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| **STRICTLY CONFIDENTIAL** | |
| **Meeting Title** | Torquay Town Deal Board |
| **Date/Time** | Friday 20th May 2022, 9.30 am |
| **Venue** | Zoom Conference Call |
| **Attendees** | Vince Flower (VF) (Chair), Kevin Foster (KF), Cllr Swithin Long (SL), Kevin Mowat (KM), Alan Denby - Part (AD), Jim Parker (JP), Susie Colley (SC), Julie Brandon (JB Emma Hext (EH), Tracey Cabache (TC), George Helmore (GH), Callum McGinnis (CM), Paul Bassi (PB), Emma Falconer (EF), Terri Johnson (TJ) (Minutes) |
| **Copies** | Jack Thompson, Elizabeth Spence |

MINUTES

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| **1.** | **Welcome and Apologies** | **Action** |
| **1.1** | VF thanked the Board for their attendance and noted apologies from Lawrence Frewin, Mike Watson, David Ralph and Andrew Robertson.  VF welcomed Elizabeth Spence from the Cities & Local Growth Unit to the meeting who joined as an observer and introductions were made. |  |

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| **2.** | **Minutes of Last Meetings and Matters Arising** | **Action** |
| **2.1** | JB asked an amendment be made to the minutes of the last meeting under item  3.4 on the residential proposal for the Debenhams site. JB had questioned if the commercial aspect of the proposal was the most imaginative and not a residential scheme as reflected in the minutes. |  |
| **2.2** | JB asked an amendment be made to the minutes of the last meeting under item  3.6 regarding SC's recommendation that a discussion takes place with the gentleman who restored the church clock. The minutes should reflect the church and not the church clock. |  |
| **2.3** | SC questioned the 7% cap. PB confirmed this will be discussed as part of the Highlight Report. SC also asked about the clarity of the financials and that PB was to incorporate changes into the financial summary and re-circulate. SC was hoping that there would be a ‘before and after’ figure and perhaps colour coded to highlight the differences as the figures are still not clear.  VF stated that PB will take the meeting through the financial report which should provide clarity. |  |
| **2.4** | Debenhams Comms Plan will be discussed under item 4 of the agenda. |  |

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| **2.5** | VF acknowledged the risk register has been amended to ensure it is robust and will be reviewed later in the meeting. |  |

