



Clerk: June Gurry  
Telephone: 01803 207013  
E-mail address: [democratic.services@torbay.gov.uk](mailto:democratic.services@torbay.gov.uk)  
Date: Friday, 08 July 2011

Democratic Services  
Town Hall  
Castle Circus  
Torquay  
TQ1 3DR

Dear Member

**Council Meeting - Wednesday, 13 July 2011**

I am now able to enclose, for consideration at the Wednesday, 13 July 2011 meeting of the Council, the following reports that were unavailable when the agenda was printed.

<b>Agenda No</b>	<b>Item</b>	<b>Page</b>
<b>9.(f)</b>	<b>Options for future delivery of tourism, marketing and events support</b> To make recommendations to the Mayor on the attached report.	(Pages 283 - 290)
<b>9.(g)</b>	<b>Repairs to the Banjo and Eastern Section of Princess Parade</b> To consider a report on the above.	(Pages 291 - 298)
<b>13.</b>	<b>Solar Photovoltaic on Public Buildings Project</b>	(Pages 299 - 316)
<b>19.</b>	<b>Constitution Amendments</b>	(Pages 317 - 322)

Yours sincerely

June Gurry  
Democratic Services Manager

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Title: **Options for Future Delivery of Tourism, Marketing and Events Support**

Public Agenda Item: **Yes**

Wards **All**

Affected:

To: **Council** On: **13 July 2011**

Key Decision: **No - not at this time**

Change to Budget: **No - not at this time** Change to Policy Framework: **No**

Contact Officer: **Alan Denby**

☎ Telephone: **01803 208671**

✉ E.mail: **Alan.denby@tedcltd.com**

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

- 1.1 To identify an improved delivery model that generates a sustained increase in visitor numbers and bed nights (both tourism and business related).
- 1.2 To promote higher profile events and ensure that event planning is comprehensive and co-ordinated.

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

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

The high level options identified to date include:

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

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

- 3.1 The Mayor and Leader of the Council has requested an options appraisal for reconfiguring the Council's investment in tourism marketing and events management in order to identify further efficiencies and to ensure that its investment into the tourism economy is providing an appropriate return to Torbay.
- 3.2 It has been suggested that there needs to be far greater integration and co-ordination of tourism marketing and events activity.
- 3.3 The author has been asked to assume that the Council will continue to support the functions of tourism marketing and a major conference centre. This report does not therefore consider the necessity to retain a major conference centre or identify alternative use options for the Riviera International Conference Centre.
- 3.4 This report does not make any specific recommendations relating to the options identified to date and sets them out at a high level for information only.
- 3.5 It should be noted that the delivery structures for dealing with tourism marketing were reviewed ahead of the creation of the ERTC in 2010.
- 3.6 Solely owned by Torbay Council, the ERTC has now been commissioned by Torbay Council to:
  - act as an unified destination marketing organisation (DMO)
  - manage and deliver the official 'in resort' Visitor Information Service
  - support the development and implementation of the adopted tourism strategy
- 3.7 A formal commissioning agreement has been put in place for these services up to March 2016 based on a reduced level of subsidy. The Company is however effectively controlled by the Council, which could trigger a hand back of services if it so wished.
- 3.8 With regard to the Riviera International Conference Centre, the asset is owned by Torbay Council and is leased to the RICC Ltd. The RICC Ltd is a separate entity and the Council does not have any share of the company although it does have the right to appoint a director to its board of directors. It is thought that a withdrawal of Council funding from the RICC Ltd. is likely to result in the winding up of the Company. The lease would ultimately revert to the Council.
- 3.9 The options for consideration are broadly summarised below and set out in more detail in Section A3 that follows.
  - Consolidation of ERTC, RICC Ltd and R&VS Events Team
  - Outsource and seek a delivery partner via the market
  - Maintain Status Quo
  - In-house provision of services by Torbay Council
- 3.10 It is anticipated that a more detailed report setting out indicative costs and savings of the options will be presented to Full Council in the autumn.

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

**information attached.**

**Charles Uzzell  
Environment Commissioner**

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

## Supporting information

### A1. Introduction and history

A1.1 The Mayor and Leader of the Council is concerned that too many organisations are engaged in tourism marketing and event management. These include:

- Riviera International Conference Centre Ltd (RICC)
- English Riviera Tourism Company (ERTC)
- Torbay Coast & Countryside Trust (TCCT)
- Torbay Council – Residents & Visitors (R&Vs)
- Torbay Town Centres Company (TTCCo)

The structures dealing with tourism marketing underwent significant restructuring ahead of the creation of the English Riviera Tourism Company.

Solely owned by Torbay Council, the ERTC has been commissioned by Torbay Council to:

- act as an unified destination marketing organisation
- manage and deliver the official 'in resort' Visitor Information Service
- support the implementation of the adopted tourism strategy

A commissioning agreement has been put in place for these services till March 2016 based on a reduced level of subsidy. Closing down the Company is possible through withdrawal of funding to the ERTC, this is a Mayoral decision.

With regard to the RICC Ltd, it is a long standing separate entity from the council and the council does not have any share of the company, although the council has the right to appoint a director to its board of directors.

The relationship between RICC Ltd and the council is governed by a lease of the Riviera Centre and a related 'management agreement', which are co terminus, expiring on 31 March 2019. The lease does benefit from statutory protection pursuant to the Landlord and Tenant Act 1954, therefore RICC Ltd does have a right to renew the lease at the end of the term unless the council requires the property back to use itself or for redevelopment. There is no rent payable under the lease however the council does have the right to serve notice to require that a market rent is paid.

The management agreement and lease put various obligations on RICC Ltd to manage the centre and the management agreement places an obligation on the council to keep RICC Ltd informed of its medium term financial plan to assist the board of directors in its forward planning. Members should note that proposals within the medium term financial plan are not binding on the council; they are only indicative. There is no legal obligation on the council to fund RICC Ltd through the term of the lease and management agreement. RICC Ltd has the right to unilaterally terminate the lease: on 16 June 2016; if the council serves notice for market rent to become payable; or if it is not satisfied that the council has budgeted sufficient funds in its medium term financial plan'.

It should be noted that the RICC faces repairs and maintenance costs estimated by the TDA to be in the region of £6M over the next 15 years. These are not included currently in the Council's Capital Strategy or within RICC Ltd business plan projections.

