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Wednesday, 19 September 2012

Meeting of the Council

Dear Member

I am pleased to invite you to attend a meeting of Torbay Council which will be held in the **Ballroom, Oldway Mansion, Torquay Road, Paignton, TQ3 2TE on Thursday, 27 September 2012 commencing at 5.30 pm**

The items to be discussed at this meeting are attached.

Yours sincerely,

Elizabeth Raikes
Chief Executive

(All members are summoned to attend the meeting of the Council in accordance with the requirements of the Local Government Act 1972 and Standing Orders A5.)

Working for a healthy, prosperous and happy Bay

For information relating to this meeting or to request a copy in another format or language please contact:

**June Gurry, Town Hall, Castle Circus, Torquay, TQ1 3DR
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(i)
THE MJ
2010
Achievement Awards
COMMENDED

Meeting of the Council Agenda

1. **Opening of meeting**

2. **Apologies for absence**

3. **Minutes**

To confirm as a correct record the minutes of the meeting of the Council held on 12 July 2012.

(Pages 1 - 16)

4. **Declarations of interests**

(a) To receive declarations of non pecuniary interests in respect of items on this agenda

For reference: Having declared their non pecuniary interest members may remain in the meeting and speak and, vote on the matter in question. A completed disclosure of interests form should be returned to the Clerk before the conclusion of the meeting.

(b) To receive declarations of disclosable pecuniary interests in respect of items on this agenda

For reference: Where a Member has a disclosable pecuniary interest he/she must leave the meeting during consideration of the item. However, the Member may remain in the meeting to make representations, answer questions or give evidence if the public have a right to do so, but having done so the Member must then immediately leave the meeting, may not vote and must not improperly seek to influence the outcome of the matter. A completed disclosure of interests form should be returned to the Clerk before the conclusion of the meeting.

(Please note: If members and officers wish to seek advice on any potential interests they may have, they should contact Governance Support or Legal Services prior to the meeting.)

5. **Communications**

To receive any communications or announcements from the Chairman, the Mayor, the Overview and Scrutiny Co-ordinator or the Chief Executive.

6. **Petitions**

To receive petitions and any oral representations from the public in accordance with Standing Order A12 as set out below:-

Petition requesting the council cut back the trees at the Monastery to a reasonable size. (approximately 38 signatures).

7. **Members' questions**

To answer any questions asked under Standing Order A13.

(Pages 17 - 19)

8. **Notice of motions** (Pages 20 - 27)
To consider the attached motions, notice of which has been given in accordance with Standing Order A14 by the members indicated.
9. **Social Fund Support** (Pages 28 - 43)
To consider a report on the above.
10. **Covenant Protecting Paignton Green Against Development - Mayoral Decision**
To consider a report on the above.
11. **Capital Budget Monitoring 2012/13 (1st Quarter)** (Pages 44 - 62)
To consider a report setting out an overview of the Council's approved Capital Investment Plan for the quarter ending June 2012.
12. **Revenue Budget Monitoring 2012/13 - Quarter 1 - Mayoral Decision** (Pages 63 - 86)
To consider a report on the above.
13. **Constitution Amendments** (Pages 87 - 89)
To consider any amendments to the Constitution in accordance with Article 1 paragraph 1.03.
14. **Appointment of the Chief Operating Officer**
To consider the following recommendation of the Employment Committee:

That, following the decision of the Council (Minute 46 (i) and(ii)/7/12), the Council be recommended to appoint Caroline Taylor as Interim Chief Operating Officer.

(Note: Minute 46(i) and (ii)/7/12 is included at item 3 on this agenda.)



Minutes of the Council

12 July 2012

-: Present :-

Chairman of the Council (Councillor Stringer) (In the Chair)
Vice-Chairman of the Council (Councillor Parrott)

The Mayor of Torbay (Mayor Oliver)

Councillors Addis, Amil, Baldrey, Barnby, Bent, Brooksbank, Butt, Cowell, Davies, Darling, Doggett, Ellery, Excell, Faulkner (A), Faulkner (J), Hernandez, Hill, Hytche, James, Kingscote, Lewis, McPhail, Mills, Morey, Pentney, Pountney, Pritchard, Richards, Scouler, Stockman and Tyerman

30 Opening of meeting

The meeting was opened with a prayer.

31 Apologies for absence

Apologies for absence were received from Councillors Stocks, Thomas (D) and Thomas (J).

32 Minutes

The Minutes of the annual meeting of the Council held on 15 May 2012 and adjourned annual meeting of the Council held on 16 May 2012 were confirmed as a correct record and signed by the Chairman.

33 Declarations of interests

The Monitoring Officer advised members that, as from 1 July 2012, the Code of Conduct no longer applied and it was for each council to adopt its own code, which was to be considered later at this meeting. Although there were new statutory requirements, no code of conduct was in place until the new code was adopted. Therefore, the Monitoring Officer requested members to continue to declare personal and prejudicial interests for this meeting as though the old code continued to apply.

34 Communications

The Chairman:

- (a) updated members on the contributions made towards his charity, Anode, following his civic luncheon and thanked all those who attended. The current total was in excess of £1,600;
- (b) was pleased to announce that the Chief Executive had made arrangements for food collection boxes to be placed in the Town Hall, Roebuck House and Tor Hill House, Torquay. The collections would be passed to Anode for distribution to families in need. The Chairman encouraged members to make food contributions with a long shelf life; and
- (c) advised that he, together with his consort, were recently invited by Les Issacs' OBE, the founder of the Street Pastors in Great Britain, to the Street Pastor Great Britain Conference in Taunton. The Chairman made a speech at the conference promoting the Street Pastors work in Torbay and thanking them for the excellent service they provide. The Chairman also announced that he had invited Les Issacs to be his guest speaker at his annual civic dinner.

The Mayor:

- (a) advised members that this would be the Chief Executive's last Council meeting before her departure from the Council. The Mayor paid tribute to Elizabeth Raikes and the extensive experience she had brought to the role. He conveyed thanks on behalf of the members for the work and support she has given to the Council since her appointment in 2005 and wished her well for the future. The Chief Executive responded and stated that it was a privilege to work for the Council and serve members of community; and
- (b) reported that he had presented a replica of the 1948 Olympic torch to the Chairman of the Weymouth and Portland National Sailing Academy as part of the 1948 Sailing Relay and following its journey by sea from Torquay to the London 2012 sailing venue. The torch was celebrated by sailing clubs along the route from Brixham to Weymouth and Portland. A drawing of the original 1948 torch route was also presented.

35 Order of Business

In accordance with Standing Order A7.2, the order of business was varied to enable agenda item 10 (Anti-Social Behaviour and the Private Rented Housing Sector), to be considered before item 6 (Members' Questions).

36 Anti-Social Behaviour and the Private Rented Housing Sector - Mayoral Decision

The Chairman advised that, in response to the Overview and Scrutiny Board, the Mayor had made his decision on this matter outside of the meeting which was published on 11 July 2012.

In addition, the Chairman announced that the Overview and Scrutiny Board had considered the call-in for this item after the deadline for the receipt of public questions. Although the Mayor had made his decision on the matter prior to this meeting, the Chairman advised that he had already agreed (due to exceptional circumstances) he would accept public questions/statements on this matter. Therefore, in accordance with Standing Order A24, the Council heard from Susie Colley, Julie Brandon and Gordon Jennings who had submitted questions and statements in relation to this item. The Mayor responded to the questions and the statements that had been put forward, plus supplementary questions asked by Julie Brandon and Gordon Jennings.

37 Members' questions

Members received a paper detailing the questions, as set out at Appendix 1 to these Minutes, notice of which had been given in accordance with Standing Order A13.

Verbal responses were provided at the meeting. Supplementary questions were then asked on all the questions and answered by the Mayor and Councillor Excell. The Chairman advised that question 4 would be deferred to the next meeting of the Council in the absence of Councillor Thomas (D).

38 Notice of motion

Members considered a motion in relation to the building of the third harbour, notice of which was given in accordance with Standing Order A14.

Councillor Baldrey requested additional words be added to his motion which were accepted by Councillor Faulkner (J).

It was proposed by Councillor Baldrey and seconded by Councillor Faulkner (J):

that this Council notes that the proposed building of a 'Third Harbour' for Torquay would:

- have a likely cost exceeding £200m;
- have an anticipated annual shortfall in revenue of approximately £12.3m (based on £200m capital cost);
- likely provide 1% of jobs compared to ship repairing and yacht building (according to the Falmouth Port Masterplan); and
- provide only 7.0m of water at chart datum and would thereby exclude all vessels of greater than 6.0m draft;

and therefore this Council instructs officers to cease further activity and expenditure of harbour resources on this project with immediate effect.

In accordance with Standing Order A14.3(b), the Monitoring Officer advised that the motion would be dealt with by this meeting.

An amendment was proposed by the Mayor and seconded by Councillor Mills:

that this Council supports the principle of a third harbour in Torquay recognising that the project could deliver significant economic benefit to Torbay. The Council supports in principle the proposals for carrying out a series of investigations, as put forward by the Harbour Committee, to test out the feasibility for constructing a third harbour in Torquay and exploring the costs and economic benefits which would be associated with the project.

However, in recognition of the wide range of demands on Council funds, this Council requests the Mayor to instruct officers to delay committing funds to carry out investigations into the Third Harbour and, given the magnitude and scale of this project, plus considering the high public interest in this issue, bring this back to full Council for further consideration before committing any funds.

That this Council requests that the Mayor and Executive Lead for Regeneration, supported by officers and the Torbay Development Agency continue to develop plans within existing resources for bringing forward this project and continues to explore options for funding this investigation, and any resulting construction of the Third Harbour. Options to be explored will include obtaining funds from Government or European grants and seeking a partnership arrangement with private developers.

In accordance with Standing Order A19.4 and at the request of 10 or more councillors, a recorded vote was taken on the amendment. The voting was taken by roll call as follows: For: The Mayor, Councillors Addis, Amil, Barnby, Bent, Brooksbank, Butt, Excell, Hernandez, Hill, Hytche, Kingscote, Lewis, McPhail, Mills, Pritchard, Richards, Scouler and Tyerman (19); Against: Baldrey, Cowell, Darling, Davies, Doggett, Faulkner (A), Faulkner (J), James, Morey, Parrott, Pentney, Pountney and Stockman (13); Abstain: Councillor Ellery and Stringer (2); and Absent: Councillors Stocks, Thomas (D) and Thomas (J) (3). Therefore, the amendment was declared carried.

The substantive motion (the replacement of the original motion with the wording above) was then before Members for consideration.

On being put to the vote, the substantive motion was declared carried.

39 Princess Promenade Refurbishment (Phase 2) - proposed removal of Upper Banjo and cathodic protection of extended Lower Banjo deck, and original Eastern Promenade structures - Mayoral Decision

The Council made the following recommendation to the Mayor:

It was proposed by Councillor Tyerman and seconded by Councillor Scouler:

that the Mayor be recommended to instruct the Executive Head of Resident and Visitor Services to invite tenders and let a contract to demolish the upper deck and widen the lower deck of the banjo together with providing cathodic protection to the structural elements of the banjo and eastern promenade. The contract to commence in October 2012 to allow the banjo to be open for summer 2013.

An amendment was proposed by Councillor Darling and seconded by Councillor Pentney:

that consideration of this item be deferred to an adjourned Council meeting to enable members to be briefed on what opportunities exist for the private sector to assist in the regeneration of the banjo and eastern promenade, in line with the decision of the Council taken on 31 October 2011.

