them.
3.	that the Panel would welcome a Cabinet Member to be responsible for taking the lead on driving forward	The Cabinet Member for Infrastructure, Environment and Culture has naturally assumed the responsibility for the	N/a

No.	Recommendation:	Cabinet Response:	Update: June 2022
	mitigations and preventative actions to address the climate change emergency;	Climate Change Emergency given the services contained within his portfolio and has been supported by the Climate Change Champion, Councillor Atiya-Alla. The Cabinet are aware that Local Authorities across the country have adopted differing approaches where lead members are concerned and will be asking the Local Government Association for examples of good practice. The Cabinet will then review the portfolio and report any changes at the Annual Council Meeting.	
4.	that the Torbay Council draft consultation response to the Interim Devon Carbon Plan set out at Appendix 2 to the submitted report be endorsed;	The Council's response has been submitted.	Update - The final Devon Carbon Plan will be finalised by August 2022. Cabinet will receive a paper to endorse the Plan in Aug/September 2022.
5.	that the Climate Emergency Officer be requested to ensure the proposed initial 10 key actions are prioritised to show the actions that will achieve the biggest impact at the top of the list and that future action plans be also prioritised in this way;	This recommendation has been noted.	Completed
6.	that the Climate Emergency Officer be requested to work with relevant lead officers to ensure wider publication of the Cosy Devon Partnership and Exeter Community Energy schemes to	With colleagues across the Council a comprehensive communications plan will be developed in order to raise awareness of the schemes available to assist with energy efficiency.	In November Heat Devon was launched. This is a regional programme, led by the South West Energy Hub and funded by the Green Homes Grant Local Authority

No.	Recommendation:	Cabinet Response:	Update: June 2022
	ensure that Councillors and residents are aware of what is on offer;		<p>Delivery Phase 2. It offered energy efficiency measures¹ to homes in fuel poverty, including Torbay. This scheme ended on 31 March 2022.</p> <p>A new programme through Cosy Devon was launched in June. This is funded by the Sustainable Warmth Fund. This will fund energy efficiency measures in on and off gas properties across Devon, including Torbay.</p> <p>Retrofit Devon is in the final stages of development. This will offer a one-stop-shop support service to retrofitting in Devon.</p>
7.	that the proposed approach outlined in the submitted report to address the climate change emergency and enable Torbay to be Carbon Neutral by 2030 be endorsed; and	The Cabinet will take into account the Overview and Scrutiny Board's direction when considering and determining the submitted report.	<p>Work is ongoing to deliver 1)the Carbon Neutral Council Programme.</p> <p>Cabinet approved the Carbon Neutral Council Action Plan on 22 March 2022. This includes plans to decarbonise our estate, fleet, various corporate functions and to use our influence to help the wider</p>

¹ Qualifying criteria that need to be met.

No.	Recommendation:	Cabinet Response:	Update: June 2022
			<p>Torbay work towards carbon neutral by 2030. This work is also supported by the £1m capital climate fund. See appendix 1 for a summary of the actions.</p>  <p>Appendix1_CarbonNeutralActionPlan-Pres</p> <p>A new corporate Environment and Carbon Neutral Policy was also approved. This policy will help staff understand what they can do to help the council achieve carbon neutrality.</p> <p>2)Carbon Neutral Torbay Programme:</p> <p>To develop the area-wide Carbon Neutral Torbay Action Plan, Torbay Council and the Torbay Climate Partnership have held so far 4 Climate Conversations with the public and key stakeholders. These sessions are designed to capture what our local residents, businesses and stakeholders want us to tackle across Torbay. They also attended</p>

No.	Recommendation:	Cabinet Response:	Update: June 2022
			<p>the Imagine This Festival and commissioned Sound Communities to run a podcast workshop for Young People. The theme was how to tackle climate change in Torbay. Over 30 businesses have feed into a climate questionnaire/similar. All will be used to help codesign how Torbay tackles climate change. The Torbay Climate Partnership will oversee this work and will then codesign a new Carbon Neutral Torbay Action Plan. This will go out for further public consultation in Autumn 2022. O&S Board are asked how they would like to review this work as it continues to develop.</p>
8.	<p>that a cross party climate change emergency working group be established to include the relevant Cabinet Member and other interested parties to take this important issue forward.</p>	<p>The Cabinet appreciate the work Overview and Scrutiny have done during the course of the Climate Change Emergency Review and recognise that their work has concluded as the approach moves to delivery and implementation of the action plan. The Cabinet are aware that across the country there are a number of models for working groups:</p>	<p>Completed. The next meeting of the Torbay Climate Partnership is 30 June. Dennis Flynn of the Wild Planet Trust is now the new chair person for the Torbay Climate Partnership.</p>

No.	Recommendation:	Cabinet Response:	Update: June 2022
		<ul style="list-style-type: none"> • Lead councillors and overarching community group – model adopted by Teignbridge District Council; • Partners develop an independent body which is serviced by the Council with an Independent Chair making recommendations to Council and Partners. Bradford have adopted this model; • Separate independent commission – managed by external body and makes recommendations to Council. This model has been adopted by Leeds <p>Torbay requires a model that secures full community participation which has an emphasis on social justice in order to avoid carbon neutrality methods excluding those who are ready experiencing high levels of deprivation.</p> <p>Cabinet therefore requests officers to present a further report for Cabinet’s consideration on the different models of working groups, the membership, and terms of reference.</p>	