Any change to the delivery options would therefore need to be considered against the short and medium term financial position for the Council. The 2012/13 budget will be especially challenging.

The affirmation that the Mayor is minded to support the principle of a major conference centre within Torbay should be helpful to marketing and managing the RICC Ltd. after a period of uncertainty.

## **A2. Risk assessment**

### **A2.1 Outline of significant key risks**

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

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

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

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

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

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

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

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

### **A2.2 Remaining risks**

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

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

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

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

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

### **A3. Options identified to date include:**

#### **Amalgamation of ERTC, RICC and Residents & Visitor Services events team**

The Council is unlikely to be allowed to transfer the functions of the ERTC to RICC without a formal tendering process given the nature of those activities.

The companies might be able to share certain operations but continue with separate boards and accountabilities. This may lead to some savings but the respective board decisions may be inconsistent with the expected outcomes.

There could be a TUPE arrangement whereby staff transfer from the Council to the ERTC. This would allow existing Council services to be included.

The establishment of a new company, which can combine the functions currently being provided by all the different organisations, is most likely to require a formal procurement process.

The Council will therefore need to consider the scope and cost of the procurement exercise prior to reaching a decision.

If the Council wishes to subsidise a new company incorporating commercial trading functions such as restaurants and gyms it will need to assess the possible state aid issues. When the Council originally set up the RICC, the procurement rules were very different and less stringent. Subsequent case law and precedent now requires careful consideration and early advice.

#### **Outsource and seek a delivery partner via the market**

This option assumes conceptually that the Council would seek via an 'open tender' suitably qualified and competent operators to provide the specified services. The existing operators could submit a tender.

#### **Status Quo**

This option would result in the ERTC and RICC Ltd continuing to provide the services which they currently provide under the commissioning agreement for the ERTC and the management agreement for RICC Ltd. It is envisaged that



various improvements would be possible through shared working and better communication.

### **In-house Option by Torbay Council**

This option would see the ERTC staff transfer back into the Council. The Council would then resume direct control of the tourism function.

The possible transfer of the RICC business to Torbay Council as an on-going concern is more complicated and further advice is required relating to a number of procurement and employment issues.

### **Alternative options (not within the scope of the review)**

An alternative option not considered as part of the review would be to close the RICC. The administration has indicated that it is minded to support the RICC with a capital sum to pay for essential repairs and an ongoing revenue grant to extend its life.

It is understood that a report seeking Council approval is likely to follow in September. This is intended to provide reassurance to the RICC Board and its customers about its longevity and ability to fulfil its orders.

Cessation or significant withdrawal of Council funding for the RICC Ltd would result in the RICC Board having to close down the centre. This would have a direct impact in the loss of 93 jobs from the centre and create a negative perception of the resort. It might also lead to an increasingly dilapidated site in a key location for Torquay.

Torbay Town Centres Company –The Town Centres Company is not directly funded by Torbay Council and the Council has no ownership of the organisation. The Town Centres Company is legally responsible for management of the business improvement districts in Torquay and Paignton and as such has specific obligations to the BID levy payers.

## **A4. Summary of resource implications**

A4.1 Current Council subsidy to RICC is circa £560,000 per annum.

Current Council grant to ERTC is £600,200 falling to £536,700 over the lifetime of agreement

There are likely to be significant one off costs of implementing any change including legal and tax advice relating to redundancy & dismissal, TUPE, winding up and starting a new company, VAT implications and other costs.

Potential redundancy costs and pension liabilities have not been assessed but may be incurred.

The direct and opportunity cost of officer time in managing this process has not been fully evaluated to date but based on previous restructuring it is anticipated that a middle manager with administrative support would need to be redeployed for up to 12 months should a change option be recommended and accepted in

due course. This is based on Council experience of having established the Tourism Company, the Economic Development Company and Tor2 within the last 24 months.

Although some revenue efficiency saving for the consolidation option are also likely e.g. through the amalgamation of leadership and back office functions, the saving cannot be calculated at this time.

Without modelling the structural options it is difficult to present possible savings within this report. The savings are not however likely to be significant and overall it is probably that significant additional capital and revenue support is required to sustain the RICC Ltd operations.

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

A5.1 None

**A6. Consultation and Customer Focus**

A6.1 It is proposed that the respective business sectors and the wider community should be consulted through direct engagement.

**A7. Are there any implications for other Business Units?**

A7.1 Yes, the identification of options will require input from multiple support services and especially those within Torbay Council which support the ERTC and R&VS functions. The TDA will also need to redeploy management resource to conduct the initial options appraisal.

**Appendices**

None

**Background Papers:**

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

- 'Turning The Tide' Tourism Strategy
- Report to Council recommending the set up of the ERTC.
- RICC Management Agreement



Title: **Repairs to “Banjo” and Eastern Section of Princess Parade, Torquay**

Public Agenda Item: **Yes**

Wards Affected: **Tormohun Ward**

To: **Council** On: **13 July 2011**

Key Decision: **No**

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

Contact Officer: **Steve Parrock / David White**

☎ Telephone: **01803 207919**

✉ E.mail: **[David.white@torbay.gov.uk](mailto:David.white@torbay.gov.uk)**

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## **1. What we are trying to achieve**

- 1.1 We are seeking an immediate solution to the repairing liability at the “banjo” and the eastern section of Princess Parade, Torquay, which enables the closed sections to be re-opened as soon as possible.
- 1.2 This report highlights the need to carry out intrusive surveys and preliminary design work costing up to £50,000 prior to formal tendering of the contract works.
- 1.3 This report outlines a the number of issues that will need to be addressed prior to proceeding with a repair, including an estimated annual revenue cost of up to £300,000 per annum over a 25 year period in respect of the prudential borrowing required. Please note that the estimated prudential borrowing costs have not been budgeted for and will create an additional pressure on the revenue budget in future years.
- 1.4 A repair of this magnitude will make the existing 1930’s design safe for up to 25 years. Members are asked to consider whether this investment represents best value for money, as the need to carry out such extensive repairs might be regarded as an opportunity to improve the design and area as a visitor attraction. The area is especially important to Torquay’s tourism offer.
- 1.6 Ultimately we are seeking to identify a strategy that represents best value for Torbay Council, taking into account the likely expenditure, the opportunity cost, the anticipated life expectancy and importance of the area to tourism.