In accordance with Standing Order A19.4 and at the request of 10 or more councillors, a recorded vote was taken on the amendment. The voting was taken by roll call as follows: For: Baldrey, Cowell, Darling, Davies, Doggett, Ellery, Faulkner (A), Faulkner (J), Morey, Pentney, Pountney and Stockman (12); Against: The Mayor, Councillors Addis, Amil, Barnby, Bent, Brooksbank, Butt, Excell, Hernandez, Hill, Hytche, Kingscote, Lewis, McPhail, Mills, Pritchard, Richards, Scouler and Tyerman (19); Abstain: Councillor James, Parrott and Stringer (3); and Absent: Councillors Stocks, Thomas (D) and Thomas (J) (3). Therefore, the amendment was declared lost.

The original motion was then before members for consideration and being put to the vote, the motion was declared carried.

The Mayor considered the recommendation of the Council as set out above at the meeting and the record of his decision, together with further information, is attached to these Minutes.

40 Torbay's Story 2011- 2020 Child Poverty Strategy - A Call for Action - Mayoral Decision

The Council made the following recommendation to the Mayor:

It was proposed by Councillor Lewis and seconded by Councillor Butt:

that Torbay's Story 2011 – 2020 Child Poverty strategy – A Call for Action (as set out in Appendix 1 to the submitted report) be supported.

An amendment was proposed by Councillor Faulkner (A) and seconded by Councillor Faulkner (J):

- (ii) that the elected member representatives on the Child Poverty Commission be drawn from those wards identified within the submitted report that have high levels of child poverty (namely Tormohun, Ellacombe, Roundham and Hyde and Watcombe); and
- (iii) that once the Child Poverty Commission is established, initially the frequency of meetings be increased to ensure the action plan is expedited as quickly as possible.

On being put to the vote, the amendment was declared lost.

The original motion was then before members for consideration and being put to the vote, the motion was declared carried (unanimous).

The Mayor considered the recommendation of the Council as set out above at the meeting and the record of his decision, together with further information, is attached to these Minutes.

41 Revenue Budget Outturn 2011/2012

The Council considered the submitted report on the final revenue outturn position for the Council for the financial year 2011/12 and the recommendations with respect to the use of the declared surplus. The Overview and Scrutiny Board had reviewed the report on 20 June 2012 and made no recommendations.

It was proposed by Councillor Tyerman and seconded by Councillor Pritchard:

- (i) that the revenue outturn position for 2011/12 be noted;
- (ii) that a sum of £0.305m be transferred to an Employment Fund Reserve (paragraph A3.8 of the submitted report);
- (iii) that the transfer of £0.136m of the revenue underspend to the Comprehensive Spending Review Reserve (paragraph 3.9 of the submitted report) be approved;
- (iv) that it be noted that the transfers in (ii) and (iii) above are subject to the final audit of the Council's accounts; and
- (v) that the reserves proposed in paragraph 3.8 of the submitted report be amalgamated.

An amendment was proposed by Councillor Darling and seconded by Councillor Pentney:

- (iii) that the transfer of:

- (a) £0.056m of the revenue underspend to the Comprehensive Spending Review Reserve be approved;
- (b) £0.040m of the revenue underspend to support the new Poverty Strategy be approved; and
- (c) £0.040m of the revenue underspend to help fund road safety improvements.

On being put the vote, the amendment was declared lost.

The original motion was then before Members for consideration.

On being put to the vote, the original motion was declared carried.

42 Capital Investment Plan - Budget Monitoring 2011/12 - Quarter Four (Outturn)

The Council considered the submitted report on the final Capital Monitoring report for 2011/12 and outturn position in respect of capital expenditure and income for 2011/2012. The Overview and Scrutiny Board had reviewed the report on 20 June 2012 and made no recommendations.

It was proposed by Councillor Tyerman and seconded by Councillor Pritchard:

- (i) that the outturn position for the Council's Capital expenditure and income for 2011/12 be noted;
- (ii) that the action taken by the Chief Finance Officer, under the Officer Scheme of Delegation, to carry forward the unspent budgets for expenditure or work in progress (together with their funding) from 2011/12 to 2012/13 be noted; and
- (iii) that the funding of the capital investment plan for 2011/12 as outlined in paragraph C1.1 of the submitted report be approved.

On being put to the vote, the motion was declared carried.

43 Treasury Management Outturn 2011/12

Members considered the submitted report on the performance of the Treasury Management Function in 2011/12 as recommended by the Audit Committee.

It was proposed by Councillor Tyerman and seconded by Councillor Pritchard:

- (i) that the Treasury Management decisions made during 2011/12 as detailed in the submitted report be endorsed; and

- (ii) that the Prudential and Treasury Indicators as set out at Annex 1 of the submitted report be approved.

On being put to the vote, the motion was declared carried.

44 Health and Safety Service Plan 2012/13

The Council considered the submitted report on the draft Health and Safety Enforcement Service Plan for 2012/13.

It was proposed by Councillor Excell and seconded by Councillor Hill:

That the Health and Safety Service Plan 2012/13 set out at Appendix 1 to the submitted report be approved.

On being put to the vote, the motion was declared carried.

45 Food Safety Service Plan 2012/13

Members considered the draft Food Safety Service Plan for 2012/13 as set out in the submitted report.

It was proposed by Councillor Excell and seconded by Councillor Hill:

that the Food Safety Service Plan 2012/13 set out at Appendix 1 to the submitted report be approved.

On being put to the vote, the motion was declared carried (unanimous).

46 Interim arrangements for the replacement of the role of Chief Executive

The Council considered the submitted report setting out the Employment Committee and Group Leaders' Task Group's work on the interim arrangements for the future officer leadership and governance of the Council following the departure of the Chief Executive.

It was proposed by Councillor Pritchard and seconded by Councillor McPhail:

- (i) that the Employment Committee be requested to undertake the recruitment of an internal interim Chief Operating Officer to include the role of Head of Paid Service, for a period ending no earlier than 31 March 2013 and on a part time basis (equivalent of 2 days per week spread over a full week). The terms and conditions of employment for the post to be in line with the Joint Negotiating Committee for Chief Executives of Local Authorities with the job description as set out at Appendix 2 of the submitted report. (Note: The Employment Committee recommendations will be presented to the September 2012 Council meeting);

- (ii) that the Executive Head Business Services be instructed to undertake a Hay Evaluation of the agreed Job Description, and in doing so, produce a Hay Know How score which will in turn determine the spot salary for this post in accordance with our Pay and grading scheme;
- (iii) that the Council notes the Mayor will continue to exercise executive functions in accordance with the Mayoral system of governance and that the Mayor will (in consultation with the Employment Committee and Group Leaders' Task Group) review the existing Officer Scheme of Delegation in relation to the Chief Executive to ensure clarity of roles and responsibilities. The results of this exercise to be reported to members in September 2012; and
- (iv) that the Employment Committee and Group Leaders' Task Group make a recommendation to the Council at a forthcoming meeting on the long term proposals for the replacement of the Chief Executive functions.

On being put to the vote, the motion was declared carried.

47 New Code of Conduct for Members

The Council received a report by the Monitoring Officer on a new Code of Conduct for Members and associated matters as a result of the Localism Act 2011. It was noted the Localism Act 2011 abolished the Standards Board regime and replaced it with a requirement that authorities promote and maintain high standards of conduct by members.

It was proposed by Councillor Pritchard and seconded by Councillor Lewis:

- (i) that the Code of Conduct at Appendix A of the submitted report be adopted by the Council;
- (ii) that the existing Standards Committee be disbanded and a new Standards Committee be established to comprise of seven members (the political composition of the Committee to be determined in line with the overall review of the political balance of the Council – see separate agenda item) with terms of reference as set out at Appendix B of the submitted report. Group Leaders to notify the Governance Support Manager of their nominations for membership as soon as possible;
- (iii) that the Monitoring Officer, in consultation with the new Standards Committee develop a protocol as to how complaints will be dealt with under the new code of conduct and be requested to make the necessary amendments to the Council's Constitution;
- (iv) that the existing independent members of the original Standards Committee be asked to continue to act as Independent Persons under the new arrangements until the recruitment of new Independent Persons has been completed; and

- (v) that the Monitoring Officer in consultation with the Group Leaders be requested to carry out a review of the new code of conduct and protocol (to be adopted pursuant to (iii) above) after 6 months and if necessary provide a further report to Council should it be considered substantial amendment is required.

On being put the vote, the motion was declared carried (unanimous).

48 Review of Political Balance

The Council considered the review of the overall political balance of the committees as set out in the submitted report, following the resignation by Councillor James from the Conservative Group and his wish to join the Non-Coalition Group.

It was proposed by Councillor Pritchard and seconded by Councillor Hytche:

that the overall political balance of the committees as set out at paragraph A1.3 of the submitted report be approved.

On being put to the vote, the motion was declared carried.

49 Summary of decision taken by the Mayor in accordance with Standing Order D11 (call-in and urgency) and Standing Order E15 (Special Urgency)

Members noted the submitted report on an executive decision (Innovation Centre Phase 3) which had not been included in the Forward Plan and had not been subject to call-in.

Chairman

Minute Item 37

Meeting of the Council

Thursday, 12 July 2012

Questions Under Standing Order A13

Question (1) by Councillor Darling to the Mayor and Executive Lead for Employment and Regeneration – Mayor Oliver	<p>Figures compiled by credit-rating company Experian and published in the online Guardian show that around 22,000 households in Torbay were at risk of poverty if the economy takes a turn for the worse.</p> <p>In light of these findings what assurances can you give this Council that you are ensuring that the administration is placing the right emphasis to diversify our economy to guarantee the we move away from being too dependent on Tourism and the Public Sector and towards better paid jobs?</p>
Question (2) by Councillor Pountney to the Executive Lead for Safer Communities and Transport – Councillor Excell	<p>I am pleased to read recent reports that Torbay Council has awarded almost 200 Torbay businesses full marks as part of the national Food Hygiene Rating Scheme. However, I am also aware that Teignbridge Council completed their inspection of over 1,200 local businesses in the district some time ago. When will Torbay complete this inspection, so that residents can be fully informed about the hygiene of businesses serving them?</p>
Question (3) by Councillor Darling to the Executive Lead for Safer Communities and Transport – Councillor Excell	<p>Why does this Council allow a badly behaved minority dictate to the majority of respectable law abiding citizens and close a perfectly good pathway below Babbacombe Downs due to anti social behaviour.</p>
Question (4) by Councillor Faulkner (A) to the Executive Lead for Strategic Planning, Housing and Energy – Councillor Thomas (D)	<p>The number of households accepted as homeless between January and March went up by 2% on the previous quarter and up 16% on the same quarter as last year, according to the new government statistics, whilst I realise that this is not appertaining to Torbay we are finding the increase is affecting us. Please could the Portfolio Member reassure me that all steps are being taken to alleviate this problem that we face, such as bringing pressure to bear on the government to help relieve our particular state of affairs in Torbay, and discussing with the housing associations if they are relocating residents from larger properties who have found that they are too big to cope thereby relinquishing them to larger families who require them?</p>
Question (5) by Councillor Darling to the Mayor and Executive Lead for Employment and Regeneration – Mayor Oliver	<p>At the adjourned meeting of the Council on 30 September 2011 it was decided to defer consideration of the above to the Council meeting on 31 October 2011. A new report was submitted setting out proposals to repair the defective structure of the 'banjo' and the eastern section of Princess Parade, Torquay, to enable the closed sections to be reopened as soon as possible.</p> <p>It was proposed by Mayor Oliver and seconded by Councillor Excell:</p>

	<ul style="list-style-type: none"> (i) that the capital programme for 2011/12 be amended to provide £800,000 to carry out the first phase of repairs to the promenade and upper level of the Banjo to be opened for the Summer of 2012; (ii) that the capital programme for 2012/13 be amended to provide £2.15 million to fund the second phase of the repairs to the structure to secure its long term future; (iii) that tenders be invited and a contract let to carry out repairs to the Eastern Promenade and minimal repairs to the banjo. The contract is to commence in early 2012 to allow the promenade and banjo to be open for the summer 2012; (iv) that the second phase of the works to provide long term repairs to the banjo and eastern promenade be progressed and a contract let in July 2012 unless alternative proposals to redevelop the area have been approved by the Council; and (v) that, subject to alternative capital resources being identified, the project is funded from prudential borrowing to be financed from the Council's revenue budget. The financial implications to be reflected in future year revenue budgets. <p>In light of section (iv) can you explain why no alternative solutions have been brought to members and a planning application progressed, for the banjo, when there is a private sector solution that could save tax payers in Torbay hundreds of thousands of pounds?</p>
<p>Question (6) by Councillor Cowell to the Mayor and Executive Lead for Employment and Regeneration – Mayor Oliver</p>	<p>Is the Mayor aware of the public feeling towards a Third Harbour and can he assure us that if the conclusion of any environmental impact study states the extension would be detrimental to the environment then he will scupper his idea before any more public money is wasted?</p> <p>What resource implications have there already been and will be in the future for officers and is this scheme a distraction from other more immediate projects for regeneration?</p> <p>What mandate does the Mayor have to pursue his project considering the widespread opposition to it and financial implications on a hard pressed authority?</p>

Record of Decisions

Princess Promenade Refurbishment (Phase 2) - proposed removal of Upper Banjo and cathodic protection of extended Lower Banjo deck, and original Eastern Promenade structures

Decision Taker

Mayor on 12 July 2012

Decision

That the Executive Head Resident and Visitor Services be instructed to invite tenders and let a contract to demolish the upper deck and widen the lower deck of the banjo together with providing cathodic protection to the structural elements of the banjo and eastern promenade. The contract to commence in October 2012 to allow the bango to be open for summer 2013.