Meeting: Overview & Scrutiny Board

Date: 6 July 2022

Cabinet

12 July 2022

Council

21 July 2022

Wards Affected: All Wards

Report Title: Final Budget Monitoring 2021/22 (April 2021 – March 2022)

Is the decision a key decision? No

When does the decision need to be implemented? N/A

Cabinet Lead Contact Details: Darren Cowell, Cabinet Member for Finance
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1. Purpose and Introduction

- 1.1. This report provides a high-level budget summary of the Council's revenue and capital position for the financial year 2021/22 which commenced on 1st April 2021. This report is based on the budget and final outturn for the year ended 31st March 2022.
- 1.2. Whilst the majority of the Covid-19 restrictions have now been lifted, the financial impact of the health pandemic continues to have an impact on the Council's finances. Throughout 2021/22 the Council continued to see higher than usual demand for frontline services as well as advocacy and support in response to the impact on individuals and households.
- 1.3. The Council has delivered a balanced budget for 2021/22 which includes carrying forward **£0.8m** to support specific earmarked activity in 2022/23.
- 1.4. Included within this balanced budget is an underspend on Children's Service for the second year in a row. In the final few weeks of the financial year an Ofsted inspection took place which concluded that Children's was rated 'Good' in all four areas of the inspection. The timing of this inspection i.e. the final weeks of the financial year, demonstrates that Torbay has managed to deliver improved outcomes for Children within a financially sustainable service delivery model.
- 1.5. The Capital Plan budget totals **£256m** for the 4-year programme, with **£27m** spent in 2021/22.

2. Recommendation (s) / Proposed Decision

Recommendations for Overview & Scrutiny Board

- 2.1. That the Overview & Scrutiny Board notes the latest position for the Council's revenue outturn position and mitigating action identified and make any comments and/or recommendations to the Cabinet.
- 2.2. That the Overview & Scrutiny Board notes the latest position for the Council's Capital outturn position and make any comments and/or recommendations to the Cabinet.

Recommendation for Cabinet

- 2.3. That Cabinet notes the report.

Recommendations for Council

- 2.4. That the Council notes that the following revenue outturn actions were agreed as a part of the March 2022/23 budget approval;
 - 2.4.1. Carrying forward **£0.57m** for Highways
- 2.5. That the Council notes the decision of the Section 151 officer to carry forward of **£0.2m** to be used as follows;
 - 2.5.1. **£0.1m** allocated to support the impact of the 'cost of living' crisis
 - 2.5.2. **£0.1m** allocated to support the implementation of the new customer relationship management software.

3. 2021/22 Budget Summary Position

- 3.1. Overall Torbay is still seeing the continued financial impact of Covid-19. The impact is both directly and indirectly on the Council's income and expenditure in the year.
- 3.2. Despite the continued uncertainty faced throughout the year the approved budget set by the Council in for 2021/22 effectively reallocated resources to meet the cost pressures faced, this is evidenced by delivering on the balanced budget.
- 3.3. Looking ahead, there are a number of areas upon which officers remain focussed and are closely monitoring given their potential impact, namely:
 - 3.3.1. The continued costs of Covid-19 response including local test, track and trace work alongside the work to support communities and businesses in response to any future outbreaks.
 - 3.3.2. Variations to income, including car parking and collection fund where the changes to the behaviour of individuals and households affects key funding for local service delivery.
 - 3.3.3. The continuous improvement journey within Children's Services which remains crucial to the Council's medium term financial stability and will be required to mitigate national issues which are starting to impact on the local delivery of Children's services.

3.3.4. The effective deployment of carried forward or one-off funds which are being deployed as part of the Council's recovery. In a number of areas such as Housing, the use of these funds is imperative to ensure the reduction of long-term costs as well as providing a pathway to deliver on the approved 2022/23 budget and help address the budget gap in the Medium-Term Finance Plan.

3.4. The areas above are expected to remain a prominent feature of the 2022/23 budget monitoring, as well as new emerging issues around the cost-of-living crisis.

Collection Fund

3.5. The establishment of the Collection Fund reserve formed part of the Budget 2021/22 in order to meet the future impact of carrying forward the shortfall from 2020/21. This reserve funds the 2020/21 impact of the shortfall for the period 2021/22 – 2023/24.

3.6. Performance in 2021/22 was in line with forecast collection levels, namely a 2% reduction on pre Covid-19 collection rates.

3.7. The impact of the rising cost of living, inflation and utility prices increases may impact negatively on collection rates in 2022/23.

3.8. Revised NNDR bills incorporating the new 2021/22 reliefs were issued at the start of the year. There is also a new Covid-19 Additional Relief Fund which will provide rate relief to businesses that so far have not qualified for the other mandatory rate relief schemes. This will be awarded in 2022/23.

