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Date: Friday, 04 September 2015

Overview and Scrutiny
Town Hall
Castle Circus
Torquay
TQ1 3DR

Dear Member

OVERVIEW AND SCRUTINY BOARD - WEDNESDAY, 9 SEPTEMBER 2015

I am now able to enclose, for consideration at the Overview and Scrutiny Board to be held on Wednesday, 9 September 2015, the following reports that were unavailable when the agenda was printed.

Agenda No	Item	Page
2.	Minutes	(Pages 2 - 6)
5.	Revenue Budget Monitoring 2015/2016 - Quarter 1	(Pages 7 - 14)
6.	Capital Investment Plan Update - 2015/2016 Quarter 1	(Pages 15 - 30)
7.	Disabled Facilities Grants	(Pages 31 - 34)

Yours sincerely

Kate Spencer
Overview and Scrutiny Lead



Minutes of the Overview and Scrutiny Board

8 July 2015

-: Present :-

Councillor Lewis (Chairman)

Councillors Barnby, Bent, Bye, Darling (S), Morey, Stocks, Tolchard and Tyerman

(Also in attendance: The Mayor and Councillors Amil, Cunningham, Excell, Haddock, King, Lang, Mills, Parrott and Thomas (D))

6. Apologies

An apology for absence was received from Councillor Stockman.

It was also reported that, in accordance with the wishes of the Independent Group the membership of the Board had been amended by including Councillor Morey in place of Councillor Stockman.

7. Appointment of Vice-Chairman

Consideration of this item was deferred until the next meeting of the Board.

8. Minutes

The minutes of the meeting of the Board held on 22 June 2015 were confirmed as a correct record and signed by the Chairman.

9. Torbay Retail and Tourism Business Improvement District

The Board received an update from the Executive Head – Business Services in relation to the Torbay Retail and Tourism Business Improvement District (TRTBID). In the event of 'yes' vote for the TRTBID, the preferred option was that the existing English Riviera Tourism Company (ETRC) would be wound up and appropriate functions would merge into the TRTBID.

The Board was supportive of the TRTBID and recognised the importance of the ERTC. The Board asked questions around the impact of any changes in the rateable value of businesses and, if in the event of any decreases, whether those businesses would still be a part of a TRTBID. Questions were raised also regarding the governance arrangements for the TRTBID and how it would ensure there remained a focus on retail.

10. Provisional Revenue Outturn 2014/2015 - Subject to Audit

The Board considered the provisional outturn position for the 2014/15 Revenue Budget. It was noted that a balanced budget had been achieved. The Mayor reported that it would be recommended to Council that a sum of £253,000 be carried forward in the 2015/16 financial year for the Crisis Support Fund and Hardship Fund and that the revenue underspend of £14,000 be transferred to the Council's General Fund reserve.

The Board questioned how the gap between Quarter 3 and Quarter 4 had been bridged in order to achieve a balanced budget. The Board was advised that the budget is re-profiled throughout the year taking into account budget variance across all departments.

Questions were also raised in relation to the impact of the Deprivation of Liberty and Safeguarding (DOLS) statutory duty and the pension liability, specifically in relation to the Council's subsidiaries.

Resolved: (i) that additional information be prepared and presented to the Council in its consideration of the Provisional Outturn 2014/2015 report in relation to the pension liability of Torbay's subsidiary companies; and

(ii) that a statement is prepared and an additional column presented in the table in the report which demonstrates the financial situation of all subsidiaries prior to the pension liability.

11. Capital Investment Plan Outturn 2014/2015 - Subject to Audit

The Board considered the Capital Investment Plan Outturn for 2014/15.

The Board asked questions regarding the total cost of the beach hut replacement project and any associated overspends. Questions were also asked about Disabled Facilities Grant and how the decision has been made to reduce the budget for these grants.

Resolved: (i) that the Board receive a further report on Disabled Facilities Grants specifically in relation to how the decision was made to reduce the grant and reallocate the budget, how the demand for the service has changed and whether the criteria for the grant has changed; and

(ii) that the Mayor provides further information specifically in relation to the revised sum of money (£10,000) for affordable housing within Public Health.

12. Adult Social Care - Local Account

The Board considered the Adult Social Care – Local Account which was presented by the Executive Lead for Adults. The report provided an overview of how adult social care services had been delivered and how they had performed throughout 2014/15.

The Board asked questions regarding who the intended audience was for the report as it was considered that the language in parts was fairly technical. The Board acknowledged the financial challenges faced in delivering services and were reassured the performance was being monitored effectively. The Board felt that the performance measures identified within the report did not necessarily reflect a true picture of what was being delivered to safeguard vulnerable adults.

Resolved: that the Corporate Support Manager be authorised to provide a commentary to be included in the Local Account based on the issues raised during the course of the debate.

13. Corporate Plan 2015-19

The Board considered the Draft Corporate Plan 2015/19 and received an update from the Mayor in relation to the consultation and how delivery plans would be developed.

The Board asked questions in relation to the consultation exercise and how the detail of the Corporate Plan would be developed. The Board expressed its disappointment that the current draft did not include certain elements that it would assume such a plan should include. There was currently no delivery plan, no targets against which performance could be measured and no risk assessment, especially in relation to the current financial challenges faced by the Council.

Resolved: that the Corporate Plan be forwarded to the Council so that all Councillors are made aware of their views on the limitations on the current draft of the Plan and the Mayor and Executive Leads consider how they can address these concerns in the meantime.

14. Overview and Scrutiny Work Programme

The Board considered a report which set out the proposed Overview and Scrutiny Work Programme for 2015/16.

The Board questioned when budget setting information would be available for it to be able to build this into the work programme and were informed that it is anticipated this will be available in the Autumn.

Resolved: that the outline Work Programme for the Overview and Scrutiny Board, as set out in Appendix 1 to the report, be agreed but that it be noted that additions may be made to the programme pending the outcome of the current call-in of the Mayor's decision in relation to the establishment of policy development groups.

Chairman



Minutes of the Overview and Scrutiny Board

17 August 2015

-: Present :-

Councillor Lewis (Chairman)

Councillors Barnby, Bent, Darling (S), Stockman, Stocks, Tolchard and Tyerman

(Also in attendance: Councillors Amil, Brooks, Darling (M), Ellery, Haddock, King, Lang, Mills, Morey, Morris, Parrott, Sykes and Thomas (D))

15. Apologies

An apology for absence was received from Councillor Bye.

Councillor Cunningham, one of the Call-in Supporters, also sent her apologies for absence.

16. Appointment of Vice-Chairman

Resolved: that Councillor Stockman be appointed Vice-chairman of the Board for the remainder of the Municipal Year.

17. Torquay and Brixham Connections - Trial Closure

The Board considered the details of a call-in by six Members of the Council of the decision of the Executive Lead for Business to close the Torquay and Brixham Connections offices for a trial period of four weeks to understand the impact of a permanent closure on the community and service users.

The Call-in Promoter (Councillor Darling (S)) set out the reasons for calling-in the decision and four of the Call-in Supporters also addressed the Board about their concerns regarding the decision.

Two community representatives attended the meeting and gave their views to the Board and a representation from the Torbay Community Development Trust was also read out.

The Executive Leads for Business and Customer Services, supported by the Executive Head – Customer Services and the Customer Services Manager, responded to the points raised by the Call-in Promoter and Supporters and Members of the Board.

Resolved: that the decision in relation to the trial closure of Torquay and Brixham Connections offices be referred back to the Executive Lead for

Business and that the Board's concerns (as expressed at the meeting) be forwarded to the Executive Lead for him to consider.

