

Record of Decisions

Mayor's Response to the Objections to the Capital Plan Budget 2016/17

Decision Taker

Mayor on 19 February 2016

Decision

- (i) That the Mayor's funding proposals in relation to the Strand as outlined at recommendation 3.8 of the submitted report be withdrawn;
- (ii) That the Mayor accepts the objections of the Council in relation to Matrix Scoring Criteria whereby the prioritisation of unfunded capital projects by a Matrix Scoring Criteria is undertaken by the Executive Director – Operations and Finance and Chief Finance Officer in consultation with the Mayor and Group Leaders. The Matrix Scoring Criteria and the resulting prioritised list of unfunded capital projects will be included in future revisions of the Capital Strategy for consideration by the Council;
- (iii) That the Council's objections in relation to the criteria for the management of the Investment Fund be accepted;
- (iv) As a result of (i) to (iii), the Mayor's final budget proposals are set out below:
 - 1. That the latest position for the Council's Capital expenditure and funding for 2015/16 be noted.
 - 2. That 2016/17 Capital Strategy (set out at Appendix 1 of the submitted report) be approved.
 - 3. That prudential borrowing of £10 million for an Investment Fund to enable acquisition of properties for investment purposes to be funded from future rental income be approved. Criteria for the purchases within the Fund be presented to Council for approval in due course.
 - 4. That prudential borrowing of £3 million for essential capital repair works be approved with the cost of borrowing to be included in future year revenue budgets and that the allocation of the budget be agreed by the Executive Head – Business Services in consultation with the Chief Finance Officer and the Mayor and Group Leaders with the Overview and Scrutiny Co-ordinator being notified in advance of any decisions.
 - 5. That prudential borrowing of £0.350 million to upgrade and update the Council's CCTV equipment be approved with the cost of borrowing to be included in future year revenue budgets offset by any future external contributions and any resulting revenue savings.
 - 6. That prudential borrowing of £1.0 million for an IT Investment Fund for 2016/17 to 2019/20 be approved with the cost of borrowing to be included in future year revenue budgets and that the allocation of the Fund be agreed by Executive Director of Operations and Finance consultation with the Chief Finance Officer,

the Executive Head – Customer Services and the Executive Lead for Customer Services.

7. That the reallocation of £0.5m within the existing schools capital allocation to provide two mobile accommodation buildings at Paignton Community Sports Academy be approved to meet an immediate need for pupil places.
8. That the Council will not take up the option in 2016/17 of using capital receipts to fund one off revenue costs of transformation to meet future budget reductions.
9. That, subject to approval of 3. to 8. above, the budget forecast for 2016/17 to 2019/20 at Appendix 2 of the submitted report be approved as the Capital Plan.
10. That the Corporate Asset Management Plan for 2015 – 2019 (as set out in Appendix 4 of the submitted report) be approved.

Reason for the Decision

To respond to the Council's objections to the Capital Plan Budget for 2016/2017.

- (i) The Mayor has withdrawn the proposals in relation to the Strand improvements in response to the objections of the Council. The Mayor remains fully committed to the Scheme and supports the Council's original decision taken on 24 September 2015 for the approval of the Strand improvements. This decision applies to both of the Council's objections in relation to the Strand Improvements and Waterfront projects;
- (ii) The Mayor supports the Matrix Scoring Criteria as this reflects best practice. In line with the Council's Constitution, the involvement of the Overview and Scrutiny Co-ordinator is more appropriate in a notification role rather than a consultee and therefore, this element of the Council's objection has not been accepted by the Mayor;
- (iii) The Mayor accepts the Council's objections to the management of the Investment Fund and will present revised criteria for Council approval in due course.

Implementation

The Mayor's revised proposals will be considered at the Council meeting on 25 February 2016.

Information

At the adjourned Council meeting on 11 February 2016, the Council formally objected to the Capital Plan Budget 2016/2017 in respect of the following:

Strand:

1. That the Council formally objects to the Mayor's capital budget proposals on the basis of the allocation of £0.35 million to the improvements at the Strand in Torquay, as there has been no matrix applied to prioritise capital projects within Torbay.
2. That the Council formally objects to the Mayor's capital budget proposals on the basis that in light of the earlier objection in respect of the Capital project matrix scoring criteria, that the Strand scheme should be prioritised alongside other schemes using the matrix

and not treated as a standalone scheme.

3. That the Council formally objects to the Mayor's capital budget proposals on the basis that there is no mechanism for the Council to determine a choice of funding between the options set out in paragraph 3.8 of the submitted report.

Waterfront:

This Council notes that £10.5 million (£161 per capita) has been spent on Torquay waterfront projects, £20.1 million (£1,201 per capita) spent on Brixham waterfront projects and £0.6 million (£12 per capita) spent on Paignton waterfront projects within the last 9 years as per figures set out in the table below:

<u>Project</u>	<u>Total project cost</u> <u>£m</u>	<u>Approx. Dates</u>
Torquay		
Tqy Town Dock	1.20	2007/08-2008/09
Tqy Townscape Heritage	0.70	2008/09-2010/11
Mallock Memorial	0.20	2010/11
Princess Promenade	4.00	2011/12-2013/14
Haldon/Princess Piers	3.10	2009/10-2015/16
Princess Pier decking	0.40	2015/16
Inner Harbour pontoons	0.90	2013/14-2015/16
	10.50	
Paignton		
Paignton Geopark	0.60	2011/12-2012/13
	0.60	
Brixham		
Bxm Harbour Regen	19.70	2007/08-2012/13

Harbours Major Repairs	0.30	2013/14
Bxm Breakwater	0.05	2013/14
	20.05	

In light of the lack of investment in Paignton seafront and harbour side that the Mayoral project for Torquay seafront and harbour side be deleted and that public consultation be undertaken to ensure that appropriate projects are brought forward for the Paignton seafront and harbour side.

Matrix Scoring Criteria:

1. That the Council formally objects to the Mayor's capital budget proposals on the basis that a matrix scoring criteria (as referred to in the Capital Strategy at paragraph 2.5) is required for approval by Council as part of the Capital Strategy, to enable the Council to prioritise Capital Plan projects. This matrix to be used to approve and prioritise existing schemes on the reserve list and new schemes within the Capital Plan.
2. That the Executive Director – Operations and Finance and Chief Finance Officer (or their nominees) work with the Mayor, Group Leaders and Overview and Scrutiny Co-ordinator to prioritise current potential capital projects (with the aim that the prioritised list is available when the next Capital Plan Monitoring Report is presented).

Investment Fund:

That the Council formally objects to the Mayor's capital budget proposals on the basis that currently any spending in respect of the £10 million Investment Fund has no clear strategic direction, no set parameters and no requirement for clear business plans.

In accordance with paragraph F3.9 Standing Orders – Budget and Policy Framework, the Council required the Mayor to consider these objections by 10 am on 19 February 2016 and either:

- a) submit a revision of the estimates or amounts as amended by the elected Mayor with the reasons for any amendments made to the estimates or amounts, to the Council for its consideration; or
- b) inform the Council of any disagreement that the elected Mayor has with any of the Council's objections and the elected Mayor's reasons for any such disagreement.

The Mayor has considered the recommendations of the Council and his proposed response is set out above.

Alternative Options considered and rejected at the time of the decision

None

Is this a Key Decision?

Yes – Reference Number: I021319

Does the call-in procedure apply?

No

Declarations of interest (including details of any relevant dispensations issued by the Standards Committee)

None

Published

19 February 2016

Signed: _____
Mayor of Torbay

Date: 19 February 2016