4. Grant Support

4.1. During 2021/22 there are two key schemes which continue to provide funding to offset increased expenditure and income losses. This support has been received through un-ring-fenced grants as well as the income reimbursement scheme.

4.2. The un-ringfenced grant funding of £4.1m was included in the approved 2021/22 budget.

4.3. The Sales Fees & Charges reimbursement scheme which ran until the end of June 2021 will provide £0.2m of funding.

4.4. In addition to the un-ringfenced grants and the Income reimbursement Grant, central Government have issued a number of other grants related to Covid-19 primarily related to business support and adult social care and these have been allocated in line with their grant conditions.

5. Wholly owned companies

- 5.1. This section contains an overview of the financial position for the Council's wholly owned companies.
- 5.2. Throughout 2021/22 SWISCo. remained under pressure in terms of operational delivery as day-to-day staffing levels were significantly impacted by covid cases within the workforce due to the need for staff to self-isolate as a result of being "pinged" or close-contacts of someone who has tested positive for Covid-19.
- 5.3. As part of the 2021/22 budget additional financial support was approved for SWISCo totalling £1.2m. The Council made available additional support of up to £0.6m during 2021/22.
- 5.4. After the application of that support SWISCo's final 2021/22 position was a small surplus (after the support outlined above) which offset the 2020/21 loss and therefore has equalised the SWISCo trading position over the 2 years of its operation.
- 5.5. TDA group reported a (net) surplus for 2021/22 of £0.2m, although within that position Torvista Homes reported a loss £0.4m. This level of losses in TorVista are expected until it increases its number of properties and therefore its rental income.
- 5.6. More detailed financial reporting about the Council's wholly owned Companies will be presented to Audit Committee on a regular basis and will form part of the final statement of accounts when presented to Audit Committee.

6. Statement of Accounts – 2020/21 and 2021/22

- 6.1. The Council's auditors, Grant Thornton, presented their Audit Findings for 2020/21 at the Audit Committee on 6th December 2021. Grant Thornton advised that by the Government's Statutory deadline of September only 30% of audits were signed off increasing to 40% in November 2021. This was partly due to lack of capacity in the market. At the time of writing this report the 2020/21 accounts remain unsigned by Grant Thornton.
- 6.2. In order to provide reassurance to members, all outstanding work from Council officers has been completed and therefore the audit is fundamentally complete.
- 6.3. There are two outstanding items which Grant Thornton are considering. The first relates to the Council's existing TDA pension "pass through" arrangement and the second is a national issue related to the reporting of infrastructure assets. This matter is current subject to a national consultation. As a result, it's unlikely the accounts will be signed off until this consultation has concluded. The 2022/23 accounts will be issued in line with the relevant regulations by the end of July with the audit due to start afterwards.
- 6.4. The protracted statement of accounts process has put significant pressure on the finance team, for whom the majority of the last year have been working concurrently on 2020/21, 2021/22, 2022/23 financial years and now are also working on the 2023/24 financial year.

7. Service Budgets

- 7.1. The table below contains the forecast spend for the financial year 2021/22. The reporting hierarchy reflects the current Senior Leadership Team (SLT) Structure.

Service	Budget £'000	Final Outturn £'000	Variance £'000	Movement since P10
Adult Services	44,551	44,218	(333)	(432)
Executive	3,182	3,062	(120)	(107)
Children's Services	45,743	45,742	(2)	(2)
Corporate Services	5,926	6,732	806	(236)
Finance	(9,893)	(11,161)	(1,268)	250
Investment Portfolio	(4,639)	(4,639)	0	0
Place	20,955	21,720	766	353
Public Health	9,825	9,809	(16)	(16)
Revenue sub-total	115,650	115,482	(168)	(191)
Sources of Finance	(115,650)	(116,252)	(602)	(602)
Revenue Total	0	(770)	(770)	(793)

Additional Items	Variance £'000
Transfer to Highways per Council decision Feb'22	570
Transfer to earmarked reserves	200
Final Overspend / (Underspend)	0

- 7.2. The delivery of a balanced budget overall Council position shows an improvement of **£0.8m** which allows a carry forward as per the recommendations contained within this report. More information on the service variances is contained below.

7.3. **Adult Services**

- 7.4. The Director for Adults Services, now covers the three service areas shown below.

Service	Budget £'000	Final Outturn £'000	Variance £'000	Movement since P10
Adult Social Care	41,533	41,264	(268)	(105)
Community Services	2,542	2,632	89	(100)
Customer Services	476	322	(154)	(227)
Total	44,551	44,218	(333)	(432)

- 7.5. Overall Adults Services directorate shows a slight underspend representing 0.75% of the budget.