Reason for the Decision

The optimum cost and environmental solution to the defective condition of the upper banjo structure is its complete removal, since such demolition is financially efficient and the loss of the upper tier is considered to return uniformity to the waterfront outlook of Torquay Outer Harbour.

The extension of the lower deck completes the walking surface to link more harmoniously with the sunken garden grounds and removes a sometimes unsightly view for users.

The specification for the cathodic protection system is that it should be fit for purpose for a defined 50 year design life, within principle elements of maintenance at 25 years.

Implementation

This decision will come into force and may be implemented on 25 July 2012 unless the call-in procedure is triggered (as set out in Standing Orders in relation to Overview and Scrutiny).

Information

The first phase of repairs to the eastern promenade and banjo were completed in June 2012. Following the decision of the Council on 31 October 2011 to provide capital funding for phase two to include repairs to the banjo as a whole, a revised design for the repair works had been proposed. The proposed works include the removal of the upper deck of the banjo, together with its supporting columns and the widening of the lower deck, which would improve the environment of Princess Promenade, Torquay.

The exposure of the lower deck is anticipated to bring about a reduction in anti-social behaviour which might otherwise prevail were the lower deck to continue to be enclosed by the upper deck structure.

The Mayor supported the recommendations of the Council made on 12 July 2012, as set out in his decision above.

Alternative Options considered and rejected at the time of the decision

Alternative options were set out in the submitted report.

Is this a Key Decision?

No

Does the call-in procedure apply?

Yes

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

None.

Published

17 July 2012

Signed: _____
Mayor of Torbay

Date: 17 July 2012

Record of Decisions

Torbay's Story 2011-2020 Child Poverty Strategy - A Call for Action

Decision Taker

Mayor on 12 July 2012

Decision

That Torbay's Story 2011-2020 Child Poverty Strategy – A Call for Action (as set out in Appendix 1 to the submitted report) be supported.

Reason for the Decision

The Child Poverty Strategy will underpin the approach of the Council and its partners in the long term improvement of outcomes for children, young people and families. Breaking the cycle of poverty will be fundamental to creating positive outcomes and will provide a major contribution to the long term regeneration of Torbay.

Implementation

This decision will come into force and may be implemented on 25 July 2012 unless the call-in procedure is triggered (as set out in Standing Orders in relation to Overview and Scrutiny).

Information

The Child Poverty Act 2010 places a statutory duty on partners to develop a joint strategy to reflect the Government's commitment to eradicate child poverty by 2020. The Child Poverty Strategy and action plan ensures that Council services, communities and local partners take responsibility and contribute to eradicating child poverty in Torbay. The plan will specifically tackle hot spots identified in the needs assessment to ensure that the cycle is broken and today's children do not become the parents of poor children tomorrow.

The Mayor supported the recommendations of the Council made on 12 July 2012, as set out in his decision above.

Alternative Options considered and rejected at the time of the decision

None.

Is this a Key Decision?

No

Does the call-in procedure apply?

Yes

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

None.

Published

17 July 2012

Signed: _____
Mayor of Torbay

Date: 17 July 2012

Agenda Item 7

Meeting of the Council

Thursday, 27 September 2012

Questions Under Standing Order A13

Question (1) by Councillor Faulkner (A) to the Executive Lead for Strategic Planning, Housing and Energy – Councillor Thomas (D)	The number of households accepted as homeless between January and March went up by 2% on the previous quarter and up 16% on the same quarter as last year, according to the new government statistics, whilst I realise that this is not appertaining to Torbay we are finding the increase is affecting us. Please could the Portfolio Member reassure me that all steps are being taken to alleviate this problem that we face, such as bringing pressure to bear on the government to help relieve our particular state of affairs in Torbay, and discussing with the housing associations if they are relocating residents from larger properties who have found that they are too big to cope thereby relinquishing them to larger families who require them?
Question (2) by Councillor Doggett to the Executive Lead for Culture and the Arts – Councillor Butt	What is the level of room vacancy in Paignton Library and how are the Council addressing this issue, to raise money for the library service?
Question (3) by Councillor Pountney to the Executive Lead for Strategic Planning, Housing and Energy – Councillor Thomas (D)	Following the announcement that the Government is going to provide £300m towards Affordable Housing, please can you advise me what this Local Authorities plans are for bidding / applying for part of this money.

<p>Question (4) by Councillor Pentney to the Executive lead for Involved and Healthy Communities – Councillor Alison Hernandez</p>	<p>At a recent meeting of Paignton Town Community partnership we were told that the geopark in Paignton had £27,000 of Torbay Council money earmarked for the park this year. The meeting was also told of further monies that the community partnership had been successful in obtaining. In light of this is it fair or equitable that one park should be allocated so much public money when other parks in Torbay have very little spent on them?</p>
<p>Question (5) by Councillor Darling to the Mayor</p>	<p>At the last Full Council on the 12th July I asked for written copies of your responses to my written questions number 1, 3 and 5. I also requested a written response from Councillor Excell. As I am sure you are aware the councils constitution states that you have 15 working days to respond to me in. Councillor Excell has furnished me with a written response, but at the date of submitting this question (12.9.12) you have not. I would welcome an explanation?</p>
<p>Question (6) by Councillor Pentney to the Executive Lead for Safer Communities and Transport – Councillor Excell</p>	<p>It is in the Street Warden's job description that they leave their area of patrol and attend the town hall in order to assemble and remove the stalls outside of the building; many of which are for private enterprise?</p>
<p>Question (7) by Councillor Darling to the Executive Lead for Finance and Audit – Councillor Tyerman</p>	<p>At the beginning of the current economic turn down Torbay Council made a commitment to pay contractors within 10 working days of receipt of their invoice, as recommended by the Government. In light of above, can you please advise what invoices from contractors both to Torbay Council and TOR2 remained unpaid more than 10 working days, over the past 18 months?</p>
<p>Question (8) by Councillor Faulkner (J) to the Mayor</p>	<p>Can you please update the Council on any legal action to recover the £50,000 owed to Torbay Council by the operators of the High Flyer Balloon?</p>

<p>Question (9) by Councillor Darling to the Executive Lead for Children, Schools and Families – Councillor Lewis</p>	<p>It is a disturbing fact that Looked After children are more likely to go to prison rather than University can you please advise what additional commitments Torbay Council are making to improve the life chances for our looked after children?</p>
<p>Question (10) by Councillor James to the Executive Lead for Finance and Audit – Councillor Tyerman</p>	<p>There are reports that Plymouth council are putting aside £1 million to cover the expected non-payment of council tax under the government's benefit reforms. Have councillors and officers considered this and will Torbay be taking this risk into account in the upcoming budget?</p>
<p>Question (11) by Councillor Cowell to the Mayor</p>	<p>In view of the structural changes of senior officers and the inevitable reshaping of the council due to central government imposed cuts, does the Mayor and Leader of the Council agree with me that reshaping political governance is equally as important. If he does agree, can he explain why the Political Governance Review Panel has been removed from the Overview and Scrutiny Work Programme?</p>
<p>Question (12) by Councillor Cowell to the Executive Lead for Finance and Audit – Councillor Tyerman</p>	<p>When considering the serious nature of the centrally imposed budget cuts, will the Executive Lead for Finance provide assurances to the residents of Torbay that this year's consultation and budget process will be much more transparent than last years and will include forecasts for the coming years?</p>

Civil Marriage

On behalf of the Lesbian, Gay, Bi-sexual and Transgender residents of Torbay, this council welcomes the governments commitment to introduce equal civil marriage before 2015, and the positive message it gives to our young people. This council believes that all people should be treated equally regardless of race, religion or sexuality and requests the Mayor to write to the Prime Minister and local MP's outlining our support.

Proposed by Cllr Matt James
Seconded by Cllr Mike Morey

Agenda Item 8

Appendix 1

Homophobic Bullying in Schools

In light of horrifying statistics on homophobic bullying in schools and the particular vulnerability of LGBT young people outlined in research by the Stonewall organisation, this council asks the Mayor and the Executive Lead for Children, Schools & Families to commission work to :-

- 1) investigate, with the utmost sensitivity, the extent of homophobic bullying in our schools and to engage with the Stonewall organisation, LGBT young people and/or other relevant organisations, to understand the issues around homophobic bullying.
- 2) to discover what is currently being done by schools and youth organisations in the bay to combat homophobic bullying amongst young people and to find out whether teachers and non-teaching staff in schools feel equipped to deal with it.
- 3) to ensure that all organisations that work with young people in the bay, including schools and youth organisations have strategies to combat homophobic bullying towards LGBT young people.
- 4) To draw up a bay wide strategy for combating homophobia across all age groups.

Proposed by Cllr Matt James
Seconded by Cllr Darren Cowell

Localisation of Council Tax Support

This council:-

- Opposes the governments plans to localise council tax benefit from 2013 if it continues to include the £500 million reduction in funding currently proposed.
- Notes the warning of the Local Government Association that the poorest will bear the brunt of these changes and that local authorities which have a high level of deprivation, including Torbay, will be hit disproportionately.
- Notes research by the Institute for Fiscal Studies which indicates that the working poor will be hit hardest by the cuts to council tax benefit, completely contradicting the Government's stated aims in its welfare reform programme.
- Recognises that past experience with the poll tax shows that it will be very difficult to try to collect this tax from low income households that are not used to paying it and that it is therefore likely that many will be unable to pay.
- Believes that this is unfair, immoral and unethical towards the 10,000 residents of Torbay who will be affected by these changes, including a thousand young people.
- Resolves to ask the Mayor to write to the government opposing this draconian policy.