### 3.2 Do we want to reinstate the 1930's design or take the opportunity to improve?

The question of whether the existing design is still appropriate for a forward looking holiday destination is a subjective one and opinions will differ on this issue. This is a prime waterside asset and it is recommended that this issue needs to be finally addressed before a decision is made to carry out the works which will have a twenty five year life expectancy. The policies and proposals set out in the emerging Torquay Harbour Area Action Plan provide a spatial planning context for such considerations.

If there are sufficient funds available to repair the promenade and banjo then this is an opportunity to assess what is right, and what is wrong, with the existing design. For instance do we need a 2 tier walkway at the banjo? Do we address the fact the top tier of the banjo restricts sea views and that it is proposed to keep closed the lower section? Do we address the lack of sea views from the "sunken garden" area behind the banjo? Do we reconsider the connectivity between the walkway and the marina? Do we consider an alternative surface treatment for the walkway? What do we consider the future uses of the promenade to be (walking, recreation, markets, bandstands and such like)? All of these issues, and more, such be considered before committing to repairing the promenade and banjo.

### 3.3 Options identified to date include:

- Full repair in single or multiple phases
- Demolition and replacement
- Demolition and redevelopment to include new facilities

### 3.4 Procurement – Repair Option

#### 1. Pre Contract

It is estimated that the value of the investigation works and design works will be less than £50,000 and therefore the Council will need to satisfy its own Standing Orders. The European Union Procurement Regulations only apply where the estimated value is in excess of £156,442.

#### 2. Appointing contractors to carry out the works

If the value of the works is less than £3,927,260 the Council will need to satisfy its own Standing orders. This is likely to include a 4-8 week tendering period and appointment process.

If the cost of the works is likely to be close to the European Union procurement threshold of £3,927,260 then the Council would be required to advertise the contract in the Official Journal of the European Union (OJEU). From the date of placing the advertisement it would take between 3 and 6 months to appoint a contractor.

The value of the contract work is unlikely to exceed the European threshold.

### 3.7 Delivery Programme

In order to deliver the repair works the following processes need to be carried out:

1. Further investigation into the extent of the defects in order that we can fully assess the condition of the structure (it is recommended that specialist consulting engineers are commissioned to carry out such work)
2. Design an engineering solution to replace the concrete decking and repair the supporting concrete columns and cross beams
3. Liaise with the Environment Agency, Conservation Officer and English Heritage
4. Public Consultation
5. Produce a performance specification
6. Advertise the works
7. Negotiate the contract
8. Let the works to a contractor for them to start on site
9. Works completed

Steps 1 to 4 will take approximately 3 months.

Steps 5 to 7 may take 4 – 8 weeks assuming Council Standing orders apply or up to 6 months if European Union regulations apply.

Steps 8 and 9 are likely to take a further 6 - 9 months.

Please note the estimate for the construction programme will be better understood when steps 1 – 4 have been completed.

At best the overall repair will take 12 months from start to finish and possibly 18 months.

### 3.8 Planning, Conservation Area Consent, Environment Agency Approval

The promenade, banjo and Princess Gardens are included within the National Register of Parks and Gardens of Historic Interest and lie with a conservation area. They fall within the boundary of the Torquay Harbour Area Action Plan, a statutory development plan forming part of the Torbay Local Development Framework.

The promenade and banjo are not listed structures.

Advice from the Council's Property and Environment Solicitor is that:

*"In the circumstances, it appears that the works are not 'demolition' but rather works for the 'maintenance, improvement or other alteration of a building'. If the works (when completed) will not materially affect the external appearance of the (building) structure, they will not constitute 'development' (s.55(2) of the Town & Country Planning Act 1990) and neither planning permission nor any form of Conservation Area consent will be required."*

Please note that the wording underlined will need to be checked against the possibility that, in order to reduce costs, the hexagonal paving slabs are replaced with red 'bitmac.'

Although planning permission may not be required the Council is still required to liaise with English Heritage and invite comment.

Similarly, it is recommended that the Environment Agency (EA) be consulted.

The advice from the Council's Senior Drainage Engineer is that the nature of consultation with the EA

*"Will depend on the Environment Agency's definition of "repair" as unlike the planning department they may consider the works to the promenade are a replacement/reconstruction and therefore insist on applying today's protection standards. Due to the implications of this I would suggest if you have any concerns about the requirements of the Environment Agency that you obtain written clarification from them to ensure that there are no misunderstandings."*

Previously when liaising with the EA about the improvements to the promenade they were recommending that the walkway be raised by up to 1.0m to counter the likely affects of rising sea levels.

### 3.9 Funding

It is recommended that the Council's reserves be used to fund the pre contract activities.

Please note, depending upon the final cost of any repairs, there will be an estimated annual revenue cost of up to £300,000 per annum over a 25 year period in respect of the prudential borrowing required. The estimated prudential borrowing costs have not been budgeted for and will create an additional pressure on the revenue budget in future years.

The full scheme funding will identified in a separate report to Full Council in September when the Council's Capital Strategy will also be presented.

The Council's overall capital programme is funded from a variety of sources such as capital receipts from the sale of assets, supported and unsupported prudential borrowing and other contributions arising.

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

**Charles Uzzell  
Environment Commissioner**

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

## **Supporting information**

### **A1. Introduction and history**

The history of the creation of the Princess Gardens and Princess Parade is covered at length in the background papers referred to below.

### **A2. Risk assessment of preferred option**

#### **A2.1 Outline of significant key risks**

A2.1.1 It could take longer to design, procure and build the promenade and banjo, and that by doing the works in one phase they are not open for summer 2013, even if works continue through the summer of 2012.

A2.1.2 The Environment Agency may insist that the walkway is raised by approximately 1.0m which will result in additional costs and an unbalanced eastern and western promenade.

A2.1.3 That the reinstated promenade represents a 1930's design and does not provide a modern or appropriate facility for residents and visitors.

#### **A2.2 Remaining risks**

A2.2.1 The items of repair detailed in 3.1 above will not be addressed by any repair of the promenade and banjo in isolation.

### **A3. Other Options**

A3.1 Do nothing: the eastern section of Princess Parade will remain closed, resulting in eventual total structural failure.

A3.2 Carry out the works in phases. The cost of the initial phases is likely to be abortive unless subsequent phases are not done within the following 5 years.

A3.3 Take the opportunity to improve the promenade and create an area of public realm that is more befitting of this prime waterside location,

A3.4 Other options will be assessed following the investigative and design works proposed by this report.