- 7.6. Within Adult Social Care the majority of spend is against a fixed price financial arrangement (contract) for the delivery of services provided by the Integrated Care Organisation (ICO). There is a slight underspend in Local Authority contracted activities.
- 7.7. The current financial arrangement with the ICO has been “renewed” for two years from April 2023. Collaborative work is underway with Council & NHS colleagues on the Adult Social Care Improvement Plan (ASCIP). This budget oversight will adopt a similar approach to the financial oversight and support which has proven successful within Children’s services following its introduction in Autumn 2019.
- 7.8. The ICO has experienced severe operational challenges this year and some savings activities have been delayed due to covid. However, the ASC Improvement Plan has delivered £2.3million (within the ICO) against a target of £2 million this year.
- 7.9. There remains significant pressures within Adult Social Care due to the rapidly increasing cost of care and the increasing volume of demand. Currently due to the financial arrangements with the ICO there is no impact on the Council budget. However, Members should be aware of the financial position of this key partner, delivering a statutory council service.
- 7.10. The Joint Community Equipment Store (JCES) overspent by £0.7m which is split equally between each of the three partners, CCG, ICO and Torbay Council. As a result, there is no impact to the Council’s General Fund.
- 7.11. Community Services has a shortfall on income. This represents the continued impact of Covid-19 on income generating activity within the service including Licensing and the Environmental crime team.
- 7.12. Following the investment of an additional £1m to meet additional demand for Temporary Accommodation, this service was delivered on budget. At the end of 2021/22 Officers were involved in the final stages of a commissioning exercise to ensure progress in the provision of suitable and stable temporary accommodation options whilst individuals and family groups find permanent accommodation. The impact of this will be reported as part of the 2022/23 budget monitoring.
- 7.13. There remains considerable demand pressure in the local housing market which is affecting this service significantly. All of which culminates in the low availability of temporary options for individuals and family groups in need of temporary accommodation. The “cost of living” crisis is likely to increase demand for this service.
- 7.14. Customer services continues to see increased costs from staffing, including agency staff and print & postage costs as a result of the increased demand for support throughout Covid-19. Upon implementation of the Councils “CRM” system in future years more self-service options will be available for customers which will help to streamline straight-forward contact.

7.15. Children's Services

Service	Budget £'000	Final Outturn £'000	Variance £'000	Movement since P10
Schools Services	3,529	3,624	95	(23)
Children's Safeguarding	42,214	42,117	(97)	21
Total	45,743	45,742	(2)	(2)

- 7.16. Overall Children's Services has underspent. This result is as a result of the continued and significant hard work of officers throughout the Council.
- 7.17. Within **Schools Services** Local Authority funded activities reported a slight overspend representing 2.69% of the budget.
- 7.18. The overspend was contributed to through continued pressure with the provision of Home to School transport. This is as a result of rising costs as transport providers having to adapt their operating models in light of Covid-19 and as children and young people adjust & readjust to the changes to schooling may need a different level of support to get to and from school.
- 7.19. Outside of Local Authority funded activities, the schools' higher needs block in the Dedicated Schools Grant (DSG) remains under financial pressure because of an increasing level of referrals from schools for higher needs support for children. The pace of demand is far outstripping increases in dedicated funding as has been the case for several years.
- 7.20. For 2021/22 the Schools Forum set a deficit budget of £2.6m for 2021/22. The final position was a deficit of £3.2m.
- 7.21. As a result, the DSG cumulative deficit is now in excess of £9.0m.
- 7.22. The Council does not receive any funding for schools therefore the overspend will remain in the DSG to be funded from DSG in future years. The School and Early Year Finance (England) Regulations 2020 confirm that this is not a cost that the Council must fund. However, for how long this position is sustainable is not certain. At some point the deficit will need to be funded therefore it is essential that officers and members continue to focus on this key issue.
- 7.23. In 2020/21 and the following two financial years additional legislation has been passed that, for accounting purposes, reclassifies the deficit on the Council's balance sheet. There is currently uncertainty as to what will happen after the end of the three-year period.
- 7.24. The Council is part of the ESFA & DfE Safety Valve programme. Discussions are at an early stage but agreement with other councils suggest that if the council can deliver a balanced higher needs budget within, say 3 years, all or some of the historic deficit may be funded by ESFA. However this is dependent on the council being able to deliver a recovery plan that results in a balanced budget.

- 7.25. Within **Children’s Safeguarding** there was an underspend of £0.01m (0.23%).
- 7.26. This is despite seeing some exceptionally high emergency placement costs at £2,500 per day in January 2022. This serves as a reminder of the significance of the need for continued and rigorous whole Council support for this service given the financial impact if the number and cost of care rises.
- 7.27. In previous years reports the increased spend was perceived to be “within the control” of the Council and the improvements seen in the last two and a half years has been as a result of robust measures put in place to increase the accountability for how resources were deployed in order to meet the needs of children and young people.
- 7.28. The current picture is now one of national level issues having a local impact. There are significant shortages of placements meaning children & young people are unable to step down from residential to family-based settings such as fostering placements. The local housing market means that a number of the accommodation options for 16+ have now converted their larger properties to self-catering holiday units in order to take advantage of the increased demand from holiday makers. This has seen the cost of 16+ accommodation increasing from £600 per week to £2,400 in some cases. Other Councils are also reporting placing children as young as 3 years old in residential placements as a result of the inability to find suitable family-based alternatives.
- 7.29. Across the south west other Councils are seeing increased numbers of Cared for Children, reliance on agency staff and number of children and young people placed out of area. This increased competition also drives the overall market up.
- 7.30. All of this means that despite the continued oversight, challenge and support from colleagues, external factors are now significantly influencing spend.
- 7.31. The table below shows a snapshot of the key placement figures as at the year end, with the highest point for the year (max) also shown.