Proposed by Cllr Matt James
Seconded by Cllr Jackie Stockman

Agenda Item 8

Appendix 3

Exploring a Living Wage

Council notes:

- A 'living wage' was first established in the UK in 2001
- It has political support from the leaders of the Labour Party and Conservative Party
- Many large private sector employers such as Holiday Inn, Barclays and KPMG are accredited Living Wage employers, reflecting best practice in the private sector
- Currently the living wage rate is £7.20 per hour outside of London and £8.30 within London. The rate for outside London is calculated using incomes and prices data on a system developed and maintained by the Centre for Research in Social Policy at Loughborough University
- According to charity Barnardo's and over 58 per cent of children who live in poverty in the UK have at least one parent in paid work
- Local authorities such as Preston and Oxford have incorporated living wage clauses within their public sector procurement strategies
- The Living Wage Foundation estimates over 10,000 families have been helped out of working poverty across the UK as a result of a living wage

Council believes:

- Torbay Council has a duty to be a good employer, and live up to the obligation we set ourselves in the Inclusion Charter which affirms our duty to reduce disadvantage and poverty
- The procurement strategy of Torbay Council can influence and encourage behaviour in the private sector, ensuring that our partners uphold the same commitment to equality as we do
- Many people are unaware how many workers employed by Torbay Council are paid below the living wage; according to a Freedom of Information Request to the Council, 125 Torbay Council workers are earning less than the Living Wage
- There is a strong case for exploring the viability and benefits of Torbay Council becoming a living wage employer

Council requests the Mayor:

- To perform an audit of Torbay Council workers to establish how many are currently paid less than the living wage and to break down these findings by gender, ethnicity and disability
- To meet with the Living Wage Foundation, trade unions and other stakeholders to discuss the merits of a living wage

Proposed by Councillor Cowell
Seconded by Councillor Ellery

Torbay council motion: Regional and local public sector pay

Council notes:

- The Chancellor of the Exchequer announced in the 2012 Budget the Government's desire to introduce 'more market facing' public sector pay. This could mean regional or local public sector pay.
- There has been no independent assessment of the impact and consequences this policy could have for public services or the economies of low pay regions.
- The New Economics Foundation believes that regional and local pay could cost the South West economy up to £1.2bn per year and 12,471 jobs
- Up to 20 South West NHS Trusts are using arguments for regional pay to justify exploring reduced pay, terms and conditions for health workers in the South West

Council believes:

- The Government's case is based on the claim that public sector pay is 'crowding out' the private sector. This is not supported by evidence, particularly at a time of high unemployment. There are currently 5 JSA claimants for every job vacancy in Torbay.
- This approach also ignores the real reasons for the differences between public and private sector pay. For instance, there are more high skilled workers in the public sector (such as teachers and nurses), and a smaller pay gap between top and bottom earners and a smaller gender pay gap.
- Public sector employers already have some flexibility to adjust pay in response to local conditions, and higher rates are paid in London and the South East
- All other English regions and devolved nations stand to be affected by this, with the possibility of years of pay falling behind the cost of living.
- Workers in living in Torbay are paid £91 less per week than the British average.
- 65% of public sector workers are female.

Council further believes:

- Regional or local public sector pay would have a harmful effect on the South West of England.
- It will make it harder for schools and other public services to recruit and retain good quality professionals who could earn more for doing the same job elsewhere.
- There are 17,500 public sector workers across Torbay and reducing their real terms pay each and every year will dramatically reduce spending power and have a negative impact on the private sector.
- This policy will not improve the pay of private sector workers but instead could encourage further depression of wages in all sectors.
- We do not want to be forever defined as a 'low pay' region and this policy is therefore counter to our area's vision and ambitions for the future.

Council requests the Mayor:

- To write to the Chancellor of the Exchequer and Chief Secretary to the Treasury stating this council's opposition to plans for regional and localised public sector pay.
- To write to all local MPs outlining concerns about the impact that this policy would have on services and the local economy.
- To sign up to the Pay Fair campaign and raise awareness of the implications and risks of this policy locally, regionally and nationally.

Proposed by Councillor Cowell
Seconded by Councillor Ellery

Affordable Residents Parking Permit Scheme

This council asks the Mayor to request the Executive Lead for Safer Communities & Transport to bring forward proposals for the introduction of an affordable Resident's Parking Permit Scheme that will:

- i) Be valid in any council owned car park
- ii) Have a pay-monthly option, or
- iii) A monthly ticket to be purchased from machines

Council recognises that there is a need to support residents during this tough economic climate and to endeavour to support our town centres.

Proposed by Councillor Cowell
Seconded by Councillor Morey

Agenda Item 8

Appendix 6

Scrap the £50 Annual Car Park Permit for Members

This council considers that with changes to staff terms and conditions and the introduction of the Staff Travel Plan, Council agrees to scrap the £50 annual car park permit for members and adopt the same scheme that is available for staff.

Council also requests the Executive Head Business Services to undertake a review of staff car parking permits, to be set up immediately and particular consideration is given to essential car users and the disparity between low and high salary earners.

Proposed by Councillor Cowell
Seconded by Councillor Morey



Title: **Welfare Reform - New Social Fund Responsibilities**

Public Agenda Item: **Yes**

Wards Affected: **All wards in Torbay**

To: **Council**

On: **27 September 2012**

Key Decision: **Yes: Ref: I009895**

Change to Budget: **Yes**

Change to Policy Framework: **Yes**

Contact Officers: **Linda Owen**

☎ Telephone: **01803 207572**

✉ E.mail: **Linda.owen@torbay.gov.uk**

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

- 1.1 As part of the Welfare Reform Act (2012), the Government is abolishing the current system of discretionary payments from the Social Fund. From April 2013, the support provided to households via Community Care Grants and Crisis Loans for Living Expenses will cease and Local Authorities will receive financial support to enable them to develop and implement “successor models”.
- 1.2 A replacement scheme has been developed by the Council’s Revenues and Benefits service that will provide local welfare assistance for those most in need of emergency provision within the funding transferred by the Department of Work and Pensions. Implementation of the recommendations of this report will enable the Council to continue to provide support to people at local level and deliver the scheme within a cash limited budget.

2. Recommendation(s) for decision

- 2.1 That the transfer of the additional responsibilities to deliver the replacement Social Fund scheme to the Revenues and Benefits service, resulting in; saving administrative costs due to the pooling of resources, consistency in the assessment procedure and a more responsive, integrated service be approved.
- 2.2 That the Council approves an interim scheme in year one as we establish a scheme that promotes the broader objectives of the Council, such as independence and employment.

3. Key points and reasons for recommendations

- 3.1 The Revenues and Benefits service currently manages the Discretionary Housing Payments (DHP) scheme, serving broadly similar client groups to those that claim community care grants, budgeting loans and crisis loans. The DHP scheme has been successfully run by the service since its introduction by the government in 2001 and shares many of the conditions of entitlement with the replacement Social Fund scheme.
- 3.2 The model scheme will require the involvement and buy-in of both Children's and Adult services teams and close links with housing in order to be successful. The Revenues and Benefits service already has close working relationship with these departments as well as voluntary and other independent organisations, such as Hele's Angels, Folks@Home and Shared Lives.
- 3.3 The Revenues and Benefits service has acquired many years experience in designing application forms, where a financial assessment is required and developing publicity material to inform customers of the DHP scheme as well as Housing and Council Tax Benefit changes.
- 3.4 It will be necessary to set up a dispute process to ensure fair and even treatment of all applications. This can be easily modelled on the established Appeals procedure used for the DHP scheme.
- 3.5 The transfer of these responsibilities to the Council presents a number of opportunities that will influence the final policy and scheme design.
 - Council Services – we can ensure applicants receive the appropriate level of support from the welfare system by ensuring that all cases receive an appropriate welfare rights assessment. This will maximise individual's income and potentially act as a means of reducing future demand for some of these payments. In addition, by utilising the skills that already exist in Revenues and Benefits the scheme can be delivered in a more cost effective manner.
 - Voluntary Sector – where applicants are seeking goods (e.g. furniture or domestic appliances) there is the opportunity to source these through organisations such as furniture recycling charities with which it already has operational relationships.
 - Statutory Agencies – the Council is well placed to be able to signpost applicants either to more appropriate sources of assistance, or additional forms of assistance depending upon the circumstances.

All of these opportunities offer something different from the service currently offered by DWP and provide a service which deals sympathetically with individuals in difficult circumstances.

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

**Paul Looby
Executive Head of Finance**

Supporting information

A1. Introduction and history

A1.1 The Social Fund is currently part of the benefits system administered by the Department of Work and Pensions (DWP). The fund consists of a number of different payment streams, some discretionary and some (maternity and funeral grants) mandatory; its primary objective is to act as a means of dealing with immediate hardship or unusual and large one off costs.

The proposed reforms to the welfare system and the introduction of Universal Credit require a reassessment of the operation of the Social Fund. Some elements of the fund such as advances of benefit can be easily accommodated within the Universal Credit system and are inextricably linked with the mainstream benefits system. However, two particular discretionary streams do not easily fit with the mainstream benefits system. These become the responsibility of upper and single tier local authorities from 1st April 2013:

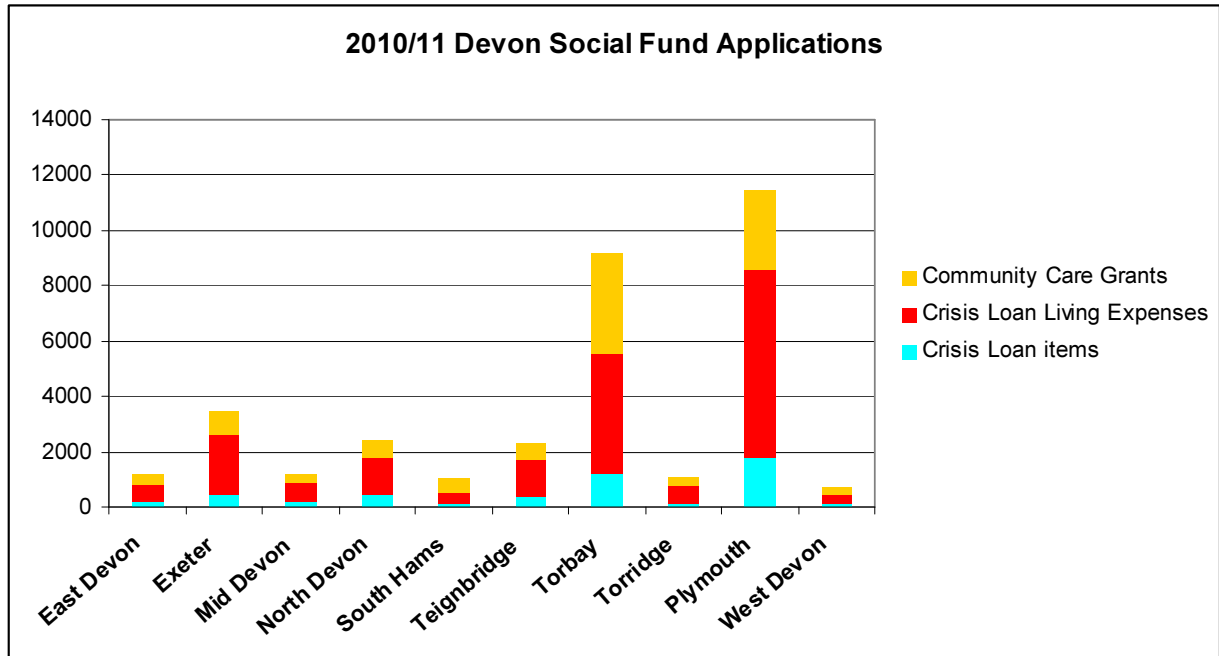
- Community Care Grants, which are payments to enable vulnerable people to live in the community and are, in the current system, conditional upon receipt of a means tested benefit.
- Crisis Loans, which are to meet immediate needs such as general living expenses or items needed after a disaster and entitlement is not dependant upon receipt of a benefit.

The government see a range of synergies with the work of local authority benefit, housing and social care functions which will in many cases already be dealing with the recipients of these payments.

The current system operates through cash limited budgets allocated to local DWP managers and DWP have for some time been exerting downward pressure on the costs of the elements of the scheme that will transfer to local authorities.