Chairman



Meeting: **Overview and Scrutiny Board**
Council

Date: **8th September 2015**
Date: **24th September 2015**

Wards Affected: **All Wards**

Report Title: **Revenue Budget Monitoring 2015/16 – Quarter One**

Is the decision a key decision? **No**

When does the decision need to be implemented? **n/a**

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

Supporting Officer Contact Details: **Martin Phillips, Chief Finance Officer (CFO)**,
Martin.phillips@torbay.gov.uk

1. Proposal and Introduction

- 1.1. The revenue monitoring report provides a summary of the Council's revenue income and expenditure for the financial year 2015/16.
- 1.2. As at Quarter One the Council's revenue budget is predicting an overspend of £3.7m primarily as a result of expenditure pressures in both childrens' and adults social care.

2. Reason for Proposal

- 2.1 Report for review and information

3. Recommendation(s) / Proposed Decision

Overview & Scrutiny Board

- 3.1 That the forecast 2015/16 revenue budget position be noted.
- 3.2 That the Overview and Scrutiny Board be asked to report directly to Council on any recommendation it may have following its review of the current position.

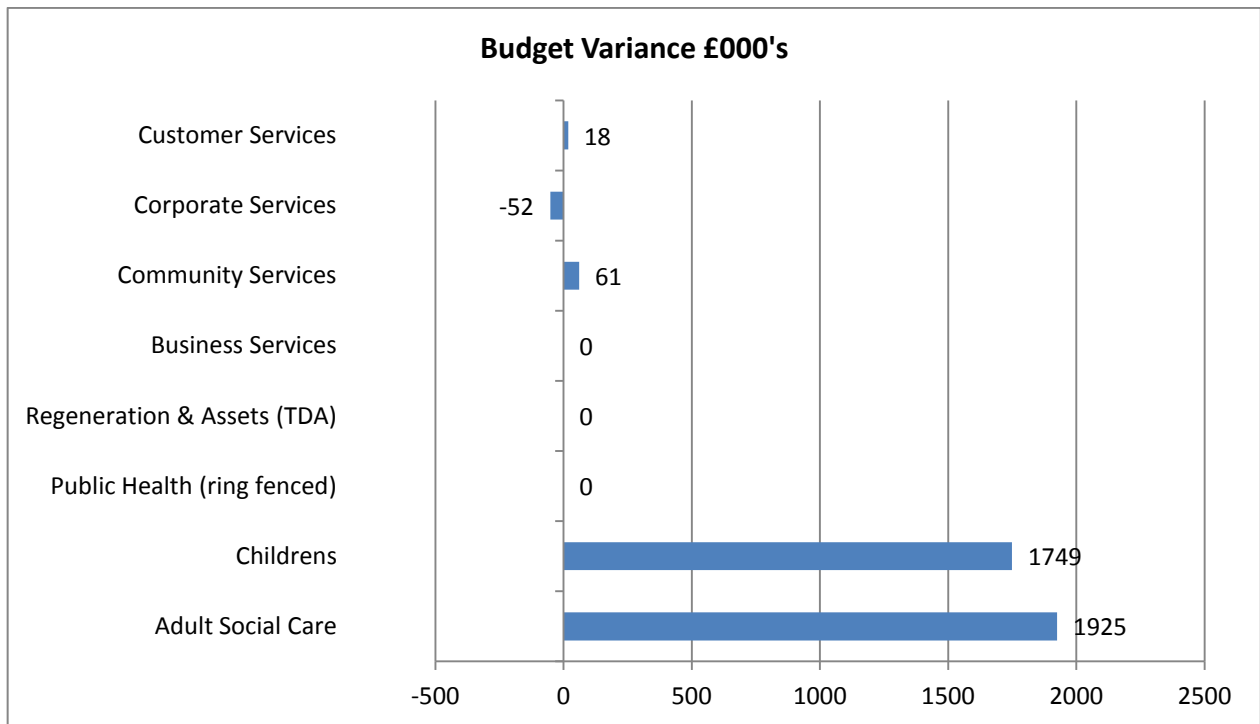
Council

- 3.3 That the forecast 2015/16 revenue budget position be noted.

4 Supporting Information

- 4.1 **Summary Position**

- 4.2 As at Quarter One the Council's revenue budget is predicting an overspend of £3.7m primarily as a result of issues in both childrens' and adults social care.
- 4.3 The predicted overspend on adult social care of £1.9m is a combination of increased demand for services but primarily the non achievement of planned savings during 2015/16 by Torbay and Southern Devon Health and Social Care NHS Trust (TSD). However the savings are expected to be realised in future years.
- 4.4 The predicted overspend on childrens' social care of £1.7m is primarily the non achievement of planned savings linked to the childrens' services cost recovery plan and the continued high use of agency staff.
- 4.5 This level of overspend is a cause for concern. Recovery plans have been commissioned for both social care areas and the Council's senior leadership team have initiated action to limit uncommitted expenditure and to look to identify savings in other services with the aim of achieving a balanced budget position.
- 4.6 A bar chart summarising the projected budget variance by service for 2015/16 is as follows.



4.7 Detailed Position

4.8 The budget position for each service is shown in the table below:

Service	2015/16 Budget – revised as at August 2015			As at Q1 2015
	Expenditure £000s	Income £000's	Net £000's	Forecast Variance £000's
Adult Social Care	42,598	(802)	41,796	1,925
Childrens' Services	82,885	(54,140)	28,745	1,749
Public Health	9,853	(9,853)	0	0
Joint Commissioning	135,336	(64,795)	70,541	3,674
Community Safety	4,503	(2,440)	2,063	59
Residents & Visitors	27,817	(4,715)	23,102	2
Community Services – sub total	32,320	(7,155)	25,165	61
Customer Services – IT, Libraries & Exchequer & Benefits	73,861	(69,399)	4,462	18
AD Customer Services	106,181	(76,554)	29,627	79
Commercial & Business	5,893	(1,646)	4,247	196
Finance & Corporate	20,844	(16,012)	4,832	(268)
Spatial Planning	1,487	(1,130)	357	20
Corporate Services – sub total	28,224	(18,788)	9,436	(52)
Business Services - Harbours, resorts services & car parking	5,806	(9,957)	(4,151)	0
Regeneration and Assets (TDA)	6,891	(2,268)	4,623	0
AD Corporate Services	40,921	(31,013)	9,908	(52)
Total Expenditure	282,438	(172,362)	110,076	3,701
Sources of Funding	-	(110,076)	(110,076)	0
Net Expenditure	282,438	(282,438)	0	3,701

4.9 A narrative of the position in each service area is as follows:

Service	Variance to Budget £m	Main Variances in 2015/16
Adult Social Care	1.9	<ul style="list-style-type: none"> - Primarily the non achievement of planned savings in 2015/16 both in total and in terms of timing (+£1.5m). - Some increased demand pressures primarily in ordinary residency clients (+£0.3m). - continuation of the prior year pressures on the Joint Equipment Store but at a lower level following management action (+£0.2m) - lower than budgeted costs due to changes in the profile of some supporting people contracts.(-£0.1m) <p>The Director of Adult Services (DAS) has initiated an action plan</p>