Placement types	2018/19	2019/20	2020/21	2021/22
Residential Placement	March: 34 Max: 34	March: 31 Max: 44	March: 20 Max: 28	March: 23 Max: 24
Independent Fostering Agency (IFA) Placement	March: 95 Max: 95	March: 101 Max: 101	March: 80 Max: 101	March: 78 Max: 83
Total Cared for Children	March: 361 Max: 361	March: 356 Max: 368	March: 321 Max: 374	March: 299 Max: 315

- 7.32. The above table demonstrates that overtime not only have the overall figures decreased steadily, the volatility within the placement type also appears to have stabilised.
- 7.33. Within the latest figures, the totals also include Torbay’s allocation of Unaccompanied Asylum Seeking Children (UASC) which increases the figures in 2021/22 and is an increase in service demand which is outside of Council control. As the numbers of UASC supported increases there are wider resource impacts such as additional Social Workers to support them plus further pressure on an already stretched care provider market.

- 7.34. Following successful recruitment and retention within the service, the total number of Agency staff employed has reduced from 49.3FTE in April 2021 to 32.35FTE. Again, the reduction seen has been steady over the last few financial years and helps provide stability within the workforce and therefore consistency when working with children and young people.
- 7.35. Within the total Agency costs of £4.9m, £1m of this is associated with the improvement journey of Children's Services and is therefore only expected to be required for a fixed period of time. Similarly there are a number of agency posts which are supporting through managing the caseloads of the newly qualified Social Workers during their first year of employment. Again, these posts are time-limited and scheduled to cease as new staff progress through the Learning Academy and increase their caseloads.
- 7.36. The continued stability within placements and continued success of the Learning Academy in recruiting and retaining staff remains integral to delivering a balanced budget in 2022/23.

7.37. Corporate Services & Executive

Service	Budget £'000	Final Outturn £'000	Variance £'000	Movement since P10
Executive	3,182	3,062	(120)	(107)
Corporate Services	5,926	6,732	806	(236)

- 7.38. Within the Executive unit an improved financial position results in a £0.1m underspend.
- 7.39. Within Corporate Services there are significant, continued pressures within Legal Services:
- 7.39.1. Challenges to recruit suitably qualified staff resulted in agency costs of £0.4m which is partially offset by vacancies.
- 7.39.2. Reduced fee-earning work provides a further cost pressure of £0.2m on income.
- 7.40. The Divisional Director for Corporate Services is working closely with the Head of Legal to address both of these pressures to mitigate the impact in 2022/23.
- 7.41. Elsewhere in Corporate Services as a result of reduced income for the Printing & Post Service, there is a further pressure of £0.4m which has been partially offset by use of budgeted contingencies. Again, the Divisional Director for Corporate Services is working with the team to address this shortfall.

7.42. Finance

Service	Budget £'000	Final Outturn £'000	Outturn Variance £'000	Movement since P10
Finance	(9,893)	(11,161)	(1,268)	250

7.43. Within Finance, which is where a number of Central Government Grants are shown, there is an underspend forecast as a result of applying a number of contingencies & Government Grants.

7.43.1. Release of specific earmarked contingencies £0.7m

7.43.2. Gainshare from Devon-wide Business Rates Pool £0.2m

7.43.3. Improved NNDR income relating as a result of the Business Rate relief & resultant Section 31 Grants improving the overall % collection rates.

7.44. Investment Portfolio

Service	Budget £'000	Final Outturn £'000	Outturn Variance £'000	Movement since P10
Investment Portfolio	(4,639)	(4,639)	(0)	(0)

7.45. The Council's Investment Portfolio reported a balanced budget after the use of the investment property reserve to cover lost rent and holding costs at Wren park, which means it contributed £4.7m towards the net cost of delivering local services.

7.46. Any tenants with arrears are actively engaging with colleagues in TDA and repayment plans have been agreed and adhered to throughout the 2021/22 year.

Place

Service	Budget £'000	Final Outturn £'000	Variance £'000	Movement since P10
Place Operations	12,011	12,491	480	(152)
Place Commissioned	3,969	4,770	802	761
Planning & Transport	4,975	4,459	(517)	(257)
Total	20,955	21,720	766	353

7.47. Within the Place directorate there is a £0.8m overspend which represents 3.65% of the budget.

7.48. **Place Operations** has a cost pressure of £0.5m.

7.49. Within Torre Abbey income, there was a £0.2m shortfall as a result of reduced visitor numbers. This reflects the continued hesitancy to return to indoor visitor attractions even as the Covid restrictions have changed.