Scale of Current Activity

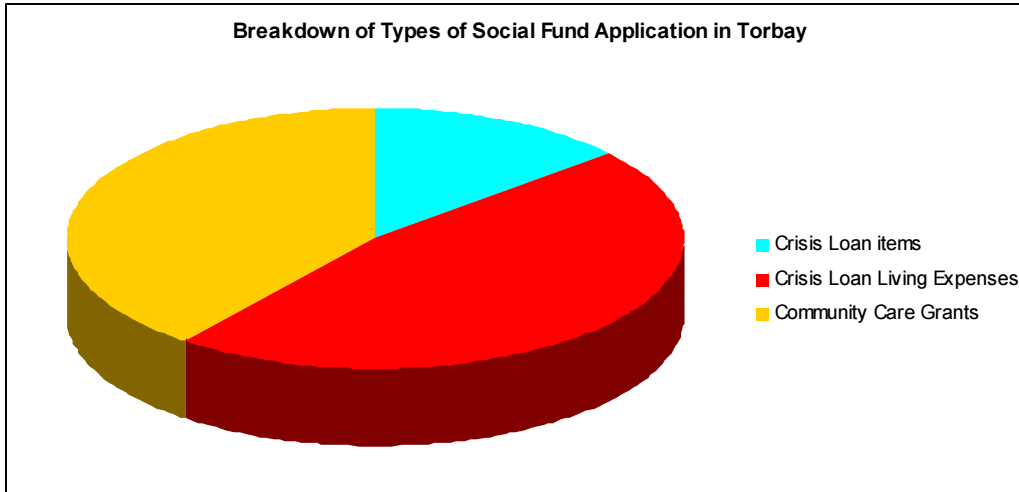
A1.2 DWP have provided data for 2010/11 which indicates the following volumes of activity across Devon:



This amounts to just over 34,000 applications in Devon, which is just over 14% increase on the previous year. The more deprived areas of the county have significantly greater levels of applications than less deprived areas, particularly for crisis payments.

Applicants are from a wide range of backgrounds and circumstances, but a significant proportion are young men with chaotic lifestyles, who are less likely to already be engaged with other services, than for example a family in a crisis situation.

The graph below shows the breakdown of the type of assistance being sought by applicants in Torbay in 2010/11, where 9,160 applications were received with expenditure totaling £635,700.



Overall, there is a requirement to make a large number of relatively small payments to large numbers of individuals; a very significant proportion of whom (single males) may not be in contact with other Council services. Payments must also be made swiftly to avoid situations in which applicants find themselves becoming worse because of delay.

Implications for Torbay Council

A1.3 The Government proposes to give local authorities broad discretion in terms of how to construct a scheme, although it is expected that the new assistance will be aligned with existing council services. However, a major consideration is where the administration of these grants and loans should sit within the authority and how any funding arrangements will work. Government funding of local support will need to cover the costs of set up, on-going administration, appeals, managing referral routes and co-ordinating all available support to residents requiring support.

The DWP have recognised that their administration of the scheme was not to the highest standards and suggests that, in localising the scheme, local authorities do not simply replicate their model.

The Revenues and Benefits Service has been leading a cross-departmental working group to develop a replacement scheme, identify the challenges for delivery and ways in which the stakeholders present can work together within Torbay.

To develop the replacement scheme it has been necessary to consider the following:

Policy – the principles behind the scheme, the decision making process and the process for reviewing decisions. There will need to be consultation on this element with relevant stakeholders and in addition a full equality impact assessment will be required. In order to provide certainty for the other elements of the scheme it is proposed that the Executive Head for Finance

will, in consultation with the Mayor and the Executive Lead for Finance agree the final scheme in January 2013, thus providing a three month period to allow the new service to become properly established prior to the new arrangements coming into force.

Organisation – the organisational arrangements necessary to deliver this service. In particular this will include the means of dealing with applications. Currently the DWP deal with most applications by phone and certainly the most cost effective route for handling the bulk of these transactions would seem to be through building on existing investment in the contact centre. However, this is likely to need additional resource to handle requests for decisions to be reviewed and to deal with applicants with particular needs face to face.

The scheme will be administered within the Revenues and Benefits service alongside the existing discretionary payment scheme, with the aim to have the new service in place no later than February 2013 to ensure staff can be properly trained prior to the new arrangements coming into force.

IT Systems – the database required to record, process and monitor expenditure. A new accounting and information system will be required in order that applicants can receive access to their award promptly and ensure there is consistency in decision making. This is currently being developed by Civica, an established integrated software company that also provides the Revenues and Benefits system as well as a number of other key systems to the Council.

Financial Implications

- A1.4 Funding will be based on the Social Fund spend for the 2012-2013 year and paid to the Council as a fixed grant covering a two year period only. The amount is calculated by taking the legitimate demand for those aspects of the Social Fund being abolished in each LA area and applying it as a percentage of the Department's allocated £178.2 million. For Torbay the indicative allocation is £552,980 in year one and the same in year two.

As the scheme is wholly demand led it has been necessary to include spending controls within the draft policy so that expenditure can be contained within the cash limit transferred from Government.

The DWP will also provide the funding to administer the scheme, which has been calculated at 20% of the transferred programme spend, which is £116,849 in year one and £107,105 for year two.

The set up costs have yet to be finalised, though we are anticipating software costs to be in the region of £10k to £20k, with an ongoing annual maintenance fee of 20% of the initial outlay.

A2. Risk assessment of preferred option

A2.1 Outline of significant key risks

A2.1.1 There are a number of key risks that the Council will need to consider when establishing the new scheme that include:

Failure to adopt a replacement scheme – a draft model has been developed and following consultation and impact assessment with stakeholders the final scheme and policy will need political approval in January 2013.

Failure to deliver IT system on time - Civica is aware of the specification requirements and development is underway. In the event that the software is not available within the required timescale the contingency will consist of manually recording application data and expenditure using standard software packages, such as Microsoft Excel.

The inability to accurately predict demand - It is difficult to predict the real levels of demand in each local authority under the present system – the current data suggest a mismatch between predicted levels of need and expenditure.

Reputational risk from turning people down - The reduced level of funding means that local authorities will inevitably be turning down claimants who would previously have been eligible for support.

Postcode lotteries - An integrated approach is required across Devon authorities to ensure that local connection rules or their absence do not create a situation in which residents who cannot prove a local connection (eg, if they are moving because of domestic violence) become concentrated in those areas which have not imposed such rules.

Dealing with emergencies - It is not yet clear how local authorities would deal with a large scale emergency (eg, riots or floods) which may significantly increase the demand for emergency support.

Out of hours provision - The amount of funding available will determine the level of service which local authorities will be able to provide at the assessment and application stage, although there should be benefits from an integrated assessment process across council departments. However, based on current statistics from the DWP the expectation is that demand will be extremely low, as they have dealt with seven cases from April to August in 2012/2013.

A2.2 Remaining risks

A2.2.1 The primary drivers for the level of social fund demand are economic; the number of people who are on a low income in the Torbay area and the costs they face. However, there are a number of factors that may increase demand on the fund.

- The impact of the Welfare Reform Act, where around 55% of cuts to financial support have not yet adversely affected families
- Changes to disability benefits, where some residents will lose access to contributory employment and support allowance and some will lose support when Personal Independence Payment (PIP) replaces Disability Living Allowance for adults. Around 30% of total Community Care Grant expenditure and 20% of expenditure on Crisis Loans is paid to disabled people.
- The introduction of Universal Credit in October 2013, where any problems may place pressure on discretionary funds and have an impact on demand for the Social Fund. We know that the implementation and IT for universal credit have been carefully planned. Nevertheless, we think that the government needs to make clear contingency plans, and to share these with local authorities well before the initial roll out of universal credit in October 2013.

The only other significant risk is that the replacement scheme is not monitored or reviewed during year one.

A3. Other Options

A3.1 None.

A4. Summary of resource implications

A4.1 To manage this new service additional resource will be required, which has been estimated at 3 FTE's. Job descriptions for these posts are currently being developed and once finalised referred to HR for evaluation.

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

A5.1 The policy proposed by this report is expected to have positive impacts and provide better outcomes for Torbay residents

A6. Consultation and Customer Focus

A6.1 Before final approval a consultation process with stakeholders on the principles of scheme design and delivery will take place. Stakeholders would include, neighbouring councils, advice agencies, local Job Centre Plus Managers, Mental Health Teams, Probation, Hostel Providers, Domestic Violence Organisations, and other key providers such as the YMCA and Salvation Army.

A7. Are there any implications for other Business Units?

A7.1 There would be implications here for Information Services, Children, Schools and Communities, Adult Services and Business Services. All business units mentioned here would be required to contribute to the development and implementation of the replacement scheme and policy.

A8 Appendices

Appendix 1 – Summary update of Welfare Reform
Appendix 2 – Summary update of Torbay economy
Appendix 3 – System Requirements Overview

A9 Background Papers:

A9.1 The following documents were used to compile this report:

1. Welfare Reform Bill – February 2011
2. DWP Social Fund Guide
3. Local Support to Replace Community Care Grants and Crisis Loans
4. Localisation Issues in Welfare Reform
5. Torbay Social Fund Draft Scheme
6. Torbay Business Case to Administer Social Fund
7. Torbay Economic Strategy 2010

Appendices

Appendix 1 – Summary update of Welfare Reform

The main changes to welfare as a result of the Act are:

Universal Credit

The introduction of Universal Credit, with effect from October 2013, which is a single benefit to be paid on a monthly basis that replaces Income Support, income-based Jobseeker's Allowance, income-related Employment and Support Allowance, Housing Benefit, Child Tax Credit, and Working Tax Credit.

Reforming Council Tax Support

The Act replaces centralised support for Council Tax Benefit with a localised support mechanism, with funding coming from un-ringfenced grants paid directly to local authorities. There will be 10% less Government funding available in the localised scheme, which in Torbay equates to an estimated reduction in grant of £1.6m in 2013/14.

Benefit Cap

The Act empowers the government to put a cap on the total benefits to which an individual or couple is entitled. This cap will be introduced in April 2013, and will be set at a working household's average net earnings – currently expected to be £26,000 a year (a maximum of £500 per week) for lone parents and couples with or without children; and around £18,000 a year (a maximum of £350 per week) for single people without children or whose children for whom they have responsibility do not live with them. The cap will apply to the combined income from out of work benefits, Housing Benefit, Child Benefit and Child Tax Credit, Universal Credit from October 2013 and other benefits such as Carer's allowance and Maternity Allowance.

Housing Benefit - Social Sector Size Criteria

Changes to Housing Benefit will require social-sector houses to have a size criterion applied, with any working-age household deemed to be under-occupying their home to have part of their Housing Benefit removed. the maximum applicable rent used for Housing Benefit purposes, will be reduced depending on how many bedrooms the household is considered not to require. If the household has one extra bedroom, rent eligible for Housing Benefit will be reduced by 14%; if the claimant has an additional two bedrooms, benefit will be assessed on 25% of eligible rent.

Employment and Support Allowance

The amount of time that people can receive contribution-based Employment Support Allowance (ESA) will be limited to 365 days for those claimants in a Work Related Activity Group or in the assessment phase.

Disability Benefits

Disability Living Allowance (DLA) is to be replaced for all working-age claimants by a Personal Independence Payment.