		<p>to realise additional savings which may improve the position by up to £0.4m.</p> <p>This forecast in the current year is based on the current risk share with TSD. If the Integrated Care Organisation starts from 1st October then the Council's share of risk from that date will change to be a 9% risk share of the total position of the, then combined, TSD and South Devon Healthcare Foundation Trust (SDH) – a share of a total budget of £400m. This could improve the Council's outturn position. Financial performance of SDH is reported to its board – minutes are available on the link below:</p> <p>http://www.sdhct.nhs.uk/about-us/board-meetings</p>
Childrens Services	1.8	<p>- The overspend is primarily linked to the non achievement of the reductions identified in the Childrens' cost recovery plan. The number of children in residential care is not falling at the rate laid out in the five year plan. The Plan approved by Council in October 2014 projected that the service would require the use of £2.3m of reserves in 2015/16 to achieve a balance position. The overspend is currently in excess of that figure by a further £2.3m.</p> <p>The number of Children Looked After (CLA) is 309 (as at 30/6/15) which is similar to the level and costs in 2014/15. Due to the number of children (224 as at 30/6/15) in longer term placements ("legacy cases") the opportunity to reduce costs has been limited.</p> <p>The level of agency staff remains high with spend to mid August in excess of £1m to date, although this is partly offset by reduced salary costs.</p> <p>The Director of Childrens Services (DCS) has initiated an action plan to realise additional savings which have been included within the current forecast.</p> <p>In the light of the above issues the Chief Finance Officer and the DCS have requested that the Recovery Plan be updated both in terms of its assumptions and timing and likelihood of savings. The results of the revision will be reflected in the 2016/17 budget process.</p>
Public Health	0	Ring fenced budget
Community Services	0.1	Projected overspends on CCTV, Licensing, Housing Options Torre Abbey, Theatres, Toilets & Sport partly offset by salary savings.
Corporate Services	(0.1)	Expected saving on "corporate" pension payments offset by the target of increasing income within Commercial Services is proving challenging. In addition use of agency staff to support workload in legal services has increased costs.
Total	3.7	

4.10 2015/16 Savings

4.11 The 2015/16 budget relied on the achievement of £11m of approved savings. The Council's senior leadership team have been monitoring the achievement of these savings as part of the current year budget monitoring. The majority of savings are being achieved. The main areas of variance are, as identified above, within social care and the achievement of additional income targets over a number of services is proving a challenge. Services have been asked to identify other savings within their services to cover any shortfall.

4.12 Recovery Plans

4.13 This forecast level of overspend is a cause for concern. Recovery plans have been commissioned for both social care areas and the Council's senior leadership team have initiated action to limit uncommitted expenditure and to look to identify savings in other services with the aim of achieving a balanced budget position.

4.14 Emergency Budget

4.15 The Chancellor in his Emergency Budget in June 2015 announced a £200m cut in public health budgets. This is equal to a 6.4% national reduction in public health funding. A 6.4% cut in the Council's public health grant would be a £0.6m in-year reduction, however at the time of writing the exact financial implication to the Council has yet to be confirmed as central government is currently consulting on options for the actual calculation of the reduction.

4.16 In the Emergency Budget the Chancellor did not "open" the 2015/16 local government finance settlement therefore there are no other in-year funding reductions for the Council.

4.17 Risk & Sensitivity

4.18 The predictions for the full year outturn in this report are based on three months of financial information and will be subject to changes in both assumptions and demand.

4.19 There are a number of financial risks facing the Council. Key risks were identified in the Revenue Outturn report to Council in July and some of these are now having an impact on the current financial year.

Risk	Impact	Mitigation
Achievement of £11m of approved savings for 2015/16	High	15/16 Budget monitoring and "saving tracker" monitored by senior staff.
Potential impact and costs of judicial review for care home fees	High	Balance of CSR reserve and 2015/16 social care contingency to fund if required.
Achievement of Childrens' Services cost reduction plan	High	Regular monitoring of performance and recovery plan
Identification and achievement of £33m of savings for 2016/17 to 2018/19	High	Issue identified in Medium Term Resource Plan and 2016/17 budget timetable to include future years.
Additional demand for services particularly in both adults and childrens' social care	High	15/16 Budget monitoring, use of service performance data and recovery plan.
Additional Costs associated with	High	15/16 Budget and performance monitoring in

4.20 Implications on future years & reserves

4.21 The implications of the current forecast of an overspend of £3.7m on future year budgets and reserves are as follows:

- Where the overspend is linked to increased demand, additional resources may need to be allocated to these services in future years which will have to be funded from additional savings elsewhere.
- Where the overspend is linked to delays in achieving the childrens' services recovery plan, this has two consequences: firstly any increased funding needed for this service will have to be funded from additional savings in other Council services or by the use of earmarked reserves currently allocated to other Council services. Secondly the childrens' service recovery plan estimated a future financial position which enabled the service not only to reduce its costs, but also repay £4.6m of reserves to other services. Non repayment of these reserves will cause a financial issue for the other services.
- Any overspend in-year will have to be funded from reserves. Options could include using:
 - o Comprehensive Spending Review Reserve – current balance £2.9m. This reserve has been earmarked for the estimated costs of the Judicial Review on care home fees if the Council's appeal is refused - expected to be determined in spring 2016.
 - o General Fund Reserve – current balance £4.4m. This reserve is the Council's core unallocated reserve and the target balance for this reserve is 4.2% of net revenue budget (currently 4%).
 - o Use of reserves earmarked for other services – current balance £24.9m (excluding schools). Potential to use these reserves is limited as £4.6m has already been allocated for childrens' services due to be repaid in future years.

4.22 At its meeting on February 26th 2015 Council approved the following:

The Overview and Scrutiny Board is concerned about the possible calls on the General Fund balance of £4.4 million given the high probability that the Comprehensive Spending Review reserve will be depleted due to the estimated level of redundancy costs, the current projected overspend at year end and the possible outcome of the current Judicial Review.

Therefore the Council requests the Executive Director of Operations and Finance to undertake a further Review of Reserves to identify whether there is spare capacity within the Reserves to replenish the Comprehensive Spending Review reserve.

4.23 As noted above the Comprehensive Spending Review reserve balance is £2.9m which is higher than forecast as in 2014/15 the Council achieved a break even

financial position and redundancy costs in 2014/15 were £0.5m. However this reserve still has to fund any impact of the Judicial Review of care home fees.

- 4.24 The 2016/17 Review of Reserves is due to be updated by October 2015 which will include options for increasing the level of this reserve.

4.25 Amendments to Budget

- 4.26 The budget has been amended to account for changes within services linked to the senior management restructure that commenced in May 2015. In addition the budget will have been updated for any new funding in-year such as allocations from Better Care Fund for adult social care.

4.27 2016/17 Budget Process

- 4.28 The Mayor intends to present his budget proposals for 2016/17 and future years 2017/18 and 2018/19 in the autumn. At this point consultation on significant proposals can proceed along with the budget scrutiny process.
- 4.29 Based on the Council's medium term resource plan the Council is planning savings to meet an estimated £33m funding gap which will inevitably have a significant impact on services.
- 4.30 The Chancellor in July 2015 in announcing the Spending Review 2015 released a document called "A country that lives within its means". In that document it states that "HM Treasury is inviting government departments to set out plans for reductions to their Resource budgets. In line with the approach taken in 2010, HM Treasury is asking departments to model two scenarios, of 25% and 40% savings in real terms, by 2019/20".
- 4.31 The results of the 2015 Spending Review will be announced on 25th November 2015. This will identify spending totals for local government; therefore the local government finance settlement that sets out individual allocations to councils will be a few weeks after that, probably announced in late December.
- 4.32 The Government in the Summer Budget also announced some national changes that will lead to increased costs to the Council. There is a minor financial impact from the increase in the insurance premium tax from 6% to 9%. A more significant impact is the introduction from April 2016 of a national living wage for those aged 25 and over that will increase the current national minimum wage of £6.50 an hour to £7.20 an hour and to over £9.00 an hour by 2020.
- 4.33 These issues will be included in the next update to the Medium Term Resource Plan, due to be updated by end of September.
- #### **4.34 Balance Sheet issues**
- 4.35 In the first quarter no long term borrowing was taken or repaid so the Council's long term borrowing remained at £138m which was within the Council's approved Operational Boundary and Authorised Limit (for debt and long term liabilities as set by Council In February 2015).

- 4.36 Apart from a finance lease for a minibus within a school the Council's long term liabilities did not increase in the quarter. The Energy from Waste Plant became operational in April 2015. If this is assessed as an asset that the Council and its two partners has control of it will be accounted for as "on balance sheet". This requires the Council to reflect its share of the asset and liability to the contractor on its balance sheet. The impact will be to increase both Council assets and long term liabilities by approximately £34m.
- 4.37 The Council has interests in a number of companies. The financial performance for 2014/15 of these companies is included in the Council's statement of accounts (link below). The 2014/15 accounts have now been approved, the external auditor's unqualified opinion issued and the accounts published.
- 4.38 Write offs above £5,000 have been circulated to Members of the Overview and Scrutiny Board as an exempt annex to this report and are available to all other Members upon request on a confidential basis.