- 7.50. The significant storm damage caused a pressure of £0.2m within the Parks & Green infrastructure team.
- 7.51. Public toilet provision overspend by £0.1m due to a requirement to contribute towards the overspend on the Capital program.
- 7.52. The pressures within Place Operations are partially offset by the £0.2m underspend forecast within Parking Services. This is in part due to the service having had some vacancies across service during the year.
- 7.53. **Place Commissioned**
- 7.54. Place Commissioned overspent by £0.8m which includes the additional financial support made available to SWISCo of £0.6m.
- 7.55. There are also continued pressures as a result of delays to the implementation of the solar farms which were expected to generate a surplus for the Council in 2021/22.
- 7.56. **Planning, Housing and Climate Emergency**
- 7.57. Planning and land charge income was £0.05m less than budgeted.
- 7.58. Within Strategy & Project Management an underspend of £0.5m as a result of reduced costs for Concessionary Fares. The reduced costs are in part contributed to by fewer journeys being taken by concessionary fare passengers in the wake of the pandemic.
- 7.59. **Public Health**

Service	Budget £'000	Final Outturn £'000	Outturn Variance £'000	Movement since Q2
Public Health	9,825	9,809	(16)	(16)

- 7.60. Public Health colleagues continue to lead on the Council's response to Covid-19 and co-ordinate and deliver a number of key and continuing strands of the response and recovery work.
- 7.61. This includes management of the Contain Outbreak Management Fund Grant, and the final stages, including reconciliation and assurance work following the delivery of testing programmes and the Local Contract tracing work.
- 7.62. As the majority of this work is directly grant funded, there is no forecast variance on Local Authority funded activity within Public Health. There is a slight underspend within the ringfenced grant, which will be carried forward to continue to fund vital local Covid-19 response work once the current Government funded grants end on the 31st March 2022.
- 7.63. **One off allocations and ring fenced resources**

- 7.64. At year end the chief finance officer transferred unspent “one off” budget allocations to reserves to be spent in future years. In addition, funds unspent from other earmarked or ring fenced funding streams were also carry forward such as funds within Adult Social care and public health.
- 7.65. The net underspend across the council has enable the £0.570m to be transferred to a reserve for highway activities linked to the Council’s decision at the approval of the 2022/23 budget in March 2022. The balance of the underspend (£0.2m) will be transferred to the CSR reserve to support both the costs of the CRM system and to support any 22/23 budget pressures.
- 8. Capital Outturn 2021/22**
- 8.1. In 2021/22 the Council spent £27m on capital projects. The spend for each project compared to the last reported budget is shown in appendix one to this report.
- 8.2. There were over 30 separate projects that incurred spend over £100k This demonstrates the wide range of projects a unitary council like Torbay is involved with over a wide range of services including highways, schools, housing and regeneration.
- 8.3. 10 projects incurred spend greater than £1m. These included: Harbour View hotel, a decarbonisation scheme at Torbay Leisure centre, improvements at the Rivera International Conference centre, expansion at St Cuthbert Mayne school, ongoing South Devon link road payments, Torquay Gateway highway scheme, Claylands industrial space, a capital loan to TCCT for Occombe farm expansion, and capital loans to TorVista for three housing schemes including Totnes Road and Next Steps.
- 8.4. Capital expenditure in the year was less than forecast. The balance on unspent capital budgets will be transferred to future years. The “pace” of spend has been impacted by inflationary issues where projects are having to be reassessed and from supply chain issues. The Council had three schemes impacted by the Midas grouping entering administration in early 2022.
- 8.5. The funding of the capital plan was as usual was primarily funded from borrowing (£10m) and from capital grants (£13m). These were supplemented by using reserves, capital receipts and external contributions such as s106 payments.
- 8.6. As reported in the Treasury Management outturn report to Audit Committee in May 2022 the Council, due to its cash flow and level of capital spend to be funded from borrowing, did not borrow during the year and remained within both its operational and authorised (borrowing) limits.

9. Risks & Sensitivity

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

Risk	Impact	Mitigation
Future funding of DSG Deficit	High	Recovery meetings have been convened by the Chief Finance Officer to review any and all opportunities to locally influence this area of spend.
CPI at a 40 year high at 9% is having a major impact on both revenue and capital costs. The exact impact is still uncertain, eg pay award for 22/23 not yet agreed. Some council capital projects will no longer be affordable.	High	Inflation contingencies in both the 22/23 revenue and capital budgets. However, these may be inadequate. 23/24 budget includes a higher than usual allowance for inflationary pressures.
The “cost of living” economic impact on the Council’s residents from higher fuel and utility costs is likely to impact on both demand for council services and may result in reduced income from council tax.	High	The Council has established a cross council “cost of living” group to mitigate where possible the impact on council services and support/sign post residents to support. The council will continue to administer payments under both the Household Support Fund and Council tax Rebates.
Continued loss of income	High	Recovery meetings have been convened by the Chief Finance Officer for all the Council’s main areas of income. Each group is tasked with developing an action plan to influence income where possible
Collection Fund shortfall	High	Additional resources allocated to support the Revenues & Benefits team and a review of debt recovery will be undertaken.
Fair Funding Formula	Medium	Development of a robust MTRP to address the expected impact on Torbay’s funding. Timing of this funding change is now expected to be 2023/24 at the earliest.
Identification, and delivery, of savings as per Medium Term Resource Plan	High	Work on the Budget for 2023/24 started in May 2022 with service plan reviews taking place in June 2022 with Star Chambers in July 2023. Options will be reviewed by Senior Leadership Team in collaboration with Cabinet to consider options for future years.
Delivery of Children’s Services cost reduction plan	Medium	Meetings continue to monitor the current rate of delivery against the identified actions from the Sufficiency Strategy.