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| **3.** | **Town Deal Highlight Report** | **Action** |
| **3.1** | **Financial Update:**  PB acknowledged the queries from the previous meeting which were due to the reprofiling of grants to take account of changes asked for in the project adjustment forms.  PB shared the reprofiled forecast expenditure table that was circulated before this meeting which has been broken into two sections, showing a snapshot of spending as of 09/05 against total grant and expected spend. The Board advised that they were not sighted at this table before the meeting for which PB apologised and will re-circulate.  Conversations have taken place with Towns Fund on how revenue and the 7% cap are presented as there is a difference in how the S151 officer considers revenue (for example consultant advice costs) about how the Towns Fund as a grant perceives revenue. The January report introduced revenue as a funding stream within the grant profile however Towns Fund was not in agreement with that process and therefore a grant reprofile was resubmitted showing only the capital grant and excludes revenue.  The reprofile includes the redistribution of the grant from Coastal Corridor which was reallocated to Core Public Realm and the Pavilion. | **PB** |
| **3.2** | VF reconfirmed that the Board members have not yet seen the reprofile. Concerning the difference between capital and revenue is this a dialogue between Council S151 officers and Government officers as is important to understand if the implications are around technical accounting and that the Government office has agreed on this process?  PB confirmed it is an issue around technical accounting and confirmed that as it is a grant it is for the Board to decide on how the grant is used for the projects. The issue is how it's reported within the Council so an internal issue. |  |
| **3.3** | SC was disappointed that the reprofile was tabled at the Community Board but not the Town Deal Board.  Within the highlight report, SC asked that at the top of the columns, could headings be included to reflect whether the sums are in millions/thousands as it was not clear. PB agreed.  SC sought reassurance that the grant is safe or does the S151 officer have the ability to re-allocate funds elsewhere as this will leave projects wanting for example the Debenhams allocation, will this impact any other remaining projects such as Union Square, Harbour Public Realm and Pavilion.  AD reassured SC of the role of the S151 officer. The Council is the accountable body of the funds through the S151 officer, there will not be any movement to any projects without recommendations from this Board to the Council and Debenhams was a commitment at the beginning of the process. Although the S151 officer needs to have sight and understanding of the programme, will not have the ability to unilaterally move funds around.  The Highlight Report and Risk Register show there will be cost issues and will be shared with the Board today and in July. | **PB** |
| **3.4** | KF mentioned that it would have been useful to see the table before the meeting. KF understands the difference between capital and revenue, but it would be helpful to show committed expenditure overall as a highlight as well as planned expenditure for this year as the figures appear to show a sum of money not accounted for which is not the case because there will be expenditure against projects beyond 2023.  KF would want to see in the Highlight Report going forward not only what is planned expenditure this year but overall expenditure with a spend profile highlighting areas such as cost, delivery and any extra costs.  KF reiterated AD’s comment that the Council is the accountable body for this grant and therefore not within its interests to spend outside of the TIP as the Government will request the money back. |  |
| **3.5** | VF asked that PB reworked the table, incorporating the comments. AD endorsed VF's comment that the table needs clarity and will respond to that.  PB advised that the reason a project adjustment form was re-submitted was due to the commitments anticipated in 20/21 which had not materialised. | **AD/PB** |
| **3.6** | **Union Square:**  Developed project into an indicative outline scheme with a core focus. |  |
| **3.7** | **Strand Land Assembly & Demolition:**  Historic England has provided feedback sharing concerns on height which has been reduced accordingly. The Design Review Panel provided comments and again drawings were amended accordingly.  April's consultation was well attended, with positive feedback. Subject to any further responses, the scheme will progress to submission at the beginning of June.  Like other schemes, the challenge will be the appetite of the market to take this forward to construction. The Debenhams project to create a courtyard space, 16 units and retail has been progressing well and looks attractive which will significantly improve the high street.  SC spoke with the TDA Development Manager at the consultation on the heating system and whether it will be solar panels or a water source heat pump. Has the water source heat pump been discounted? PB responded that he is still waiting on confirmation. SC expressed concern as this type of detail should be known if the scheme is to go to planning in June. PB will follow this up and feedback.  JB following the Strategic Partnership meeting last week, the issue of lack of public toilets within the scheme was mentioned and asked that this be considered before planning submission. JB congratulated both the Development Manager  and Architect for a good consultation event and for meeting with numerous groups. | **PB** |
|  | **AD left the meeting.** |  |
| **3.8** | **Harbour Public Realm:**  The tender exercise resulted in no bids and therefore the programme team went through a framework. Again there was no appetite to undertake this scheme due to the supply chain, resources, budget and programme. The next step is to remove the budget cap and re-tender using the same framework, however, in all likelihood, the budget allocation is no longer sufficient for the scheme as designed.  KM mentioned this issue is countrywide and that the Council’s capital programme is under pressure due to inflation, supply chain and the caution of contractors.  However certain schemes such as the Solar Park at Nightingale Park and hopefully Brockenbury are resilient schemes despite higher costs in technology as the end product is to sell energy at a higher price. There is a Cabinet briefing next week to go through the Council’s capital programme and to confirm some agreed mitigation measures.  This process of mitigation will impact on the Board as it may mean there will be some difficult conversations at future Board meetings, as some schemes may have to be reprofiled or removed from the Town Deal programme to enable delivery of as many of the other schemes as possible. The Council are looking at other solutions such as capital receipts and any underspends that can be re-directed.  Currently some contractors are only holding their prices for a week as opposed to holding them for up to six months, so it is a very challenging environment.  SC understands the issues and it will get worse. This raises the question of which of the projects are reprofiled to reallocate funding to the viable projects and thanked everyone involved for their hard work. As the public is not aware of these issues it would be useful to have some comms to make them aware of the issues.  KF confirmed, as previously mentioned, this is not unique to Torbay especially with the exit of a major player from the market resulting in less capacity. It would be interesting to know that whatever tender comes back is benchmarked against projects through other local authorities especially if there is one bidder to see how they deal with inflation and materials as ideally the re-tender will have a budget attached.  KM agreed that benchmarking was very important and the Council will continue to compare costs with neighbouring authorities. It is important that if there is only one bidder, it is not a scheme at any cost. If the cost is too high and there are alternative options for example to pause the scheme then this will need to be considered. The Council will work with neighbouring authorities and reach out to the LGA along with others for advice and guidance, including TDA’s professional services. KM reassured the Board that there will be due diligence especially if only one bidder comes forward for any of the schemes.  PB advised that he is looking at a number of new contractors not well known within the South West which will be a good benchmarking exercise. |  |