Appendices

Appendix 1 – exempt annex Write Offs Quarter One 2015/16

Background Documents

2015/16 Budget Digest & supporting reports including 2015/16 Review of Reserves.

<http://www.torbay.gov.uk/DemocraticServices/ieListDocuments.aspx?CId=574&MId=6261&Ver=4>

Medium Term Resource Plan

<http://www.torbay.gov.uk/index/yourcouncil/financialservices/budget/budget2016-17.htm>

2014/15 Statement of Accounts

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



Meeting: Overview and Scrutiny Board

Date: 9th September 2015

Wards Affected: All

Report Title: Capital Investment Plan Update – 2015/16 Quarter 1

Is the decision a key decision? No

Executive Lead Contact Details: Gordon Oliver, Mayor, mayor@torbay.gov.uk

Supporting Officer Contact Details: Martin Phillips, Chief Accountant, 01803 207285, martin.phillips@torbay.gov.uk

1. Proposal and Introduction

- 1.1 The Capital Investment Plan budget totals £74.4 million for the 4 year programme, with £32 million currently scheduled to be spent in 2015/16, including £11.7m on the South Devon Link Road (Highway), but still requires £2.5 million from capital receipts and capital contributions over the life of the Capital Investment Plan.
- 1.2 The Council's Capital Investment Plan is updated on a quarterly basis which includes any new funding announcements and allocations. It provides high-level information on capital expenditure and funding for the year compared with the last Plan update as reported to Council in February 2015.

2. Reason for Proposal

- 2.1 Quarterly reporting to both the Overview and Scrutiny Board and to Council is part of the Council's financial management.
- 2.2 There are a number of Council schemes where Council approval is required for the allocation of funds to a scheme or service including the approval of any prudential borrowing.

3. Recommendation(s) / Proposed Decision

3.1 Overview & Scrutiny Board

That Members note the latest position for the Council's Capital expenditure and income for 2015/16 and consider any recommendations to Council.

The officer recommendations to the Council are:

- 3.2 **Council note the latest position for the Council's Capital expenditure and funding for 2015/16.**

- 3.3 **Council is recommended to approve the remaining £0.106m Condition Funding allocation to Childrens Services. (The 2015/16 DfE allocation is £0.506m, of which £0.4 m has previously been approved for Furzeham Primary improvements – Council Feb 2015)**
- 3.4 **Council is recommended to approve the allocation of 2017/18 Basic Need grant allocation of £4.229m (£1.363m already approved) together with an additional £2m of future year (2018/19) allocations to Childrens Services to enable the provision of a new Primary School in Paignton and provide additional Secondary School places in Torquay.**
- 3.5 **Council is requested to determine the use of £0.4m previous years' unused Disabled Facilities Grant funds temporarily held in reserve pending possible reallocation.**
- 3.6 **Council reallocate £1m from uncommitted affordable housing budget to a capital projects fund. The fund is to be allocated to individual projects by full Council.**
- 3.7 **That subject to the approval of 3.6 above, Council approves £0.3m from the capital projects fund to expand and regenerate the Strand in Torquay in line with the Mayor's manifesto commitments.**

4 Supporting Information and Impact Assessment

- 4.1 Members of the Overview and Scrutiny Board and Council receive regular budget monitoring reports on the Council's Capital Investment Plan throughout the year. The Council's four year Capital Investment Plan is updated each quarter through the year. This report is the monitoring report for the first quarter 2015/16 and includes variations arising in this quarter to the end June 2015.
- 4.2 The overall funding position of the 4-year Capital Investment Plan Budget of £74.4 million, covering the period 2015/16 – 2018/19, is primarily fully funded but still relies upon the generation of £2.5 million of Capital income from capital receipts and capital contributions over the life of the Capital Investment Plan.
- 4.3 Of this £2.5m, £2.0 million was required from capital receipts before the end of the current Plan period. Of this sum £0.3 million has been received by the end of June 2015, leaving a balance of £1.7 million still to be realised. It is only after this target has been reached that any capital receipts should be applied to new schemes.
- 4.4 Of this £2.5m, of £0.5m was required from capital contributions including community infrastructure levy which is expected to be approved during 2015. An additional £2.1m is due to be generated from S106 contributions to part fund the South Devon Link Road / Highway.
- 4.5 As the target income for capital receipts and capital contributions are required to meet existing Council commitments, it is important that any capital income raised is allocated to existing commitments and not used to support additional expenditure on new schemes.

4.6 The movements in the estimate of expenditure in 2015/16 on the Capital Investment Plan between the last monitoring report at February 2015 of £29.5m and the current approved budget for 2015/16 of £32 m are shown below. Please note the format of this table shows schemes ordered by their service Directorate, as is Appendix 1.

Scheme	Variation in 2015/16	Change £m	Reason
Estimate as at Q3 2014/15		29.5	Capital Investment Plan Update – 2014/15 Quarter 3 (Report 26 Feb 2015)
Budget changes since last report (Q3 2015/16)			
Sanctuary HA Hayes Road	Rephased budget	0.3	Final tranche payment due on scheme completion.
		29.8	
Scheme budgets brought forward from 2014/15 and year end adjustments.	Re profiled to 2015/16	2.9	For details see 2014/15 Capital Outturn report (Council 23 July 2015)
		32.7	
Adult Services			
Adult Social Care	New Government grant allocation	0.5	2015/16 Adult Social Care allocation
Affordable Housing	Increase budget	0.1 (0.7)	Budget increased by Right To Buy receipts 2014/15 Part budget moved to future years
		(0.1)	
Childrens Services			
Brookfield Site	New priority scheme	0.8 (0.1)	Budget funded from unallocated Education Review budget Rephased budget to 16/17
Capital Repairs and Maintenance 15/16	New Govt grant allocation	0.4 (0.3)	Continue improvements at Furzeham Primary Part work scheduled for 2016/17
Devolved Formula Capital	New Govt grant allocation	0.1	2015/16 ringfenced grant allocation
Ellacombe expansion	Budget rephased from 2016/17	0.3	Good progress so budget brought forward
Education Review Projects	Budget moved to 2015/16	(0.8)	Part budget moved to fund Brookfield site acquisition
St Margaret's Academy	Saving on scheme	(0.5)	Budget transferred to new Pgn Primary School
Whiterock expansion	Budget rephased from 2016/17	1.0	Good progress on scheme so budget brought forward from 2016/17
Torquay Secondary	New scheme	0.2	Initial work on scheme to

School places			provide additional places
		1.1	
Community and Customer Services			
Disabled Facilities Grants	Net increase in budget	1.0 (0.4)	2015/16 DFG Government allocation Previous unused budget temporarily in reserve for potential transfer
Disabled Facilities Grant reserve	Budget held in reserve	0.4	Potential transfer of funds to other Council priorities.
Transport-Edginswell Station	Increase budget	0.2	Additional budget to progress design works
Transport – Integrated Transport projects	Rephase budget to next year Transfer funds to other projects	(0.3) (0.2)	Some schemes will not require funding until 2016/17 Part funding contrib. to Edginswell Station
Transport – Structural Mtce	Increase budget	0.2	Revenue pothole grant 14/15 transferred to capital
Transport – Torquay Town Centre Access	Budget reduction 15/16	(0.1)	Scheme costs reduced
		0.8	
Corporate and Business Services			
Enhancement of Development Sites	Increased budget	0.1 (0.1)	Restoration of budget Rephased to next year
Flood Defence/Cliff works	Move part budget to 16/17	(0.2)	Spend dependent on future Env Agency funding
General Contingency	Budget to 2016/17	(0.6)	Not expected to be required in 2015/16
NGP Land Acquisition	Reduced budget	(0.2)	Remaining funding transferred to Meadfoot Beach Chalets
Old Toll House	Part budget to 2016/17	(0.1)	Work rescheduled pending court hearing on lease.
Princess Pier structural repairs	Budget to 2016/17	(1.9)	Work to superstructure not yet progressed.
Torbay Innovation Centre Phase 3 (EPIC)	Rephase budget	0.5	Part 2016/17 budget moved to enable scheme development
		(2.5)	
Estimate – Quarter One 2015/16		32.0	

4.7 Expenditure

- 4.8 The Capital Investment Plan Budget has been updated for any further revision to both projects and timing, resulting in the latest revision attached to Annex 1. The Plan now totals £74.4 million over the 4 year period of which £32 million relates to 2015/16 and £24 million relates to 2016/17.