### **A4 Summary of resource implications**

A4.1 The council's legal, procurement, finance, engineering and planning departments, and possibly the TDA, will be involved in the design, funding, procurement and repair of the promenade and banjo.

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

A5.1 The recommendations will not have any detrimental effect on equalities.

A5.2 The banjo was closed due to incidences of anti-social behaviour and the re-



opening the banjo in its current design may encourage the repeat of such behaviour. However, such incidences would be reduced if the lower tier of the banjo was removed or access restricted.

## **A6. Consultation and Customer Focus**

### **A6.1 The Torbay Development Agency carried out a series of public consultation events in 2010/11**

These included presentations at the Tormohun Community Partnership in February and May 2010, interim updates and a presentation to Torquay Town Centre Community Partnership in February 2011. In addition the TDA presented to the Harbour Committee in 2011. Furthermore, there has been a significant amount of coverage in the local press.

A significant level of public participation and consultation has been carried out between 2009 and 2011 on the future of the promenade area, as an integral part of preparation of the Torquay Area Action Plan.

The consultation explored a range of funding solutions but assumed as requested that the public sector alone could not finance all the repairs necessary within the area or indeed across the council's estate.

The feedback from the public consultation was mixed but on balance there was an acceptance that some commercial development might be necessary, even desirable, to support a renewal of the area. The most sensitive area was the extent of development between the Pavilion and the Theatre.

### **A6.2 Consequently there has been little public consultation regarding a publicly funded repair of the Eastern Promenade and banjo area only. Whilst the repair is unlikely to be detrimental to the Bay's economy, a straight forward repair is unlikely to significantly enhance it or increase visitors to the Bay or improve the Harbourside economy.**

### **A6.3 As the works to repair and reinstate the existing design do not need planning consent there would be no legal obligation, under planning law, to carry out public consultation. However it is proposed to present the recommended option to the public via local media and the local Community Partnership meeting following further investigation and preliminary design work.**

### **A6.4 Although planning permission is not required for works to repair and reinstate the existing design, the works are still on part of a Registered Park and Garden and as such English Heritage have been notified out of courtesy and the TDA is awaiting a response.**

### **A6.5 Although planning permission is not required for works to repair and reinstate the existing design, the Environment Agency may still need to be consulted and they may seek to impose today's protection standards.**

### **A6.6 The Executive Head of Harbour and Marine Services has confirmed that the proposals would not need to be considered by the Harbour Committee before they were put but before the Council. The next scheduled meeting of the Harbour Committee is September 2011.**

**A7 Are there any implications for other Business Units?**

A7.1 A number of Council services will be affected by the proposed repair and reopening of the promenade, such as Resident and Visitors Services, and Tor Bay Harbour Authority. All affected Services will be consulted throughout and especially during the design phase and prior to work progressing on site.

**Appendices**

None

**Documents available in members' rooms**

None

**Background Papers:**

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

Princess Promenade: Proposed Strategy, dated 22<sup>nd</sup> June 2011

Torbay Council Cabinet Report no. 194/2011

Torquay Harbour Area Action Plan  
(Regulation 27 Submission Version; November 2010 / February 2011)



Title: **Solar Photovoltaics on Public Buildings Project**

Public Agenda Item: **Yes**

Wards Affected: **All Wards in Torbay**

To: **Full Council** On: **13 July 2011**

Key Decision: **Yes – Ref. X11/2011**

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

Contact Officer: **Dominic Vincent – Senior Environmental Policy Officer**

Telephone: **(01803) 207747**

E.mail: **Dominic.Vincent@torbay.gov.uk**

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

- 1.1 Recent legislation has opened up significant new opportunities for local authorities to generate revenue from renewable energy. Solar photovoltaic panels (PV) represent an investment opportunity for Torbay Council to generate a guaranteed index-linked income for a period of 25 years. This paper proposes a renewable energy invest-to-save programme for solar PV panels on public buildings and schools, based on the income from feed-in tariffs (FIT).
- 1.2 The main recommendation is that the Council approve a revision to the 2011/12 Capital Plan by inclusion of the project to a maximum sum of £1.8m funded from prudential borrowing. The principle and interest repayment to be financed from revenue income generated from the installation of solar PV panels on 45 schools and public buildings, over 25 years.
- 1.4 An additional revenue budget allocation in 2011/12 of £165k is required for programme development costs (professional fees etc) in order to bring the project to the procurement stage. This is being sought from the Financial Strategy & Change reserve and Local Authority Business Growth Incentive (LABGI) reserve.
- 1.3 Based on PV panels being installed on 45 buildings, the project could deliver total revenue of circa. £4.3m, over 25 years. This represents a net financial benefit to Torbay Council of approx £1.5m, after repayment of the loan and interest. This is from FIT payments alone as other savings will also accrue (e.g. avoided electricity costs). Annual cashflow is positive from year 1. The project

will also save up to 237 tonnes of carbon dioxide a year, helping to achieve carbon reduction targets within the Climate Change Strategy for Torbay 2008-2013 and Carbon Management Plan, and promote the benefits of a low carbon economy.

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

- 2.1 A revision to the 2011/12 Capital Plan by inclusion of the project to a maximum sum of £1.8m funded from prudential borrowing, be approved. The principle and interest repayment to be financed from revenue income generated from the project over 25 years.
- 2.2 An additional revenue budget allocation of £165k in 2011/12 be approved for programme development costs (professional fees etc) in order to bring the project to the procurement stage.
- 2.3 That the Commissioner of Place and Environment, in consultation with the Deputy Mayor and Executive lead for Strategic Planning, Housing & Economy be given delegated authority to approve the final business plan.
- 2.4 That surplus revenue is re-invested in projects identified through the implementation of the Climate Change Strategy for Torbay 2008-2013 and Carbon Management Plan, to be agreed through the Councils Annual Budget process.

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

This programme aims to achieve the following:

- 3.1 Install Solar PV on a maximum of 45 Torbay Council owned and school buildings.
- 3.2 Provide ongoing revenue and carbon savings for Torbay Council (and others participating in the project) following PV installation.
- 3.3 Demonstrate Leadership within the Bay regarding support for low carbon technology.
- 3.4 Support the work of the Torbay Economic Development Company to promote the growth of a low carbon economy in the Bay.