Single Fraud Investigation Service

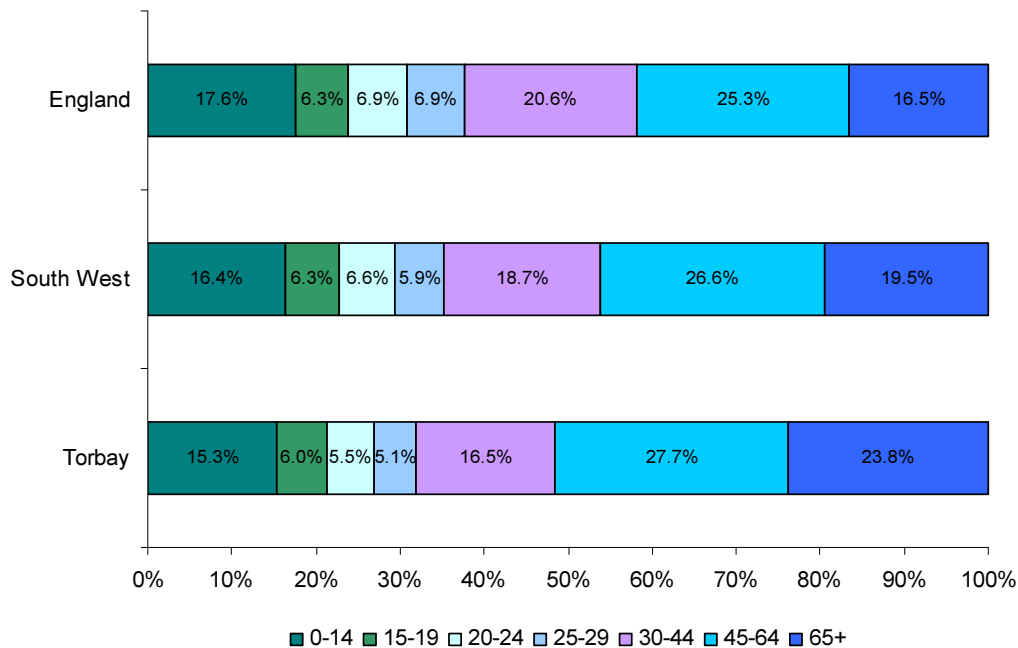
New powers in the Welfare Reform Act will enable joint investigations between DWP, HMRC and local authorities - information supplied by HMRC and DWP may be used for other purposes relating to the administration of Council Tax by billing authorities, for example, to determine whether a person is entitled to an existing council tax discount. To support this a Single Fraud Investigation Service, comprising of resources from the three organisations, will be formed from April 2013

Appendix 2 – Summary update of Torbay economy

Demography & Geography

The population of Torbay is currently 134,300 people, with 52% aged 45 and over. This is significantly above the national (42%) and regional (46%) averages and has an impact on income levels.

Age breakdown



Productivity

The value of goods and services produced (Gross Value Added level) in Torbay is £12,589 per head, which is the 4th lowest in England and only 61% of the UK average. It is worth noting that this headline figure does not take into account commuting, or the impact the Bay's large older population has on productivity.

A more reflective calculation which factors this in is the value of goods and services produced per hour worked. Under this measure Torbay comes in 76% of the UK average, which although an improvement still ranks the Bay's productivity as 4th lowest in England.

Sectoral Reliance

The Torbay economy is heavy reliant on tourism and the public sector for employment. This makes the area particularly vulnerable to current public sector cuts, as well as making employment seasonal. It is also a contributing factor to the below average productivity levels.

Wage Levels

Heavy sectoral reliance on generally low paid sectors such as retail and hospitality is a contributing factor to wage levels in Torbay being the second lowest in the Country, averaging at only £370 per week.

Worklessness

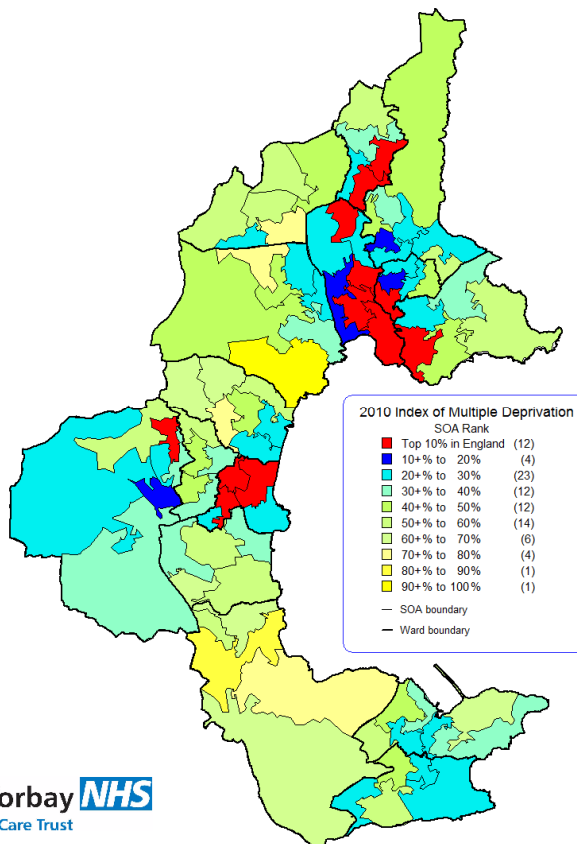
Unemployment and benefit claimant levels in Torbay are a significantly above average. In August 2011 4.2% of working age adults in Torbay were claiming job seekers allowance, compared to 2.6% in the South West and 3.8% in England. 9% of those claimants are aged between 18-24.

In total nearly 20% (as of Feb 2011) of working age adults in Torbay are claiming key out of work benefits. 9% of those are claiming employment support allowance, meaning this remains a key issue to address.

Deprivation

Although located in a rural county Torbay suffers from many of the deprivation problems normally associated with big cities. The indices of deprivation (2010) map set out below also highlights the inequalities between different wards in the Bay.

THE ENGLISH INDICES OF DEPRIVATION 2010 RANK OF INDEX OF MULTIPLE DEPRIVATION



Source: Department for Communities and Local Government

An estimated 21,000 (15%) residents live in areas considered in the top 10% most deprived in England, compared to an estimated 15,500 (11%) in 2007.

It appears that the populations in Torbay mostly living in areas in the top 10% most deprived in England are young families. 1 in 5 of Torbay's 20 to 29 population live in areas in the top 10% most deprived in England.

Appendix 3 – System Requirements Overview

The overriding factor is flexibility to cater for different ways in which authorities may wish to operate their local schemes, coupled with the fact that no authority as yet has properly determined what type of scheme/s are going to be operated.

General Scheme Types

The module will need to be capable of being run in a stand-alone state so be capable of being used by local authorities who do not currently have the OPENRevenues product. This configuration will utilise existing aspects of the system, such as functions, security, audit, person, place etc., the new Welfare Assistance module, with potential links to items such as payment processing, creditors as necessary.

Claims

For each claim there will be a place reference which will in the majority of cases be within the LA boundary and occasionally outside the area where the claimant is being housed elsewhere but maintains responsibility for the claimant. This equates to the current use of internal and external core property records.

Each claim will be recorded separately with a unique reference or application number and the claim will have a top level claim type that will equate to Award, Loan, Discretionary Housing Payment, Council Tax Support etc.

Claim Process

LA's expressed a desire to have electronic claim forms that could be available via the Internet for self service or used by third parties for assisted service. Due to the nature of the customers there will be a need to have paper forms as well.

Notification Letters

Notifications to claimants will utilise Microsoft Word mail merge templates which will be held in the system parameter table.

Financial Controls

Financial controls will be similar to the current Discretionary Housing Payments controls where there will be a headline budget figure and commitments as awards are made.

Management Information Requirements

A range of management information, control reports and performance monitoring will be required.

Appeals

There will be the requirement for an appeals element to the module where appeals can be recorded and monitored for responses and outcomes. Management statistics from appeals cover total number, subject of appeal, reasons for appeal, appeal outcome and time taken to respond.



Title: **Capital Budget Monitoring 2012/13 (1st Quarter)**

Wards Affected: **All Wards in Torbay**

To: **Council** On: **27 September 2012**

Contact Officer: **Martin Phillips**
Telephone: **(01803) 207285**
E.mail: Martin.phillips@torbay.gov.uk

1. What we are trying to achieve

- 1.1 This report is an overview of the Council's approved Capital Investment Plan for the quarter ending June 2012. The report provides details of expenditure and funding of service and community assets within the Council's approved Capital Investment Plan and is a key element of meeting the Council's aims and objectives.

2. Recommendation(s) for decision

- 2.1 That Council notes the latest position on the Capital Investment Plan
- 2.2 That Council approve an allocation of £0.250m for the purchase of replacement Council use vehicles. Approval of individual vehicle asset purchases to be delegated to the Director of Place and Resources, in consultation with Chief Finance Officer and the Asset Super Client officer.
- 2.3 That Council approve that the Council's Chief Finance Officer, in consultation with the Executive Lead for Finance, is authorised to agree loans to linked organisations, (such as academy schools, housing associations, Council associate and subsidiary companies).

3. Key points and reasons for recommendations

- 3.1 This report incorporates the 4-year Capital Plan Budget for 2012/13 – 2015/16 approved by Council in February 2012, adjusted for re profiling arising in 2011/12 and amended by any further revision to both projects and timing in 2012/13.
- 3.2 The overall funding position of the 4-year Capital Plan Budget of £67.4 million, covering the period 2012/13 – 2015/16, is in balance but still relies upon the generation of £5 million of capital receipts before the end of the current Plan period. Of this sum £0.3 million has been received by 30 June 2012, leaving a balance of £4.7 million to be realised.
- 3.3 Of the total £67.4 million of the 4 year programme, £29.5 million is currently scheduled to be spent in 2012/13.

- 3.4 It should be noted that re profiling can be the result of valid project management reasons such as scheme re engineering, further consultation and clarification with users or detailed tendering.
- 3.5 The format of the quarterly monitoring report and the annex has been revised to reflect the revised management arrangements for the Capital Investment Plan as approved by Council in February 2012. Capital expenditure is now presented in line with the relevant funding and approval process. The categories are:
- a) "Old Funding Regime" – this relates to the schemes in the Capital Investment Plan that were allocated to services from capital funding that originated in 2011/12 and earlier financial years.
 - b) "New" Funding Regime - this relates to schemes that are to be funded from the £31.4m identified in the 2012/13 Capital Investment Plan for 2012/13-2015/16. Approval of schemes within this allocation was delegated to the Chief Executive.
 - c) "New" Ring fenced funding – this relates to schemes approved from 2012/13 onwards where the funding source is ring fenced to a particular scheme.
 - d) Schemes funded from Prudential Borrowing
 - e) General Capital Contingency

Inevitably there will be some overlap between the categories but this will reduce in the future as "old" schemes are completed.

- 3.6 The Annual Capital Investment Plan review report (Council 1 Feb 2012) identified potential capital resources of £31.4million over the Plan period and indicated provisional allocations by type of works such as infrastructure. Since then, services have presented detailed business cases for schemes they wish to pursue and the Chief Executive has now approved budgets of around £18 million for a number of specific schemes. Details of these schemes are shown at Paragraph A2.6 in this report.
- 3.7 The Capital Investment Plan as at quarter one shows the approved schemes to the extent that funding has been received or confirmed. Where the value of the approved schemes exceeds the known funding, temporary prudential borrowing has been used pending the future receipt of funds, at which point the funding will be swapped. However if funding is not realised then the Capital Investment Plan will have to be reduced accordingly or alternative sources of funding allocated such as prudential borrowing.