- 4.9 The purpose of this report and the Monitoring statement attached is to highlight any existing or potential issues which may affect the delivery of the major projects included in the Plan and to consider any potential effect on corporate resources.
- 4.10 Expenditure to the end of this first quarter was £1 million with a further £13 million of commitments on the Council's finance system. The expenditure of £1 million is only 3% of the latest budget for 2015/16. This compares with £2 million (or 10% of outturn) for the first quarter last year. It is recognised that for a number of schemes, notably the South Devon Link Road / Highway (2015/16 budget £11.7m), the Council will not incur expenditure until later in the year.

	2010/11 £m (%)	2011/12 £m (%)	2012/13 £m (%)	2013/14 £m (%)	2014/15 £m (%)	2015/16 £m (%)
Quarter One	10 (23%)	3 (14%)	2 (11%)	4 (23%)	2 (10%)	1 (3%)
Quarter Two	13 (30%)	7 (32%)	4 (21%)	4 (23%)	4 (20%)	
Quarter Three	9 (21%)	5 (22%)	5 (26%)	3 (18%)	4 (20%)	
Quarter Four	11 (26%)	7 (32%)	8 (42%)	6 (35%)	10 (50%)	
Total In Year	43	22	19	17	20	32

4.11 Updates to Capital Investment Plan

4.12 Joint Commissioning Team

- 4.13 Affordable Housing – in line with the Council's approved Capital Strategy, the budget to support affordable housing schemes has been increased by £0.150 m to reflect the 2014/15 Right to Buy Clawback receipt received from Sanctuary Housing Association under the terms of the original transfer agreement relating to the transfer of the Council's housing stock to (then) Riviera Housing. Part of this budget (£0.7m) has been transferred to future years as it is unlikely to be required for schemes in this financial year.
- 4.14 The affordable housing budget now totals £1.6m. At present this funding is uncommitted. It is therefore recommended that £1.0m of this funding is allocated to form a capital projects fund, see paragraph 4.52 below.
- 4.15 The balance of funding for the housing budget of £0.6m which is partly linked to s106 conditions, to remain to progress projects to support housing. Any reallocation of housing funds would have an impact on any future potential housing schemes identified in excess of the £0.6m.
- 4.16 Integrated Care Organisation. Council at its June 2015 meeting approved the allocation of £0.461m of social care capital grant to support the implementation of the Integrated Care Organisation. It is likely that the new organisation would prefer to receive the funding as revenue. If this is the case then the Council can facilitate this and will therefore transfer £0.461m of resources held in Reserves but previously earmarked for a capital scheme. No additional Council decision is required on this request as the transaction represents a straightforward exchange of funding resources.

4.17 Children's Services:

4.18 There are a number of variations to budgets on various schemes as detailed below. Members will note that a report on Children's Services proposals was presented and approved by Council on 26th February on use of both previously allocated funding and future funding with respect to pupil places.

4.19 School Basic Need projects: As outlined in the report to Council (Feb 2015), scheme priorities have changed and funding has been reallocated between projects to meet the latest proposals. Funding previously identified for St Margaret's and Roselands and unallocated funds in Education Review projects have been redirected to the two priority schemes – a new primary school in Paignton and increased secondary school places in Torquay.

4.20 At the time of the February report, further consultation was required and Government grant allocations were not known. The Capital Outturn report 2014/15 (Council July 2015) indicated that new Basic Need funding of £4.229m has now been advised and it is recommended that this allocation is now allocated to Childrens Services to enable the development of these schemes as detailed below. It should be noted that to complete these proposals will also require £2m from future (2018/19 Basic Need) Government allocation, which has not yet been announced:

- New Paignton Primary School £5.000m
- Secondary School places in Torquay £2.866m

	<u>£m</u>
Basic Need 2017/18 allocation	4.229
Future Basic Need 2018/19 – note 1	2.000
Previously allocated to other expansion schemes	(1.363)
Balance available to be allocated	4.866
Proposed Projects:	
New Paignton Primary school	2.000
Additional Secondary School Places	2.866

Note 1 – if 2018/19 funding allocation is less than £2m then the projects will need to be revised.

4.21 The phasing of the proposed schemes is currently expected to be as follows:

Project	2015/16	2016/17	2017/18	2018/19	Total
	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>
New Paignton Primary School	0.000	0.750	2.250	2.000	5.000
Torquay Secondary Places	0.150	1.045	1.671	0.000	2.866
	0.150	1.795	3.921	2.000	7.866

- 4.22 New Paignton Primary School – approximate cost £5m. This school is now considered the priority scheme for primary schools and unless additional funding is awarded the Torbay School relocation project may not now proceed. Work on the new primary school won't start until August 2017 so the proposed phasing fits with the expected allocations and the actual 2018/19 grant figure should be announced well in advance of starting work.
- 4.23 Secondary School places in Torquay - £2.86m is required for the provision of school places in Torquay by September 2017 – an increase in school places by 30. Discussions will take place with secondary schools within Torquay to ascertain the best site.
- 4.24 Brookfield Site – This proposal was reported and approved by Council in February 2015. Negotiations are underway to acquire Brookfield House which is adjacent to Torbay School. This land will enable the development of a much needed play area and will also provide a new entrance to the site which would alleviate some of the difficulties regarding poor access and difficult relations with neighbours.
- 4.25 The Devolved Formula Capital grant allocation for 2015/16 of £0.125m is a ring fenced grant and has been added to the Capital Plan.
- 4.26 Schools Capital Repairs and Maintenance 2015/16: £0.4 million has been allocated to continue improvements at Furzesham Primary. The remaining £0.1 m of this Government grant (total £0.506 m) is also requested to be allocated to Children's Services to enable improvements at other schools.
- 4.27 Good progress on expansion schemes at Ellacombe Primary and Whiterock Primary means that the second phases of the scheduled works can be started earlier than expected. Consequently budgets of £0.25 m and £1.0 m respectively have been brought forward from 2016/17 to 2015/16.
- 4.28 For other schemes, the spending profiles have been revised to move budgets from 2015/16 to 2016/17 to reflect latest projections.
- 4.29 **Joint Operations Team**
- 4.30 Community and Customer Services
- 4.31 South Devon Link Road (South Devon Highway): the contractor continues to provide regular updates on progress and based on latest projections most of Torbay's contribution will be required in this financial year. The main construction work is now expected to be completed in the autumn of 2015. There remains a potential shortfall in Section 106 funding for the scheme (see para. 5.9 below). If these funds are not achieved it is likely the Council will need to fund any shortfall from Prudential Borrowing on the scheme with an impact on the revenue budget.
- 4.32 Transport – Edginswell Station. The Council has previously agreed funds to enable initial design work for this project. This funding is now increased by £0.2m to progress the design works to a stage that will enable procurement to begin as soon as additional funding for the actual build phase is secured. The increased resources of £0.2m are provided from the Integrated Transport budget and are in

accordance with and within the match funding plans outlined in the original business case.