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

**Charles Uzzell**  
**Commissioner of Place and Environment**

**Les Crump**  
**Executive Head of Spatial Planning**

## Supporting information

### A1. Introduction and history

- A1.1 The introduction of the Feed-in Tariff (FIT) in April 2010 has meant that investing in PV is financially attractive. Revenue is generated/saved in three different ways:
- i) **Generation Payment:** paid for generating energy, regardless of who uses it. Payments are inflation linked and continue for 25 years. It is these payments that are the basis for financing the project; they will accrue to the Council, and are the main subject of the financial analysis undertaken by Price Waterhouse Coopers LLP (PwC) (see below & Appendix 3). At 2011 prices, relevant tariff rates are 41.3p/kWh for systems up to 4kW; 36.1p/kWh for systems up to 10kW; and 31.4p/kWh for systems up to 50kW.
  - ii) **Export Payment:** paid for exporting unused energy to the grid (e.g. during weekends). This is at a rate of 3p/kWh and is inflation linked. These payments are proportionately much smaller and would accrue to the Council as they are linked to the generation payments.
  - iii) **Avoided import savings:** for every unit of energy generated and used within a building, one unit does not need to be purchased from the grid. The current price for electricity is around 10p/kWh, but this is highly likely to increase over the coming decade, for example, increases of 5% are expected this year alone. The reduced cost of importing electricity is the main benefit for schools and Council tenants participating in the project.

### A1.2 Feasibility study

- A1.2.1 A feasibility study was conducted to establish suitability of installing PV on over 250 Council owned properties and Schools (following expressions of interest).
- A1.2.2 An initial appraisal was done on each roof using publicly-available aerial photography and street views. Roofs were rejected at this stage if:
- They are pitched and face north, or are pitched and orientated east-west.
  - They are curved.
  - They are moderately or heavily over-shaded by trees, other buildings or geology.
  - Their area is interrupted repeatedly (dormer windows, chimneys, etc).
  - They were flat and old enough that major refurbishment would be needed within 25 years.
  - Security was considered to be a problem.
  - The latest condition report suggested that substantial work is required.
  - The buildings are scheduled to close in the next few years.
  - Their capacity for solar energy systems has already been reached.
- A1.2.3 Next the capacity for solar PV was determined, and the buildings were listed in order of preference in terms of orientation, pitch, capacity and likely structural suitability.

- A1.2.4 Site visits were then conducted to examine the structure, the covering material, the electrical connections, and the practicality of access and installation.
- A1.2.5 At this stage, several further buildings were rejected. The reasons included:
- The buildings were scheduled to close in the next 6 months.
  - The buildings were scheduled for major refits within the next few years.
  - Over-shading that was not obvious from aerial photography.
  - The roof covering was not suitable for any economical form of fixing.
- A1.2.6 The visits provided important information on potential design details such as inverter locations, meter locations, cable runs, mounting systems, and scaffold access, which allowed estimates of actual install costs to be provided. (Full details of the methodology and site selection is available in the background report Solar PV Feasibility Study, Ecofirst Consult Ltd, June 2011).
- A1.2.7 The results, which are summarised below and in Appendix 1 & 2, were fed into a financial model developed on behalf of the Council by Price waterhouse Coopers LLP (PwC).

### **A1.3 SUMMARY OF RESULTS**

- A1.3.1 The feasibility study identified 45 buildings as being the most suitable for solar PV installation. A large proportion of these are schools (24) with Council offices (8) and leased out buildings (13) making up the remainder.
- A1.3.2 It should be noted that the inclusion of these sites/buildings in the final installation programme is still subject to negotiation, further technical work and subject to planning permission. Therefore the financial analysis below represents the maximum benefit that is achievable.
- A1.3.3 **Generation payments**  
If all 45 buildings have PV panels installed upon them by 1<sup>st</sup> April 2012, the financial analysis indicates that the Council can generate total revenue of approximately £4.3m from generation payments alone (FIT).
- A1.3.4 An investment of approximately £1.5m is required to cover installation costs, with a 20% contingency fund of approximately £300k, bring a total ceiling to borrowing of circa. £1.8m. The amount invested is repaid on an annuity basis over the 25 year life of the project, at an interest rate of 4.45% from the Public Works Loan Board.
- A1.3.5 After deducting these amounts, an excess revenue totalling £1.5m remains. The net present value of this future cash flow is approximately £760k, discounted at 3.5% per annum, representing a significant creation of wealth for the Council. These figures are summarised in table 1 and further details are available in the Appendix 3 and the background paper (Financial Analysis report, PwC, June 2011).

**Table 1 – Summary of Costs and Revenue**

Installation Costs	-£1.5m
--------------------	--------

Cost of Borrowing & maintenance	£2.8m
Total Revenue	£4.3m
<b>Excess Revenue (after capital &amp; interest repaid)</b>	<b>£1.5m</b>
Net Present Value (NPV)	£760k
<b>Internal Rate of Return (IRR)</b>	<b>9.12 %</b>

- A1.3.6 These figures are based on the full list of 45 buildings being included in the final programme. Should fewer buildings be included then both installation costs and revenue would decrease. However, the financial analysis shows that each of the individual buildings in the list generates a positive rate of return on its own merits.
- A1.3.7 It should be noted that this financial analysis does not make allowances for any reduction in the installation costs being achieved by bulk purchasing of PV panels, or any other reductions that could be achieved through a competitive procurement process.
- A1.3.8 **Export payments**  
An additional, but small amount of revenue will be generated from exporting electricity back to the grid, that is not used on-site (e.g. during weekends). This has been estimated as an additional **£192,000** over the life of the programme<sup>1</sup>.
- A1.3.9 **Avoided import savings**  
Further and additional revenue savings will come from avoiding the need to import so much electricity to buildings. Avoided electricity imports have been very conservatively estimated as **£640,000** for the life of the whole programme<sup>1</sup>. Further work is required to confirm the level of savings for each building, based on existing consumption patterns and assumptions about future electricity prices. The reduced cost of importing electricity is the main benefit for schools and Council tenants participating in the project.
- A1.3.10 **Carbon savings**  
Overall emissions would be reduced by **237 tonnes of Carbon Dioxide Equivalent (CO<sub>2</sub>e) per year**. Solar PV installed on all 45 buildings would deploy 502kW<sub>p</sub> of new generation capacity, which would generate around 448,300 kWh per year across the whole programme.
- A1.3.11 **Economic Development**  
In addition to the direct benefits of the project, there is the potential to stimulate the Torbay economy. For example, by using local installers for maintenance of PV panels. This complements current activity by Torbay Economic Development Company to stimulate growth in the environmental technology sector of Torbay economy, and the recent Regional Growth Fund award to South Devon College to become a centre of expertise in sustainable energy. See also background paper Renewable Energy Report (TDA).