Unable to recruit staff and need to use agency staff.	High	<p>Recruitment & retention of Social Work staff, particularly in safeguarding is still one of the core priorities for the Senior management team within Children's Services.</p> <p>This pressure is also being seen across a number of front-line services which are integral to the Council's "Summer Response Team" Work continues to identify solutions to these challenges which seem to be on a national scale.</p>
Additional demand and cost pressures for services, particularly in children's social care	Low	2022/23 Budget monitoring, use of service performance data and recovery plan.
Delivery of approved savings for 2022/23	Low	Further to regular budget monitoring for all budget holders, the Council's Senior Leadership Team receive monthly updates on the 2022/23 position.
Investment Property Income changes	High	The investment board will continue to review future leases and manage any potential break clause implications.

CAPITAL PLAN - OUTTURN 2021/22 - EXPENDITURE

Appendix 1

	Revised 4-year Plan						
	Total 2021/22 Revised	Outturn 2021/22	Slippage to c/f to 22/23	2022/23	2023/24	2024/25	Total for Plan Period
PB = Approved Prudential Borrowing schemes	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Thriving People and Communities							
Barton Academy - Nursery provision	105	106	0				0
Brunel Academy Ph 2 Vocational Classrooms	217	25	192				192
Capital Repairs & Maintenance 2019/20	14	8	6				6
Capital Repairs & Maintenance 2020/21 & 2021/22	481	317	164	400			564
Schools capital from revenue	0	63					0
Devolved Formula Capital	260	98	162				162
Education Review Projects	310	40	270	3,329			3,599
High Needs Capital Provision	530	27	503				503
Mayfield Expansion	1,022	552	470	500			970
Medical Tuition Service - relocation	68	36	32				32
New Paignton Primary school sites (St Michaels & Windmill)	587	2	585				585
Pgn CS Academy Expansion	190	0	190				190
Roselands Primary - additional classroom	51	20	31	80			111
Sixth Day Provision	117	11	106				106
Special Provision Fund (SEND)	114	65	49				49
St Cuthbert Mayne Expansion	3,047	2,900	147	500			647
Torbay School Relocation (Expansion Burton Acad Hillside site)	36	60	0				0
Polsham Centre Development	50	1	49	200			249
Foster Homes Adaptations	100	5	95	100	100		295
			0				0
IT replacement - Childrens Case Management System	192	91	101				101
			0				0
Adult Social Care	520	0	520				520
PB Crossways, Paignton - Regen and Extra Care Hsg	2,600	367	2,233	7,500	10,000	5,167	24,900
Extra Care Housing (Torre Marine)	0	100	(100)	2,800			2,700
Brixham Town Centre Car Park - Housing	675	0	675				675
Disabled Facilities Grants	600	585	15	980			995
			0				0
Affordable Housing	899	243	656				656
Housing Rental Company - Aff Hsg Developments	0	0	0				0
PB Tor Vista Homes re Preston Down Road	175	0	175	7,500	7,500	7,825	23,000
PB Next Steps Accommodation Programme	0	0	0				0
	12,960	5,722	7,326	23,889	17,600	12,992	61,807