- 4.33 The scheme is already a priority with the Local Enterprise Partnership which has indicated funding of £4m however current costings indicate significant additional funding will be required.
- 4.34 Transport Structural Maintenance – The structural maintenance budget has been increased by £0.2m following a funding contribution from revenue. This will be used to improve road surfaces and resilience to pot holes in the area.
- 4.35 Transport Integrated Transport Schemes – some planned schemes funded from this block grant, including Fleet Walk Phase 3, will not require funding until 216/17 so £0.3m budget has been moved accordingly.
- 4.36 Transport - Torquay Gateway and Torquay Town Access – these two schemes have both been awarded funding from the Local Enterprise Partnership (LEP) and are part of the Council's Capital Investment Plan. The LEP have requested a 'funding swap' whereby Torbay Council pays the LEP £0.4m of revenue funds in exchange for an increased capital allocation towards these projects, £0.296m for Torquay Gateway and £0.104m for Torquay Town Centre access.
- 4.37 The Council has been able to facilitate this and will therefore transfer £0.4m of resources held in Reserves but previously earmarked for these schemes to the LEP who will increase their capital funding by the same amount. No Council decision is required on this request as the transaction represents a straightforward exchange of funding resources.
- 4.38 Disabled Facilities Grants (DFG) – Council at its July meeting allocated £1.019m of funding to support expenditure on DFG's in 2015/16. Expenditure on the service as at mid August was £0.142m. Expenditure over the past three years has averaged under £0.6m, with £0.548m spent in the last financial year, 2014/15.
- 4.39 An amendment to the Capital Outturn Report 2014/15 approved by Council on 23 July 2015 deferred the transfer of £0.4m unused DFG funds, in addition to the allocation of £1.019m, pending a further report on DFG pressures.
- 4.40 The requested information is included as a separate report on the Overview and Scrutiny Board agenda for members to make recommendations whether these previous year funds should remain within the DFG budget or be reallocated to other Council priority areas e.g. Infrastructure projects.
- 4.41 Private Sector Renewal – in accordance with a previous Council decision, the budget for Private Sector renewal has been increased in line with capital receipts received from repaid grants. Over the past few years repaid grants totalling almost £0.055 m have been received, usually following a breach of grant conditions, consequently the available budget has been increased by this amount.
- 4.42 Corporate & Business Services
- 4.43 Innovation Centre phase 3 - Electronics & Photonics Innovation Centre – some initial development works are scheduled for 2015/16 and £0.5 million budget is

brought forward from 2016/17 to facilitate this work. Potential ERDF funding of £1.5 million is still to be confirmed for this project and does not yet form part of the Plan budget.

- 4.44 Flood Defence schemes – the Capital Investment Plan currently includes a provision to support future Environment Agency schemes. Currently these funds are still to be assigned to particular schemes so the £0.2 m budget has been moved to 2016/17.
- 4.45 Old Toll House, Torquay – Work planned for this property are delayed pending the outcome of a court hearing with regard to the lease on the property.
- 4.46 Princess Pier Structural repair – these planned works will be carried out in conjunction with works hoped to be funded by Environment Agency. At present no works are anticipated in this year, so the £1.85 m budget has been transferred to 2016/17.
- 4.47 St Michael's Chapel, Torquay – the schedule of work required to restore this heritage asset has increased and the additional cost will mainly be funded by an increased grant from English Heritage (now renamed Historic England), rising from £0.046m to £0.070m.
- 4.48 Beach Huts - The Executive Director has reviewed the business cases for both Oddicombe and Broadsands beach huts and in line with the delegation has agreed the allocation of £0.059m insurance reimbursement in relation to damage to beach huts in 2014 and £0.236m of the unallocated New Growth Point grant to the projects to reduce the borrowing requirement which has enabled the prudential borrowing payback period to be maintained at 25 years and within two years both projects should show a net surplus to the resorts services budget.
- 4.49 Office Rationalisation Project – the remainder of this project budget will largely be used to carry out urgent roof work to Torquay Assembly Hall.
- 4.50 General Contingency - The Council has approved a capital contingency of £0.6 million. This contingency is still in place to provide for unforeseen emergencies or shortfall in projected income over the 4-year Plan period but represents less than 1% of the total Capital Investment Plan budget. Currently it is not anticipated that the contingency will be required in this financial year.
- 4.51 Capital Projects Fund – subject to the approval of the recommendation at para. 3.6, £1.0m of funding will have been allocated to support Council priority projects. The aim of the capital projects fund would be to primarily support projects such as where the Council could have a requirement to match fund a project to enable greater investment to be achieved, or to support invest to save or investment projects that lead to reduced costs or future income streams. Funding to be allocated to any recommended schemes by the approval of full Council.
- 4.52 Strand Regeneration - The Mayor has requested that Council consider the allocation of £0.3 m from the Capital Projects Fund towards street scene improvements and regeneration at The Stand in Torquay. This request is in line with one of the Mayor's 2015 mayoral manifesto promises to “expand and regenerate the Strand in Torquay”. Investment in the Strand area could be used as

match funding for an external bid for funding to Torquay Town Centre improvements.

- 4.53 Mayor's Manifesto Commitments – in addition to the Manifesto commitment in relation to the Strand in Torquay, there are a number of other commitments that relate to capital projects. These include:

Support the duelling of ring road to Windy Corner. Work has already been undertaken at Tweenaway Cross and around White Rock and the Western Corridor. Further work remains currently unfunded.

Edginswell Train Station. This scheme has “outline” funding approval from the Local Enterprise Partnership (LEP) and has been previously included in the capital investment plan subject to final costs and funding being agreed with the LEP.

Support the possibility of a railhead into Brixham. This scheme is currently unfunded. The first stage would be to undertake a feasibility assessment.

5 Receipts & Funding

- 5.1 The funding identified for the latest Capital Investment Plan budget is shown in Annex 1. This is based on the latest prediction of capital resources available to fund the budgeted expenditure over the next 4 years. A summary of the funding of the Capital Investment Plan is shown in the Table below:

	2015/16	2016/17	2017/18	2018/19	Total @ Q1 15/16
	A	B	C	D	E
Funding	£m	£m	£m	£m	£m
Unsupported Borrowing	15	4	2	1	22
Grants	15	17	11	4	47
Contributions	0	0	0	0	0
Reserves	0	1	0	0	1
Revenue	1	1	0	0	2
Capital Receipts	1	1	0	0	2
Total	32	24	13	5	74

5.2 Grants

- 5.3 Capital Grants continue to be the major funding stream (over 60% in last 3 years) for the Council to progress its investment plans. An element of these grants result from “bid” processes from other public sector bodies. The Council used £13 million of grants in 2014/15 and is currently estimating to use nearly £15m of grants in 2015/16.
- 5.4 Since the last Capital update (Outturn 2014/15) reported to Council in July 2015, the Council has been notified of the following capital grant allocations:

Department for Education – slight increase in Devolved Formula Capital 15/16 grant allocation from £0.099 m to £0.125 m. This is a ringfenced grant and has been added to the Council’s Capital Investment Plan

Historic England (formerly English Heritage) – increased grant allocation to £0.070m (from £0.046m) to complete the restoration work at St Michaels Chapel, Torre.

5.5 Capital Receipts

5.6 The approved Plan relies upon the generation of a total of £2.0 million capital receipts from asset sales by the end of 2016/17 of which £0.3m has now been received by the end of June 2015, leaving a target of £1.7m to be achieved. This target is expected to be achieved provided that -

- approved disposals currently “in the pipeline” are completed
- the Council continues with its disposal policy for surplus and underused assets and,
- no more new (or amended) schemes are brought forward that rely on the use of capital receipts for funding.

5.7 Assets proposed for disposal are reported to Council for approval, with the latest report at Council in October 2014.