## A2. Risk assessment of preferred option

### A2.1 Outline of significant key risks

<sup>1</sup> based on 50% usage/export; electricity price of 10p kWh, export tariff of 3p kWh, and; 2% inflation rate

- A2.1.1 Solar PV is intrinsically a low-risk investment based on the 25-year government guaranteed income from feed-in tariffs. The technology is reliable with very low maintenance requirements and is well proven having been in use since the 1960's. All manufacturers provide a 20-25 year guarantee on electrical output.
- A2.1.2 The solar energy resource and annual energy production from solar PV panels is well known and varies only a few percent from year to year due to variations in the weather. Torbay has one of the best solar energy resources in the UK.
- A2.1.3 A detailed risk assessment is available from the report author.

## A2.2 Remaining risks

- A2.2.1 **Scale of the Programme** – 45 buildings have been identified as suitable for PV installation. The programme is scaleable, and each building can be viewed as a stand-alone project, as the financial analysis shows that each building generates a positive return on investment.

All buildings are subject to further technical work (e.g. structural surveys) and require planning permission.

Schools and leased buildings make up the majority of the programme and their inclusion is still subject to negotiation and legal agreement. Particular attention will be needed regarding legal agreements and leases due to the different and changing nature of the status of schools (e.g. Academy). The list of schools currently includes Community, Academy, Foundation, Voluntary Aided and Voluntary Controlled schools. If these schools were excluded from the programme then installation costs would be reduced to circa £1.1m, with a corresponding reduction in the revenue received from FIT payments, so that total gross revenue becomes circa £3.1m and total net revenue circa £1.1m. The Internal Rate of Return for this level of investment becomes 8.8%

The inclusion of schools (regardless of status) and leased buildings is of key importance to the programme. There has been positive initial feedback both from schools and tenants following site visit, but it should be noted that schools have only 'expressed interest' in the project at this stage. The benefits to schools/tenants of savings on future electricity costs can be significant, but needs to be quantified in detail. Strong partnerships with schools and agreement from tenants will therefore be important moving forward.

- A2.2.2 **Timescales** – due to the need to negotiate with schools and leaseholders, as well as, undertake further technical, legal and procurement work prior to contract award, there is a risk that any delay to the programme will result in contractors not being able to install before April 2012, due to a likely UK 'rush' to install in Q4 of this year. If this occurs and the project is delayed by a year (so that installation takes place in 2012/13) then there would be a 35% reduction in the revenue received from FIT payments. The Internal Rate of Return (IRR) becomes 7.9%; Net Present Value £495k; with total gross revenue becoming circa £3.9m and total net revenue circa £1.1m.
- A2.2.3 **Resources** – it is essential that adequate resource is made available to undertake the further programme work required. Therefore the revenue



budget proposed, together with the internal resources identified need to be made available for the programme in order to meet deadlines and maximise the benefits outlined in this report.

- A2.2.4 Review of Feed-In-Tariff scheme** - the Government has announced an early comprehensive review of the Feed-In-Tariff. The review will assess all aspects of the scheme including tariff levels, administration and eligibility of technologies. It is due to be completed by the end of 2011, with tariffs remaining unchanged until April 2012. The risk remains that should the installation programme be delayed beyond April 2012 that the Government may reduce the Feed-In-Tariff levels that currently apply to the buildings identified for the PV installation programme.

**(Note: A full risk assessment of the proposal including risk mitigation measures is available from the report author)**

### **A3. Other Options**

- A3.1 Scaling down the project** – fewer buildings in the programme. Less borrowing required, but correspondingly fewer benefits are realised. There would be the same amount of complexity in the programme (as a range of buildings are still likely to be included e.g. schools, leased buildings and Council occupied sites). The same technical, legal, financial and procurement work would need to be undertaken (just on fewer sites) and there would be some, but not a proportional reduction in project development costs, or the timescales involved.

- A3.2 Rent-a-roofspace approach** - whereby the Council look to the private sector to put up the capital cost of installing PV on public buildings. This is primarily used for the domestic market and the installation company gets the financial benefit from the FIT, with the Council receiving a proportion of low cost electricity generated by the PV panels. This option would mean that no capital outlay would be required from the Council, but would result in a significant reduction in benefits. Similar risks, procurement processes and timetable issues would arise as pursuing the preferred option. There is an additional risk that a private sector company may wish to only install panels on a few buildings (cherry picking) and the Council would have less control and influence over the overall programme.

- A3.3 Do Nothing** – would represent a missed financial, carbon saving and educational opportunity. It would not fulfil commitments under Climate Change Strategy and Carbon Management Plan, and would not demonstrate leadership in this area, or support the development of a low carbon economy for the Bay.

### **A4. Summary of resource implications**

- A4.1** A ceiling of £1.8m prudential borrowing is being sought to finance solar PV installations on Council owned buildings and schools.
- A4.2** An additional revenue budget to a maximum of £165,000 for 2011/12 is being sought for professional fees associates with further project development work in order to bring the project to the procurement stage. This will be required from reserves as other budgets are fully committed. As an invest-to-save programme,

the Financial & Change reserve and Local Authority Business Growth Incentive reserves have been identified as appropriate should the Council approve this budget. Any under spend from the Environment budget at year end 2011/12 will be used to replenish these reserves.

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

A5.1 The proposals help promote environmental sustainability and are integral to implementing the policy framework document 'A Climate Change Strategy for Torbay 2008-2013', as well as, Torbay Councils Carbon Management Plan.

A5.2 Since schools and leased out buildings are included in the programme, then younger people and a range of Bay businesses will be involved in, and benefit from, the programme. This further supports the Council's diversity and equality aims.