3.8 Movements in 2012/13 Estimated expenditure

3.9 The movements in the estimate of expenditure in 2012/13 on the Capital Investment Plan between the estimate at February 2012 of £20.2m and the current approved budget for 2012/13 of £29.5m, split by the categories of funding, are as follows:

Scheme	Variation in 2012/13	Change £m	Reason
Estimate as at Budget Setting – February 2012		20.2	Capital Investment Plan 2012/13 (Report 1 Feb 2012)
2011/12 Qtr 3 & Qtr 4 changes	Re phasing and additional resources	6.9	Budget movements during 2011/12 Q3 & Q4 (changes reported after budget set in Feb 12)
Schemes brought forward from 2011/12 to 2012/13	Re profile from 2011/12	3.8	See 2011/12 Capital Outturn Report (Council 12 th July 2012)
		30.9	
“Old” Funding Regime”			
New Growth Points:			
Land Acquisitions	Re profiling to 2013/14	(0.7)	No scheme at present as use of funds is under review
Innovation Centre	Re profiling to 2013/14	(0.5)	Proposed scheme at White Rock not yet approved
Childrens’ projects	Re profile to future years	(2.9)	Primarily changes to profile of major scheme at Barton Primary School
Affordable Housing	Re profile to future years	(1.4)	Re phasing to match development needs
Social Care	Allocation to support costs of vacating Union House	(0.4)	Union House occupied by social services staff since 1998.
		(5.9)	
“New” Funding Regime			
Schemes approved by Chief Executive under delegated powers	Funding above original estimate	0.6	Basic Need grant for schools
	Increase in budget	15.8	See para A2.1 of this Report for details
	Phased to future yrs	(12.1)	
Torre Abbey Phase 2	Re profile to future years	(1.0)	Latest estimate of spend from project manager
Princess Pier	Re profile to future years	(1.4)	Scheme not yet confirmed by Env. Agency
Affordable Housing	Funds received in 12/13 in Qtr 1	0.1	Funds to support Affordable Housing allocation in Plan

	Phased to future years	(0.1)	
		1.9	
“New” Ring fenced funding			
Local Sustainable Transport Fund Grant	Increase budget	0.8	New DfT grant allocation
	Add S106 & LTP contributions	0.2	Part match funding
Better Bus Areas	New DfT allocation	0.5	New DfT grant allocation
Torbay Leisure Centre	Structural repairs to Leisure Centre	0.5	Advance of budgeted repair allocation to Leisure Centre
Devolved Formula Capital	Re profiling to 2013/14	(0.5)	Based on historic patterns of spend
Telephony System	New scheme	0.2	Funded from earmarked reserve
		1.7	
Prudential Borrowing			
Princes Promenade	Re profile to current year	2.2	Works estimated to be completed in 12/13
Council Vehicles	Extension to scheme	0.3	Provision for the replacement of Council vehicles
Office Rationalisation Project	Reduction in capital costs of project	(0.4)	Latest estimate of capital spend on scheme
South Devon Link Road	Re profile to 2013/14	(0.7)	Revised estimates from DCC
		1.4	
General Capital Contingency			
General Contingency	Re profile to later years	(0.5)	Review of likely requirements
Estimate – Quarter One 2012/13		29.5	

3.10 The Council is approached occasionally to lend money to “linked” organisations. In addition the Council has a number of cash advances to schools that have now become Academy schools; therefore the advance has now become an external loan. It is recommended that Council approve that the Council’s Chief Finance Officer, in consultation with the Executive Lead for Finance, be authorised to agree any loans to linked organisations, such as academy schools, housing associations or Council associate and subsidiary companies, including any retrospective approvals required in relation to Academy loans. These will be “funded” from the Council’s internal cash resources. The Chief Finance Officer to agree appropriate terms; such as rate of interest, security and loan repayments.

3.11 In February 2012 the Chief Executive approved a loan to the Torbay Economic Development Company of up to £0.6m to enable the Company to acquire Cockington Car park and toilets. The company has now purchased the land but, due to its own cash flow forecasts, has not yet requested the payment of funds.

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

Paul Looby
Executive Head - Finance (S151 Officer)

Appendices

Appendix 1 Supporting Information to Capital Budget Monitoring

Annex 1 Capital Investment Plan Budget 2012/13 - 2015/16 (July 2012)

Capital Investment Plan Budget Monitoring Statement – 1st Quarter 2012/13

A1. Introduction and history

- A1.1 The Council approved the original 4-year Capital Investment Plan Budget for the period 2012/13 – 2015/16 in February 2012. This plan has been subsequently adjusted for re profiling arising in 2011/12 of £3.8 million, (Capital Outturn Report Council 12th July – agenda item 12 refers), and amended by any further revision to both projects and timing, resulting in the latest revision attached to Annex 1. The Plan totals £67.4 million over the 4 year period of which £29.5 million relates to 2012/13.
- A1.2 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.
- A1.3 Expenditure to the end of this first quarter was £1.8 million with a further £4.2m of commitments on the Council's finance system. The expenditure of £1.8m is 6% of the latest budget for 2012/13. This compares with £3.1 million (or 14% of outturn) for the 1st quarter last year.

	2009/10 £m - (%)	2010/11 £m - (%)	2011/12 £m - (%)	2012/13 £m - (%)
Quarter One	8 - 16%	10 - 23%	3 - 14%	2 – 6%
Quarter Two	11 – 22%	13 - 30%	7- 32%	X
Quarter Three	13 – 27%	9 - 21%	5 - 22%	X
Quarter Four	17 – 35%	11 - 26%	7- 32%	X
Total In Year	49	43	22	30

A2. Main Variations & Management Action

2.1 “New” Funding Regime

2.2 As part of the approval of the Capital Investment Plan by Council – February 8th 2012 the following was approved:

2.3 *“That the approval of specific capital schemes in the Capital Investment Plan 2012/13 to 2015/16 be delegated to the Chief Executive in consultation with the Mayor, Executive Lead for Finance and Chief Finance Officer”*

2.4 An estimate of £31.4m of funds was identified in the Capital Investment Plan for the four years of the Plan, which was provisionally allocated to a number of “priority” areas. In a number of services, requests have now been submitted for funding which has been approved by the Chief Executive in line with the Council delegated approval. Funding adjustments have been made as appropriate to the four year estimate of funding including an additional allocation by Central Government in 2012/13 for Schools basic need. A summary of allocations is shown in the table below:

Scheme	Allocation Council Feb 12 £m	Allocated Council Feb 12 £m	Allocated In Q1 2012/13 £m	Total Un allocated £m
	(Revised)			
Employment Schemes – such as Riviera Centre investment	2.0	0	0.1	1.9
Torre Abbey – Council maximum funding pending English Heritage Grant and other income.	2.0	2.0	0	0
Princess Pier Structural Repairs – Council match funding to a bid for to the Environment Agency	1.4	1.4	0	0
Grants for both Disabled Facilities and Childrens Adaptations	3.2	0	0.8	2.4
Affordable Housing (linked to S106 funding)	2.0	0	0	2.0
Provision for Infrastructure Works	2.0	0	1.0	1.0
Potential Capitalisation of redundancy costs for budget reductions in 2013/14 & 2014/15	1.0	0	0	1.0
Improving Leisure Facilities	1.2	0	0.5	0.7
Schools – Basic Need (including school places) and capital repairs	9.6	0	9.4	0.2
Transport – Structural Repairs and Integrated Transport	6.2	0	6.1	0.1
Adult Social Care	1.0	0	0.1	0.9
Total Schemes	31.6	3.4	18.0	10.2

2.5 The Capital Investment Plan as at quarter one shows the approved schemes (the £3.4m and £18.0m above) to the extent that funding has been received or confirmed. Where the value of the approved schemes exceeds the known funding, temporary prudential borrowing has been used pending the future receipt of funds, at which point the funding will be swapped. However if funding is not realised then the Capital Investment Plan will have to be reduced accordingly or alternative sources of funding allocated such as prudential borrowing.

2.6 Details of schemes approved by the Chief Executive from the four year capital allocation to date are as follows:

Scheme	Budget Approved £m	Details
Mayfield Special School	1.000	Expansion to provide extra school places
Cockington Primary School	3.500	Expansion to provide extra school places
Warberry Primary School	1.700	Expansion to provide extra school places
Ellacombe Primary school	0.600	Expansion to provide extra school places
Roselands Primary School	0.500	Expansion to provide extra school places
Schools Capital repairs	0.550	Provision for capital repair works
Schools Access	0.050	To improve access facilities around schools
Torre CoE Primary	1.450	Expansion to provide extra school places
Disabled Facilities grants	0.778	One year allocation of DFG grant funding
Livermead Sea Wall	0.352	Repair voids and storm damage to sea wall
Hollacombe CRC	0.060	Accommodation works to improve facilities
SWIM Torquay	0.450	Works to preserve swimming facilities
Torquay Gateway	0.100	Landscaping and improvements at gateway
Local Transport schemes	5.840	To promote various transport initiatives
Transport Western Corridor	0.250	Improvements to road net work
Flood Defence schemes	0.605	Potential Council contributions to fund several flood defence schemes
Riviera Centre	0.138	Contribution to Capital works at Centre
Total	17.923	

2.7 A number of school based projects have been approved (see below) which address the immediate concerns of providing additional pupil places for Primary School aged pupils. The Council remains responsible for the provision of school places (basic need) in its area and this can be met by improvements to both Council schools and Academy Schools.

2.8 The expansion is centred at Cockington, Ellacombe, Torre, Warberry and Roselands Primary Schools and Mayfield Special School. These schemes will be developed during this financial year and subsequent years of the Plan.

2.9 Mayfield Special School

Chief Executive has agreed to approve £1.0m to expand the number of pupil places at Mayfield Special School to accommodate rising numbers of pupils. The total project is £1.4m of which £0.4m relates to funding received prior to 2012/13. To be funded from the schools allocation in the Capital Investment Plan. Work due to start in 2012/13.

2.10 Cockington Primary School

Chief Executive has agreed to approve £3.5m to provide a new school hall and additional play space at Cockington Primary School linked to rising numbers of pupils. To be funded from the schools allocation in the Capital Investment Plan

2.11 Warberry Primary School

Chief Executive has agreed to approve £1.7m to expand the number of pupil places at Warberry Primary School with a four class extension to accommodate rising numbers of pupils. To be funded from the schools allocation in the Capital Investment Plan. Work due to start in 2012/13.

2.12 Ellacombe Primary school

Chief Executive has agreed to approve £0.6m to expand the number of pupil places at Ellacombe Primary School with at least one new classroom to accommodate rising numbers of pupils. To be funded from the schools allocation in the Capital Investment Plan.

2.13 Roselands Primary School

Chief Executive has agreed to approve £0.5m to provide a mobile classroom at Roselands Primary School and a permanent classroom and a hard play area linked to rising numbers of pupils. To be funded from the schools allocation in the Capital Investment Plan. Work due to start 2012/13.

2.14 Schools Capital repairs

Chief Executive has agreed to approve £0.550m to support capital repair and maintenance works over the next four years for Council schools. To be funded from the schools allocation in the Capital Investment Plan

2.15 Schools Access

Chief Executive has agreed to approve £0.050m to support schools access works over the next four years for Council schools. To be funded from the schools allocation in the Capital Investment Plan

2.16 Torre CofE Primary

Chief Executive has agreed to approve £1.450m to expand the number of pupil places at Torre Primary School. To be funded from the schools allocation in the Capital Investment Plan

2.17 Disabled Facilities Grants

Chief Executive has agreed to approve £0.778m as a one year allocation to support the payment of Disabled Facilities Grants. To be funded from the disabled facilities grant allocation in the Capital Investment Plan

2.18 Livermead Sea Wall

Chief Executive has agreed to approve £0.352m to support structural repairs to Livermead sea wall as the rock armour has failed as a result of recent easterly storms resulting in a number of voids. Emergency works were undertaken on the site which revealed a number of further voids that need to be repaired. It is likely

that an Environment Agency grant will be available to offset over 50% of these costs, this, however has yet to be confirmed.

2.19 Hollacombe Community Resource Centre

The Chief Executive has agreed to provide £0.060m of grant funding the Torbay and South Devon Provider NHS Trust to undertake conversion works at the Hollacombe facility following the closure of Fairwinds and the relocation of services.

2.20 SWIM Torquay

The Chief Executive has agreed to provide grant funding to Swim Torquay of £0.450m. This sum combined with a Sport England Grant of £0.150m will enable significant refurbishment to the structure and plant at the pool to ensure the future of the swimming pool. The funding is from the allocation for improving leisure facilities in the Capital Investment Plan

2.21 Torquay Gateway

Chief Executive has agreed to approve £0.1m from the infrastructure allocation within the Capital Investment Plan. This is a request from the Mayor to provide a positive welcome to the Bay for motorists arriving at Kerswell Gardens and Riviera Way. Improvements will include new verges, palm trees and visual attractions.