5.8 Capital Contributions – S106 & Community Infrastructure Levy

5.9 The general target for securing capital contributions to fund the 4-year Capital Investment Plan, following review of the Budget in February 2013 was £0.5 million (required by March 2016). In addition the South Devon Link Road/Highway business case estimated external contributions including s106 payments of £2.1m to help fund the scheme (£0.108m, received since 2014).

5.10 The intention is that capital contributions are applied to support schemes already approved as part of Capital Investment Plan and not allocated to new schemes unless the agreement with the developer is specific to a particular scheme outside the Capital Investment Plan.

5.11 Income from Section 106 capital contributions so far in 2015/16 only amount to £0.02 million.

5.12 A recent announcement from Government has removed the ability of Councils to charge Section 106 payments on smaller developments of less than 10 units, and no more than 1,000m². This policy is aimed at boosting the small house building sector, but will impact on the Council’s ability to generate capital resources for capital schemes, including the South Devon Link Road (Highway), where £2.1 million of S106 (or CIL) funding was estimated.

5.13 Also restrictions on pooling S106 payments have been introduced which similarly impact the Council’s ability to aggregate payments which is likely to lead to a lower level of s106 contributions.

5.14 It is expected that, linked to the adoption of the Local Plan later in 2015, a Community Infrastructure Levy scheme will also be approved.

5.15 Borrowing and Prudential Indicators

5.16 There was no borrowing taken or repaid during the quarter.

5.17 The Council's capital expenditure has an overall positive impact on the Council's Balance Sheet. Expenditure in the Capital Investment Plan on the Council's own assets will increase the value attached to the Council's fixed assets. As at 31 March 2015 the Council's "Non Current Assets" were valued at £307 million.





CAPITAL INVESTMENT PLAN - QUARTER 1 2015/16 - EXPENDITURE

Appendix 2

							Revised 4-year Plan July 2015				
	Latest Est Scheme Cost	Actuals & Commitments 2015/16 Qtr 1	Original 2015/16 (@ Q3 14/15)	2014/15 Adjs and Slippage b/f	2015/16 Q1 Adjustments	New Schemes 2015/16	Total 2015/16 Revised	2016/17	2017/18	2018/19	Total for Plan Period
PB = Approved Prudential Borrowing schemes	£'000	£'000	£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000
ADULT SERVICES											
Adult Care											
Adult Social Care	461					461	461				461
Autism Innovation - IT Enhancements	19	19		19			19				19
Mental Health Care Initiatives	711			7			7				7
Housing Strategy											
Affordable Housing	1,680		760	10	(522)		248	1,432			1,680
Sanctuary HA - Hayes Road	500		250				250				250
	3,371	19	1,010	36	(522)	461	985	1,432	0	0	2,417
CHILDRENS SERVICES											
2 Year Olds Provision	253	0	80	113			193	0	0		193
Asbestos Removal	80			7			7				7
Barton Primary Cap Project	4,400	1	0	36			36				36
Brookfield House Site	750	43			(100)	750	650	100			750
Capital Repairs & Maintenance 2012/13	465		100	59	(21)		138				138
Capital Repairs & Maintenance 2014/15	652	436	620	(22)	22		620				620
Capital Repairs & Maintenance 2015/16 (Furzeham)	400				(250)	400	150	250			400
Childrens Centres	232			2			2				2
Cockington Primary expansion	3,373	45	620	(264)			356				356
Devolved Formula Capital			0	135		125	260				260
Education Review Projects		1	1,040	8		(750)	298				298
Ellacombe Primary expansion	502	15	100	34	250		384	100			484
EOTAS Halswell House	49			1			1				1
Key Stage 1 Free School Meals	122	2		12			12				12
New Paignton Primary school	5,000				(500)	500	0	750	2,250	2,000	5,000
Roselands Primary expansion	700	1	10	37			47	0	0		47
Secondary School places	2,866					150	150	1,045	1,671		2,866





CAPITAL INVESTMENT PLAN - QUARTER 1 2015/16 - EXPENDITURE

Appendix 2

							Revised 4-year Plan July 2015				
	Latest Est Scheme Cost	Actuals & Commitments 2015/16 Qtr 1	Original 2015/16 (@ Q3 14/15)	2014/15 Adjs and Slippage b/f	2015/16 Q1 Adjustments	New Schemes 2015/16	Total 2015/16 Revised	2016/17	2017/18	2018/19	Total for Plan Period
St Margaret Clitherow Primary expansion	508	293	300	(121)			179				179
St Margarets Academy expansion	0		495	5		(500)	0	0	0		0
Torbay School Hillside	120			21			21				21
Torre CoE Primary expansion	1,299	1	0	54			54				54
Warberry CoE Primary expansion	1,350	16		189			189				189
Whiterock Primary expansion	3,500	1,896	1,750	(710)	1,000		2,040	300			2,340
Youth Modular Projects	409		51	0			51				51
	11,166	2,750	5,166	(404)	401	675	5,838	2,545	3,921	2,000	14,304
COMMUNITY AND CUSTOMER SERVICES											
Babbacombe Beach Road	70		70	0			70				70
Barton Infrastructure	137			9			9				9
DfT Better Bus Areas	462	(9)	0	161			161	0	0		161
DfT Local Sustainable Transport Fund (Ferry/Cycle)	1,642	(10)		26			26	0	0		26
Disabled Facilities Grants		82	519	(121)	622		1,020	0		0	1,020
Disabled Facilities Grants Reserve - Potential reallocation (e.g. to Infrastructure)					398		398				398
Empty Homes Scheme	500		225	25			250	250			500
NGP - Strategic Cycleway	477			45			45				45
NGP - Windy Corner Junction	11			1			1				1
 On Street Parking meters	857			1			1				1
Paignton Picture House	50			50			50				50
Princess Pier Decking	254			254			254				254
Private Sector Renewal			0	58	55		113	0		0	113
Public Toilets - Utilities saving measures	100		0	11			11	0	0		11
 South Devon Link Road - Council contribution	20,224	8,732	11,507	232			11,739	1,500	1,500	1,407	16,146
St Michael's Chapel, Torre	95	68		42	29		71				71
 Street Lighting - Energy reduction	515	11		46			46				46
TCCT - Grant re Green Heart Project	100	100		100			100				100
Torbay Enterprise Project	750	22	90	(38)			52				52
Torbay Leisure Centre - structural repairs	545	26	0	26			26	0	0		26
 Torre Abbey Pathway	49	5		2			2				2


CAPITAL INVESTMENT PLAN - QUARTER 1 2015/16 - EXPENDITURE

Appendix 2

							Revised 4-year Plan July 2015				
	Latest Est Scheme Cost	Actuals & Commitments 2015/16 Qtr 1	Original 2015/16 (@ Q3 14/15)	2014/15 Adjs and Slippage b/f	2015/16 Q1 Adjustments	New Schemes 2015/16	Total 2015/16 Revised	2016/17	2017/18	2018/19	Total for Plan Period
Torre Abbey Renovation - Phase 2	5,069	8	28	46			74				74
Torre Valley North Enhancements	127		124	0			124				124
Transport - Edginswell Station	4,374	76		43	166		209	2,500	1,500		4,209
Transport Integrated Transport Schemes		305	1,063	99	(492)		670	1,257	931	667	3,525
Transport Structural Maintenance		280	1,458	(88)	212		1,582	1,337	1,297	1,174	5,390
Transport - Torquay Gateway Road Improvements	3,875	2	300	25			325	1,200	2,325		3,850
Transport - Torquay Town Centre Access	550	5	500	11	(126)		385	101			486
Transport - Western Corridor	7,405	603	2,400	(100)			2,300	3,100	1,600		7,000
	3,500	10,306	18,284	966	864	0	20,114	11,245	9,153	3,248	43,760
CORPORATE AND BUSINESS SERVICES (INCL. CONTINGENCY)											
Corporate Services											
Enhancement of Development sites	261	10	146	11	(54)		103	100			203
 Office Rationalisation Project Ph 3 - Project Remainder	8,710	43		170	25		195				195
Oldway Estate works	400			400			400				400
Payroll Project	370	50		87			87				87
Riviera Centre renewal	1,140	17	11	30			41				41
General Capital Contingency	631		631	0	(631)		0	631	0	0	631
Business Services											
 Beach Hut Acquisition/Renewal (Broadsands, Meadfoot)	2,591	380	200	184			384				384
Brixham Harbour - Victoria Breakwater	50		0	10			10	0	0		10
 Council Fleet Vehicles	462		103	59			162				162
Flood Defence schemes (with Env Agency)	723	16	155	100	(155)		100	155			255
Haldon Pier - Structural repair Phase I&2	3,073	(175)	361	174			535				535
Meadfoot Sea Wall structural repair	266	5		4			4				4
NGP - HCA Match Land Acquisitions	714			236	(236)		0				0
 NGP - Torbay Innovation Centre Ph 3 (EPIC)	6,590		0	0	500		500	6,021			6,521
Oddicombe Beach Chalets	193	34		36			36				36
Old Toll House, Torquay	150	4	140	6	(71)		75	71			146
Princess Pier - Structural repair (with Env Agency)	1,850		1,650	200	(1,850)		0	1,850			1,850