**A6. Consultation and Customer Focus**

A6.1 This project has not been the subject of formal consultation, however, the following have been contacted to date to discuss proposals:

- Specialist organisations - South West Energy & Environment Group, RegenSW, PV installation companies, PriceWaterhouseCoopers LLP
- Other Councils – Teignbridge, South Hams, Devon, Cornwall, Dorset, Somerset & Bristol.
- Other public sector organisations in Torbay - Schools, South Devon Healthcare Trust, Torbay Care Trust and the Police. Expressions of interest were received from schools in the Bay, who received site visits from technical consultants. Other organisations are also interested in our approach and are exploring similar schemes, although due to the timescales involved will not form part of this programme.

A6.2 Customer focus – The programme will demonstrate value for money through energy management within the Council. Participating schools will benefit from reduced electricity costs, promotion of renewable technology and educational value. Participating tenants will benefit from reduced electricity costs.

**A7. Are there any implications for other Business Units?**

A7.1 Other business units have been involved in the feasibility stage and will continue to be important in delivering the programme. These include, Asset & Energy Management (TDA); Childrens Services; Corporate Finance; Procurement; Legal Services; Engineering & Structures; as well as Development Management, Building Control and Urban Design teams within Spatial Planning.

**Appendices**

Appendix 1 – Location of feasible PV arrays

Appendix 2 - List of roofs considered suitable.

Appendix 3 – Financial Analysis (Executive Summary, PwC)

## **Documents available in members' rooms**

A Climate Change Strategy for Torbay 2008 – 2013

### **Background Papers:**

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

- Project Brief– Solar PV on Public Buildings (PRINCE 2), January 2011
- Solar PV Feasibility Study, Ecofirst Consult Ltd, June 2011 (Commercial & Confidential)
- Financial Analysis report, PwC, June 2011 (Commercial & Confidential)
- Torbay Renewable Procurement Report, PwC, June 2011
- Torbay Energy Services Company Report, PwC, June 2011
- Torbay Development Agency – Renewable Energy Report

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### Appendix 1 – Location of feasible PV arrays

The geographical distribution of the feasible roofs can be seen below.

Buildings directly controlled by the Council are represented by red place-marks. Yellow place-marks represent buildings leased out by the Council, and green place-marks represent schools.



NB: Since publication of the consultants report, there has been a further transfer of assets from Torbay Council to Torbay Economic Development Company, namely Torbay Innovation Centre, Enterprise Units 1 to 7 and Bishops Place.

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### Appendix 2 – List of roofs considered feasible

Name	Type	School Status
Abbey Sands Beach Centre	Council	
Brixham Fish Market	Council	
Electric House Offices	Council	
Palace Theatre	Council	
Tor Hill House	Council	
Torquay Central Library	Council	
Torquay Town Hall Complex	Council	
Upton Valley Offices	Council	
<b>Group total:</b>		<b>8</b>
Apollo Cinema (Ex Festival Theatre)	Leased	
Babbacombe Theatre	Leased	
Berry Head Bungalow & Land	Leased	
Bishops Place	Leased	
Depot at Aspen Way	Leased	
Echo Building - Sure Start	Leased	
Enterprise Unit 1 to 7	Leased	
Fort Cafe	Leased	
Quaywest Inn On The Quay	Leased	
Hele Community Centre	Leased	
Paignton Day Centre	Leased	
Torbay Innovation Centre	Leased	
Waterside PRU Education Centre	Leased	
<b>Group total:</b>		<b>13</b>
All Saints Babbacombe CofE Primary	School	Voluntary Aided
Brixham Community College	School	Academy
Churston Ferrers Grammar School	School	Academy
Cockington Primary	School	Community
Combe Pafford	School	Community
Curledge Street Primary	School	Community
Ellacombe School	School	Community
Kings Ash Primary School	School	Community
Mayfield School	School	Community
Oldway Primary School	School	Community
Paignton Community & Sports College Borough Road Site	School	Community
Paignton Community & Sports College Waterleat Road Site	School	Community
Preston Primary	School	Community
Priory RC Primary	School	Voluntary Aided
Roselands Primary	School	Community
Sherwell Valley Primary School	School	Community
Shiphay School	School	Academy
St Margaret's School	School	Academy
The Torbay School	School	Community
Torquay Boys' Grammar School	School	Academy
Torre CofE Primary	School	Voluntary Aided
Warberry CofE Primary School	School	Foundation
Watcombe Nursary/Child Centre	School	Community
Upton St James CofE Primary School	School	Voluntary Controlled
<b>Group total:</b>		<b>24</b>
<b>Totals:</b>		<b>45</b>

NB: Inclusion in the list does not confirm inclusion in the final programme.

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Appendix 3

16<sup>th</sup> June 2011

*Torbay  
Photovoltaic  
Project*  
Draft Financial Analysis  
Report

# Torbay Renewables Procurement Financial Analysis Report

## Executive Summary

PwC undertook a financial analysis of sites identified as suitable in a feasibility study conducted on behalf of the Council by Ecofirst Consult Ltd.

This report shows that a significant positive contribution to the Council's wealth can be made by generating energy from photovoltaic panels. It requires the dedication of a significant amount of the Council's unsupported borrowing to this project, and that debt is repaid with interest over the project's life.

The financial analysis indicates that, based on inputs described below, the Council can generate total revenue of £4,294,147 (nominal terms).

An investment of £1,515,773 is required to cover installation costs at 45 sites. A reserve is pre-funded and utilised in year 12 to cover £224,544 of inverter replacement costs, in order to avoid drawing down more debt at that time. The amount invested is repaid on an annuity basis over the 25 year life of the project, at an interest rate of 4.45%.

After deducting these amounts, an excess cash flow totalling £1,527,147 remains. The present value of this future cash flow is £761,470, discounted at 3.5% per annum, representing a creation of wealth for the Council. These figures are summarised in table 1.