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|  | Picking up on the financial reporting, one of the reasons why the commitment aspect of the report is blank is that the procurement phases have yet to be gone through and therefore no purchase orders have been raised against contractors. KF clarified that the budget is known, and it is a commitment of expenditure to deliver the pipeline of schemes so effectively there is a commitment.  JB it is important to manage public expectations and if we drop schemes, the Board need to be mindful if they are projects within the public realm as the community are unaware of the complexities and issues. It was suggested that the GPO project could be removed as not in the public domain currently and the area is better than other parts of the Torquay and is quite well planted.  KM recognised the role of the Town Board in governance and decision making and no decisions will be made unilaterally without the Board’s agreement.  Comms are aware of the issues and some officers are raising awareness at various forums, so if the Board could do likewise, and provide the public with an insight into the pressures. Schemes will be value engineered so they remain affordable, and this will continue as part of the process.  EF next week there will be PR on the funding for the Debenhams site and it will be light touch. Comms will highlight that the Council are committed to delivering high quality schemes but there are challenges in the market which are being worked through.  JB advised that the Torquay Neighbourhood Forum meeting is coming up in June intending to discuss some of the schemes identified in the TIP.  VF will work with KM/AD/EF/PB on messaging that can be shared. | **KM/AD/EF/**  **PB** |
| **3.9** | **Core Area Public Realm:**  Highways Engineers have been appointed as the design team. Currently awaiting the inclusion of a landscape architect to make the scheme an accessible public realm space. Once the architect is appointed, public consultation will commence. |  |
| **3.10** | **Pavilion:**  The main contractor appointment finalised. Council and tenant match fund contributions are confirmed, it is expected that the balance will be covered by the Town Deal contribution.  KF costs have increased but residential has also increased and recommended final advice for the balance between commercial and residential on the site.  PB responded that the high cost of repairs is based on the current QS assessment of total repairs including scaffolding. The estimation may change once the inner surveys have taken place and could be cheaper.  GH asked about the vision for the usage of the Pavilion bearing in mind the costs. Is the vision for commercial use or are the funds being invested before any decision? KM clarified that consultants looked at what the market could bring forward in a way of occupation for example as a food and drink offer or a themed tourist attraction etc. From advice, it is believed that through the food and drink sector, there would be a viable tenant that would at least hopefully fund the running costs going forward. KM agreed the cost and tenancy should go hand in hand but is confident there is a viable use.  GH asked when this will be considered, is it after the intrusive surveys? KM ideally an incoming tenant will be found before the renovation works commence but this is not guaranteed.  SL given the history of the site, is it sensible for us to be talking about things we could be doing to move this project forward before costs are known.  JB was under the impression that if the Debenhams scheme was to be dedicated to food and drink, the Pavilion would have a different usage such as an arts and culture venue which will bring in many visitors. The site needs to be exciting otherwise there will be objections. KM agreed but the issue will be if those offers come forward following an open tender process and are viable to occupy the space.  VF referred to SL's point about managing the messaging. There is a commitment to undertake surveys which will provide an estimated cost to restore when more detailed discussions can take place. VF's personal view is public expectation on  this project is high so once costs do come in, then a decision can be made on next steps. |  |
| **3.11** | **Edginswell:**  Contract moving forward and discussions taking place with the delivery arm for the project. An initial comms meeting has taken place with all parties to share the progress. |  |
| **3.12** | **Stronger Future:**  Ready for Work is progressing in line with the programme to improve the opportunity for employment and training.  Cultural Landscapes is the cultivation of space which is ongoing in liaison with the Council’s events team.  Sector Pathways linking employers to schools. Further work is being undertaken through the Build Torbay project. |  |

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| **4.** | **Communications Update** | **Action** |
| **4.1** | EF will circulate comms plan to the Board and will include the Debenhams consultation data after this meeting. | **EF** |
|  | **EF left the meeting.** |  |

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| **5.** | **Any Other Business** | **Action** |
| **5.1** | JB asked the assistance of the Board on the Fleet Street pedestrianisation consultation as this is no further forward, acknowledging the delay could be in part due to the fact that the series of events planned have not taken place, however in the meantime the consultation has taken place on the Torbay Road pedestrianisation. It is appreciated AD has a huge workload, but this consultation needs to get under way. By coincidence there was an environmental survey tabled at another forum and they concluded that one of the solutions to tackling the problems on Fleet Street was pedestrianisation.  JB understand that the Board cannot support the consultation, but this is a reminder that there was a commitment to move this forward. VF gave assurance that he will speak with the Leader of the Council on behalf of the Board and that  perhaps SL can assist with the discussions. | **VF** |
| **5.2** | SC was hoping to ask EF for detail of the events planned for the Banjo over the next 12 months as it will assist the Chamber in their planning going forward, for example the Christmas market. VF suggested that as EF will circulate the Debenhams Consultation shortly, that SC email EF to include in the pack rather  than wait until the July meeting and copy in VF. SC agreed as this will inform the Chamber on if they need to find an alternative venue for the Christmas market. | **SC** |
| **5.3** | VF thanked the Board for their contributions during the meeting and for their attendance. |  |

Date of Next Meeting: 15th July 2022 at 9.30am

Minutes recorded by: Terri Johnson