CAPITAL INVESTMENT PLAN - QUARTER 1 2015/16 - EXPENDITURE

Appendix 2

							Revised 4-year Plan July 2015				
	Latest Est Scheme Cost	Actuals & Commitments 2015/16 Qtr 1	Original 2015/16 (@ Q3 14/15)	2014/15 Adjs and Slippage b/f	2015/16 Q1 Adjustments	New Schemes 2015/16	Total 2015/16 Revised	2016/17	2017/18	2018/19	Total for Plan Period
Riviera Renaissance (Coastal Communities Fund)	649	1		1			1	0	0		1
Small Ports Recovery Fund - Winter 13/14	295			4			4				4
 TEDC Capital Loans	2,475	0	1,900	575			2,475				2,475
	31,593	385	5,297	2,287	(2,472)	0	5,112	8,828	0	0	13,940
TOTALS	49,630	13,460	29,757	2,885	(1,729)	1,136	32,049	24,050	13,074	5,248	74,421
CAPITAL INVESTMENT PLAN - QUARTER 1 2015/16 - FUNDING											
Supported Borrowing			348	(348)			0				0
Unsupported Borrowing			15,218	552	(1,261)		14,509	4,280	1,421	1,289	21,499
Grants			11,048	1,613	591	1,136	14,388	17,227	11,321	4,237	47,173
Contributions			330	45	(45)		330	148			478
Reserves			771	530	(952)		349	836	253	(396)	1,042
Revenue			800	26	217		1,043	480	79	118	1,720
Capital Receipts			1,242	467	(279)		1,430	1,079			2,509
Total			29,757	2,885	(1,729)	1,136	32,049	24,050	13,074	5,248	74,421

Disabled Facilities Grants

Briefing Note



Background

At the meeting held on 8 July 2015, the Overview and Scrutiny Board considered a report on the outturn of the Capital Investment Plan for 2014/2015. The report included a recommendation that £1.020 million be allocated for Disabled Facilities Grants for 2015/2016 and that £0.4 million of unspent prior years Grants be reallocated to support infrastructure works.

The Board asked that further information be provided on Disabled Facilities Grants specifically in relation to how the recommendation to reduce and re-allocate the budget had been made, how the demand for the service had changed and whether the criteria for the grant had changed.

Subsequently, at the meeting of the Council held on 23 July 2015 it was agreed that:

“The re-allocation of £0.4 million of unspent prior years Disabled Facilities Grant to support infrastructure works [be deferred] until a report is submitted to the Overview and Scrutiny Board, by October 2015, on the pressures facing Disabled Facilities Grants and whether this money should be held on a Disabled Facilities Grant Reserve or used to support infrastructure works.”

A report on Disabled Facilities Grants prepared by the Assistant Director (Community and Customer Services) and the Chief Accountant is attached at Appendix 1.

Agenda Item 7

Appendix 1

Disabled Facilities Grants

1 Following the allocation of £1.020m of funding to this service at Council in July 2015, Council requested an update of Disable Facilities Grant Expenditure in 2015/16. The service has provided the following information.

2 Summary:

DFG spend 2015/16 as at August 2015:

Status	Amount
Waiting for approval*	£75,841
Works approved/started on site	£291,111
Paid to date	£158,678
Total	£525,630

*16 cases that are being processed. There is no waiting list.

3 What is a DFG?

Mandatory Disabled Facilities Grants (DFGs) are available from local authorities. They are issued subject to a means test and are available for essential adaption's to give disabled people better freedom of movement into and around their homes, and give access to essential facilities within the home.

4 Historically how much has the local authority spent on DFG'S?

Year	Spend £	Home Improvement Agency
2010/11	638,341	Pluss
2011/12	572,272	
2012/13	459,014	
2013/14	670,018	Transition from Pluss and service run in house during transition period to new contractor.
2014/15	548,047	New contractor (Aster Living)

Table 1: Yearly spend on DFG'S at the end of each year.

5 Current demand and financial situation from 2014/15

Due to the time line of the adaptations being requested by the Occupational Therapist (OT), the application, approval and then completion of the works, they can roll from one financial year to another. This can complicate the picture of demand and actual spend as funds are committed from one year to another. For example at the end of last financial year there were 45 cases totalling £381,150 that were at application stage. This was as a result of them being requested at the end of the financial year. This work therefore rolled over into this financial year and is reflected in the Summary table above.

Local authorities are required to issue a decision on a completed DFG application as soon as reasonably practicable and, in any event, not later than six months after the date of the applications' concerned. There is no waiting list and a decision is being made and processed in 3 weeks.

Once approval is granted this offer will remain open for a 12 month period. If however there are a change in circumstances i.e. a prolonged period in hospital, the grant application will be closed with the consent of the OT. This will then be reopened if required. This allows for the reallocation of funds in the financial year. This is closely monitored to ensure best use of funds.

Diagram 1: Contractual and Statutory time scales to DFG process



6 What other demand is in the system for this financial year, 2015/2016?

Demand has increased over 2014/15 and is following the same trend this financial year.

Enquiry	RSL	Owner Occupier	Private Tenant	Total
2012/13	73	22	48	138
2013/14	63	24	47	134
2014/15	92	27	59	178
2015/16 Q1				44 (Predicted 176 case)

Table 2: Number of referrals by tenure over the last 4 years.

This year so far we have approved £291,111 of work. The average cost of an adaptation is £5,666. However there are some works that cost as much as £30,000 i.e. if an extension is required for a child.

7 What is the Current Level of Performance?

Aster Living are contracted by Torbay Council to provide the Home Improvement Agency. This delivers a service to complete the applications, gain all relevant permissions and contract manages the adaptation. Table 3: This Financial Year - Time taken between approval of an application and works being completed on site.

Time Frame	Number of cases
Up to 3 months (12 weeks)	35
3-6 months (12- 24 weeks)	6
6-9 months (24 – 36 weeks)	4
9-12 months (36 – 52 weeks)	1
<i>Average time from enquiry to completion</i>	<i>31 weeks</i>
<i>Average time from Approval to completion</i>	<i>12 weeks</i>

Once an application is approved the following steps need to be undertaken:

- Contract signed
- Contractor start dates set based on availability
- Specialist equipment ordered i.e. curved stair lift and through floor lifts take 6 weeks to manufacture
- Extra works approved as a result of unforeseen repairs issues etc.
- OT and client sign off.

This hopefully will give some indication of where it can take on average 12 week to complete the adaptation. There are only a few cases that take a significant amount of time. These often involve complicated cases that involve significant building works such as extensions.