Installation Costs / Investment / Debt (£)	-1,515,773
Inverter Replacement costs (£)	-224,544
Total Revenue (nominal) (£)	4,294,147
Excess cash flow (nominal) (£)	1,527,181
<b>IRR</b>	<b>9.12%</b>
<b>NPV (£)</b>	<b>761,470</b>

Key risks to the achievement of the returns set out in this report have been analysed as alternative scenarios and sensitivities. In summary the sensitivity to certain risk factors in presented below:

- FIT level: reduction in tariffs by 20% = 60% decrease in NPV. The FIT is determined by HM Government and it is therefore out of the Council's control. It is, however possible for the Council to mitigate this risk through expedient commissioning of the project, to lock in to the highest possible tariff;
- Installation costs: increase by 25% = 45% decrease in NPV. Such costs are market determined but the Council can mitigate this risk to a degree through effective project management and cost control;
- Debt interest rate: increase by 2% = 39% decrease in NPV. With the use of prudential borrowing, this will be set centrally by the Public Works loan Board;
- School involvement: 1 year delay = 31% decrease in NPV. The Council can mitigate this risk by engaging with the appropriate school representatives, and communicating the potential benefits resulting from the scheme, thereby encouraging the schools to join the scheme promptly;
- Inflation: reduction from 2% to 1% = 19% decrease in NPV. It is very difficult to predict accurately inflation over 25 years, so prudent starting assumption is advised, such as the 2% per annum base case position ; and
- Cost of inverters: increase by 50% = 10% decrease in NPV. The cost of inverters is market driven and difficult to predict at their replacement time 12 years from the project commencement. The Council can mitigate this risk by building in contingency for the inverter costs.

Of the risks listed above, the Council has the most direct influence on the timing of school involvement. This scenario has a medium level of sensitivity and is therefore a key area for focus.

## Torbay Renewables Procurement Financial Analysis Report

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The inputs provided for the financial analysis did not include areas of cost such as insurance, monitoring & maintenance which could have an effect on the return generated, due to a lack of complete information at the time of writing the report.

This report identifies a number of areas where greater certainty will be required. These include verification and market testing of the input assumptions provided. Accuracy in this respect is desirable, as evidenced by the sensitivity of the results to installation costs running above budget. There are upside as well as downside risks in this respect. For example, the Council could benefit from economies of scale from bulk purchasing.

Given that the installation costs are a primary driver of the financial performance of the project, and also determine the amount of borrowing required, it may be prudent to include a contingency in order to cope with cost overruns without the need for additional borrowing. We understand that the Council is considering 20% contingency which, when included, take the total capital costs to £1,818,927.60.

It should be noted that this financial analysis does not include the revenue effects of the displacement of purchased energy by that generated by the PV system or the potential revenue from the sale of energy to the entities at the panel sites. Such an analysis would require detailed information on usage and generation profiles, as well as current energy costs and an acceptable forecast of energy costs. Likewise, the financial analysis does not include revenue generated from exporting unused electricity back to the grid, as this requires the same data. Revenue enhancements from these sources should result, but have not been quantified in this report.

Finally, the financial analysis does not include any project development costs prior to awarding any contract to install PV panels on public buildings (i.e. further technical, financial and project management costs, procurement and legal costs).

DRAFT

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Title: **Constitution Amendments**  
Public Agenda Item: **Yes**

Wards Affected: **All wards in Torbay**

To: **Council** On: **13 July 2011**

Key Decision: **No**

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

Contact Officer: **Anthony Butler**  
Telephone: **(01803) 207155**  
E.mail: **anthony.butler@torbay.gov.uk**

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

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

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

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

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

- 3.1 The Leadership Group (comprising the Mayor, Group Leaders and Deputy Leaders) met on 6 July 2011 to discuss the amendments suggested by the Monitoring Officer to the Constitution following the election of Mayor Oliver. Pursuant to paragraph 1.03 of the Constitution the Monitoring Officer is able to make amendments to it with the consent of the Mayor and Group Leaders. The amendments that were agreed by the Mayor and Group Leaders will be made to the Constitution however no agreement could be reached on the proposed change to the order of business for Council meetings. Where there is no consensus it is necessary for the proposed change to the Constitution to be agreed by full Council. The proposed amendment is attached at Appendix 1.

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

**Anthony Butler  
Monitoring Officer**

## **Supporting information**

### **A1. Introduction and history**

A1.1 The Council's Constitution was formally adopted at the meeting of the Council held on 16 January 2002. A fundamental review of the Constitution took place in the light of the elected mayor system of governance which came into effect on 24 October 2005. Since that time the Constitution has been reviewed on a number of occasions with the recent review being the latest.

A1.2 The Leadership Group met on 6 July 2011 to discuss the latest amendments. The Mayor and Councillors Darling, Excell, Morey, Pentney and Stockman.

### **A2. Risk assessment**

#### **A2.1 Outline of significant key risks**

A2.1.1 None.

### **A3. Other Options**

A3.1 None

### **A4. Summary of resource implications**

A4.1 No significant resource implications.

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

A5.1 None

### **A6. Consultation and Customer Focus**

A6.1 The Leadership Group and Senior Officers were consulted on the amendments.

### **A7. Are there any implications for other Business Units?**

A7.1 No

## **Appendices**

Appendix 1 Proposed amendments to Council Standing Orders

### **Background Papers:**

None

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### Appendix 1 – Constitution Amendments

#### Extract from Standing Orders – Council Meetings:

#### A7. Order Of Business

(A7.1 (i) to (iv) to apply to Committees, Executive and Overview and Scrutiny)

A7.1 Except as otherwise provided in Standing Order A7.2 (and subject to Standing Order A15), the order of business at every ordinary and extraordinary meeting of the Council shall be:

- (i) to elect a person to preside if both the Chairman/woman and Vice-Chairman/woman of the Council are not present. (The Mayor is not permitted to be the Chairman/woman or Vice-Chairman/woman.);
- (ii) to deal with any business required by statute to be dealt with before any other business;
- (iii) to approve as a correct record the minutes of the last meeting of the Council;
- (iv) to receive any declarations of interest from the Mayor, members and officers;
- (v) to receive any communications or announcements from the Mayor, the Chairman/woman, the Overview and Scrutiny Co-ordinator or Chief Executive;
- (vi) to receive petitions from the public in accordance with Standing Order A12;
- (vii) to receive questions from the public in relation to matters which, in the opinion of the person presiding at the meeting, are relevant to the business of the Council and in accordance with Standing Order A24;
- (viii) to deal with any business from the last meeting of the Council (A7.1 (viii) to apply to Committees and Overview and Scrutiny);
- ~~(ix) to answer any question under Standing Order A13;~~
- (ix) to consider motions in accordance with Standing Order A14;
- (x) to receive reports from the Executive, the Council's committees (including Overview and Scrutiny Bodies) and officers including proposals from the Mayor in relation to the Council's budget and policy framework and receive questions and answers on any of those reports;
- (xi) to receive reports on the business of joint arrangements and external organisations;
- (xii) to consider any other business specified in the summons to the meeting;  
and
- (xiii) to answer any question under Standing Order A13.

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