Thriving Economy							
PB	Claylands Redevelopment	2,262	2,159	103	350		453
	DfT Better Bus Areas	102	130	0			0
PB	Edginswell Business Park	0	0	0	0		0
PB	Edginswell Business Park Site 3	200	23	177	2,000	4,300	6,477
PB	Edginswell Business Park Unit 1	200	92	108	4,000	1,619	5,727
	Edginswell Station	500	33	467	4,000	7,999	12,466
PB	Innovation Centre Ph 3 (EPIC)	91	99	0			0
PB	South Devon Highway - Council contribution	1,463	1,293	170			170
PB	TEDC Capital Loans/Grant	575	0	575			575
	Transport Highways Structural Maintenance	2,191	2,871	(680)	150		(530)
	Transport Integrated Transport Schemes	113	145	(32)	0	0	(32)
	Transport - Torquay Gateway Road Improvements	630	1,146	(516)	80		(436)
	Transport - Western Corridor	149	7	142	257	225	624
				0			0
	Babbacombe Beach Road	250	160	90			90
	Brixham Harbour - CCTV upgrade	7	0	7			7
	Brixham Harbour - Infrastructure Repairs	55	5	50			50
PB	CCTV equipment	0	0	0			0
	Torre Valley North Enhancements	0	0	0			0
	Clennon Valley Sport Improvements	37	0	37			37
	Flood Alleviation - Cockington	191	111	80	50		130
	Flood Alleviation - Monksbridge	10	5	5	346		351
	Paignton Coastal Defence Scheme	75	80	(5)	1,705	1,227	2,927
PB	Paignton Harbour Light Redevelopment	81	26	55			55
	Princess Pier - Structural repair (with Env Agency)	50	(1)	51	796		847
PB	Torquay Town Dock - Infrastructure Improvements	1,200	263	937			937
PB	Public Toilets Modernisation Programme	108	212	0			0
	Recreation Ground Drainage Network	9	9	0			0
PB	RICC Improvements - Backlog Repairs	600	244	356	493	0	849
PB	RICC Improvements - Landlord Repairs (Parkwood)	1,449	1,449	0			0
PB	Torbay Leisure Centre (Parkwood Loan)	0	0	0			0
	Pgn Velopark Cyclocross & Pump Tracks	60	3	57			57
	Torre Valley Sports Pavilion	57	28	29			29
PB	Regeneration Programme-Harbour View Hotel Developmt	9,750	4,178	5,572	765		6,337
PB	Nanusens Limited Loan (Econ Growth Fund)	150	150	0			0
PB	Old Toll House (Econ Growth Fund)	30	30	0	350	664	1,014
PB	TCCT Occombe Farm Development (EGF)	1,177	1,177	0			0
	Torquay Towns Fund - Accelerated Funds	232	238	0			0
				0			0
	Torquay Towns Fund (General)	53	87	(34)	52	52	70
	Torquay Town Deal - Union Square Ph.1	100	0	100	3,100	1,850	5,050
	Torquay Town Deal - Strand Land Assembly & Demo	0	18	(18)	231		213
	Torquay Town Deal - Harbour Public Realm	0	92	(92)	2,500		2,408
	Torquay Town Deal - Pavilion	100	0	100	1,900		2,000
	Torquay Town Deal - Stronger Future Revenue	0	0	0			0
	Torquay Town Deal - Union Square Ph.2	0	0	0	750	5,243	5,993
	Torquay Town Deal - Core Area Public Realm	25	2	23	575		598
	Torquay Town Deal - Torquay Coastal Corridor Pinch Point	0	0	0	0		0
				0			0
	Paignton Future High Streets Fund (General)	0	0	0	0	0	0
	Paignton Future High Streets Fund - Torbay Road	9	29	(20)	0	659	639
	Paignton Future High Streets Fund - Station Square	125	6	119	1,254	880	2,253
	Paignton Future High Streets Fund - Victoria Centre Phase 1	0	0	0	652		652
	Paignton Future High Streets Fund - Picture House	184	184	0	1,101	0	1,101
	Paignton Future High Streets Fund - Diversification	0	0	0		1,300	1,300
	Paignton Future High Streets Fund - Crosssways	0	0	0	0		0
	Paignton Future High Streets Fund - Flood Defence	457	0	457	114		571
	Paignton Future High Streets Fund - Victoria Centre Phase 2	18	0	18	3,844		3,862
				0			0
PB	Lymington Rd Business Centre (LEP GBF/EGF)	181	156	25	3,330		3,355
	Edginswell Enabling Works (LEP GBF)	127	134	(7)	1,757		1,750
	EPIC and SD College (LEP GBF)	768	586	182			182
				0			0
PB	Corbyn Head - Development of former WCs	0	0	0	1,250		1,250
PB	Preston (North) - Development of former WCs	0	0	0	718		718

26,201	17,659	8,688	38,470	26,018	0	73,176

Tackling Climate Change							
PB	Council Fleet Vehicles	330	132	198			198
PB	Solar Farm, Brokenbury (EGF)	125	110	15	1,605		1,620
PB	Solar Farm, Nightingale Park (EGF)	110	115	(5)	2,920		2,915
	Torbay Leisure Centre - Decarbonisation Scheme	1,850	1,774	76			76
		2,415	2,131	284	4,525	0	4,809
A Council fit for the future							
PB	Corporate IT Developments	7	20	0			0
	IT Equipment - TOR2	47	0	47			47
PB	Essential Capital repair works	679	4	675			675
	Enhancement of Development sites	10	8	2	65	65	192
	Capital Expenditure from Revenue	0	40	0			0
	General Capital Contingency	632	0	632			632
		1,375	72	1,356	65	65	1,546
Council Borrowing Approvals awaiting proposals							
PB	Torre Abbey Renovation - Phase 3 (TC contrib)	0	0	0	1,700		1,700
PB	Regeneration Programme and Economic Growth Fund	0	0	0	40,391	50,000	90,391
PB	Housing Rental Company - Loan	500	1,116	(616)	2,500	10,000	22,548
		500	1,116	(616)	44,591	60,000	114,639
TOTALS		43,451	26,700	17,038	111,539	103,683	255,976
CAPITAL PLAN - QUARTER 2021/22 - FUNDING							
	Unsupported Borrowing	18,238	9,876		71,380	80,528	170,397
	Grants	20,586	13,285		37,254	22,725	60,724
	Contributions	1,481	1,458		705	221	926
	Revenue	301	916		119	100	219
	Reserves	930	368		206	22	228
	Capital Receipts	1,916	797		1,876	87	6,445
	To be allocated	0	0	17,038	0	0	17,038
Total		43,451	26,700	17,038	111,539	103,683	255,976