2.22 Local Transport Schemes

The Chief Executive has agreed to allocate £5.840m to support schemes over the next four years as part of the Local Transport Plan that was presented to the Transport Working party. The funding has been allocated from the allocation for Transport in the Capital Investment Plan

The approved allocations to various Transport activities are shown in the table below. Further details can be found in the council's approved Local Transport Plan available on the Council's website

<http://www.torbay.gov.uk/implementation-plan.pdf>

Highway Structural Maintenance	£3,360,000
Fleet Street Re-development	£1,200,000
Transport Action Zones	£200,000
Hele Village Traffic Improvements	£45,000
Minor Congestion Relief	£150,000
Road Safety	£280,000
Walking & Cycling	£305,000
Public Transport Infrastructure	£40,000
Integrated Transport Schemes	£120,000
Smart Cards & Ticketing	£20,000
Highways Signage	£80,000
New Rail Station at Edginswell	£20,000
Infrastructure for the disabled	£20,000

TOTAL	£5,840,000
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2.23 Transport – Western Corridor

£0.250m has been allocated to transport primarily to undertake works associated with the Western Corridor improvements. The works to be funded from unallocated 2011/12 Department of Transport grant (£0.150m) and from New Growths Point grant (£0.100m).

2.24 Flood Defence schemes

The Environment Agency has released its four year capital plan which identifies support for a number of schemes within Torbay with a total value of £14m. A number of these schemes will require a contribution from the Council. Although none of the schemes have been confirmed it is considered appropriate to earmark a further £0.6m from the infrastructure allocation within the capital investment plan to match fund these schemes if confirmed. The schemes include work to Haldon and Princess Pier which the Council has already identified a sum of £1.4m to support.

2.25 Riviera Centre

Chief Executive has agreed to approve £0.138m from the Employment issues allocation within the Capital Investment Plan. This is a request from the Riviera Centre for the first phase of refurbishment works to the Centre. The works to include fenestration works to the pool and bring the forum balconies back into use.

2.26 Affordable Housing

The Capital Investment Plan estimated that over four years funding related to affordable housing to the value of £2m would be received with funds only being added to the Capital Investment Plan when the funds were received. In the first quarter 2012/13 £0.145, of right to buy receipts were received and have, in line with the Council's Capital Strategy, been allocated to housing. These have been added to the Capital Investment Plan but have not yet been allocated to specific schemes.

2.27 Place & Resources

£1.4m in relating to Princess Pier structural works has been re profiled into future years as the Environment Agency have yet to confirm support for this scheme.

£1.0m in relation to the Torre Abbey Phase 2 project has been re profiled to 2013/14 based on the latest estimate from the project manager.

2.28 "Old Funding Regime"

2.29 Grants to Housing Providers

There have been some minor adjustments of the level of Council support required to some housing schemes being progressed by Registered Social Landlords. These changes are adjusted with the remaining unallocated budget

so there is no overall impact on the programme from these adjustments. Some funding earmarked for Hayes Road has been released back to be reallocated whilst a potential scheme in Rock Road, Torquay has not proved viable.

New schemes at Former Royal Standard in Hele, Preston Down Road, Paignton and the former B&Q site in Torre have been introduced funded from resources received prior to 2012/13.

The B&Q site at Torre is a major scheme being undertaken by the Council with a Housing Association with support from the Homes and Communities Agency. The exact design on the scheme is to be confirmed but is likely to be either a mixed development including housing and a GP Surgery and Pharmacy, the other a residential scheme. Both schemes will include a level of affordable housing. The total value of this scheme is approx £3.4m of which the Council support is £0.858m and is expected to start in 2013/14..

2.30 Children's, Schools, and Families

In relation to the Barton Primary School Project, £2.6m has been re profiled as a result of on-going delays with agreeing a re-design that fits within the budget available and still meets end user requirements. There are also small amounts of re profiling on Curledge Street, Preston & Mayfield which reflects retentions.

£0.4m for Children's Centres has been re profiled into future years based on no confirmed plans for the Centres.

2.31 Place and Resources

£0.7m of New Growth Points Grant in relation to Land Acquisitions has been re profiled to future years as potential uses of this grant is being reviewed.

£0.5m of New Growth Points Grant in relation to Innovation Centres has been re profiled into future years as, although Council in May 2012 approved a scheme in principal, at present no business case has been submitted and European funding has not been confirmed therefore work on the scheme is unlikely to happen in 2012/13.

2.32 **"New" Ring fenced funding**

2.33 Local Sustainable Transport Fund Grant

The Council has been awarded a total of £2.8m from the Department of Transport to support the development of a ferry service across the Bay including £1.250m of capital grant to develop pontoons and a cycleway. The capital costs will be supported by the use of £0.150m of S106 funds linked to sustainable transport and £0.090m from the approved funds from the Local Transport Plan. Although this grant is un ringfenced as it was the result of a bid process it has been allocated in line with the bid.

A copy of the Council's successful bid is available on the Council's website:

<http://www.torbay.gov.uk/lstfbid.pdf>

2.34 Better Bus Areas Grant

The Council has been awarded a total of £0.515m from the Department of Transport to introduce a package of Real Time Passenger Information for all bus services in Torbay, together with some supporting measures to aid bus punctuality. Although this grant is unringfenced as it was the result of a bid process it has been allocated in line with the bid.

A copy of the Council's successful bid is available on the Council's website:

<http://www.torbay.gov.uk/bbaapplication.pdf>

2.35 Torbay Leisure Centre

Legal agreement is expected to be reached with Parkwood Leisure, the operator of Clennon Valley Leisure Centre to provide a capital grant of £0.544m to undertake urgent works at the centre in relation to the sports hall roof, swimming pool sky lights and pool air handling. This grant is to be funded by deducting from the contract fee to Parkwood the agreed repair element for the next 6 1/2 years which will be used to fund the capital grant as a "revenue contribution to capital".

2.36 Schools' Devolved Formula Capital

£0.5m for schools Devolved Formula Capital have been re profiled into future years based on historic patterns of spend for the schools grants.

2.37 Corporate Telephony Solution

The IT Replacement Reserve is to be used to fund £0.205m of purchases in relation to the introduction of a new Corporate Telephony System – a Voice Over Internet Protocol (VOIP) system. This will link to the ORP project and enable greater flexibility in location of handsets, reduce need for cabling and should result in lower maintenance and lower call charges.

2.38 **Schemes funded from Prudential Borrowing**

2.39 Replacement Council Use vehicles

The Council has to replace certain vehicles used for Council activities such as school buses or fork lift trucks. These assets are outside the contract with TOR2. It is recommended that Council approve an allocation of £0.250m for the purchase of these replacement Council use vehicles. Funding to be prudential borrowing unless, service specific resources such as reserves or other revenue contributions, can be used. Approval of individual asset purchases to be delegated to the Director of Place and Resources in consultation with Chief Finance officer and the Asset Super Client officer.

2.40 South Devon Link Road

Following Government confirmation of funding towards this scheme, our partners Devon County Council have provided revised schedule of works which indicate

that for the current year Torbay's contribution is now expected to be £2.1 million, a reduction of £0.7 million which has been moved to 2013/14.

2.41 Office Rationalisation Project

Progress on this project is continuing with works being undertaken to Torquay Town Hall and Electric House to enable the vacation of Roebuck House by March 2013. Agreement has been made with the landlord of Union House for a settlement figure for dilapidations. As Union House has been used to accommodate social services staff the unallocated "un ring" fenced 2011/12 social services capital grant of £0.5m will be allocated to this project which will reduce the level of prudential borrowing required therefore reducing revenue costs in future years.

2.42 Innovation Centre

Council in May 2012 approved, in principal, the use of £0.5m of new growth points capital grant (see para 2.31) and £2.0m of prudential borrowing to support a bid for funding for an innovation centre subject to a detailed business case and a letter of support from the board of the Economic Development Company. At the time of writing this report the business case and letter have not been presented, therefore the scheme has not, at this stage, been added to the Capital Investment Plan.

2.43 Community Fund

The development of a Community Fund of £0.250m per annum for grassroots infrastructure projects was a recommendation to the 2011/12 Capital Plan and subsequently referred to in the 2012/13 Capital Investment Plan (paragraph A3.4)

Report 36/2011 "That the Chief Finance Officer be requested to work with Council Officers to develop a scheme to start in April 2012 as part of the Capital Plan for a Community Fund of £250,000 a year. The Chief Finance Officer is tasked to identify options to fund this scheme. This fund should allow communities across Torbay to place bids for grassroots infrastructure projects. Officers should ensure that the scheme is developed to be open and transparent."

In relation to the overall funding available for the Council's approved Capital Investment Plan, a specific commitment at this time to this Fund would not be appropriate. However any capital bids for funding from any community groups, such as the recent request in relation to Swim Torquay, will be considered as part of the Councils' prioritisation of capital resources as set out in paragraph 2.4 above.

A3. Income Monitoring

A3.1 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:

	2012/13	2013/14	2014/15	2015/16	Total 12/13 Q1	Potential Funds	Total Funds 4 yrs
	A	B	C	D	E	F	G
Funding	£m	£m	£m	£m	£m	£m	£m
Supported Borrowing	1	0	0	0	1	0	1
Unsupported Borrowing	9	6	5	11	31	(9)	22
Grants	17	10	4	0	31	11	42
Contributions	0	1	0	0	1	5	6
Reserves	1	0	0	0	1	0	1
Revenue	0	0	0	0	0	0	0
Capital Receipts	1	1	0	0	2	3	5
Total	29	18	9	11	67	10	77

Notes to Table:

Column E –reflects the Capital Investment Plan as at quarter one 2012/13 and shows the approved schemes to the extent that funding has been received or confirmed. Where the value of the approved schemes exceeds the known funding, temporary prudential borrowing has been used pending the future receipt of funds, at which point the funding will be swapped.

Column F – reflects the balance on the 2012/13 four year Capital Investment Plan that has not yet been allocated and the expected funding sources. When funding is confirmed the use of temporary prudential borrowing will be reversed.

A3.2 Capital Receipts

The Council has received £0.350m capital receipts in the year to date with a few other disposals “in the pipeline”. All previous receipts had been utilised to fund capital expenditure in 2011/12 so the balance of receipts at the start of the year was nil, which leaves a target of £2.3 million over the four years of the Capital Investment Plan.

However the anticipated total resources of £31.4 million used at the Annual Review of the Capital Investment Plan included an assumption of a further £3 million from potential capital receipts; therefore the total target for capital receipts is £4.7 million by 2015/16.

The Council has received some Right to Buy Clawback receipts from Sanctuary Housing Association arising from sales of former Council houses in 2011/12. In accordance with the Council’s Capital Strategy these resources have been allocated to Affordable Housing capital projects so that £0.145m has been added to the Capital Investment Plan to be allocated to appropriate housing schemes.

It is still anticipated that successful marketing of the earmarked sites and the remaining assets on the approved disposal list will eventually generate sufficient receipts to meet the overall sales target. The Council’s Asset Rationalisation Board encourages services to identify surplus assets for disposal and to generate resources to fund investment in the remaining assets.

The Community Asset Transfer Strategy means that some assets which previously would have been sold are now transferred to Community groups, thereby reducing the amount of achievable capital receipts

A3.3 S106 Contributions and Community Infrastructure levy

The Capital investment plan approved by Council estimated the receipt of £2m S106 contributions and £3m of funds from the Community Infrastructure levy (CIL). At this stage there is an element of risk over these funds as linked to the economic conditions the level of s106 funds has continued to reduce with no short term improvement expected. In addition the Council is unlikely to agree a Community Infrastructure Levy scheme until 2014, later than originally anticipated which will impact on the level of income. The risk to S106 income is mitigated as the funds will not be added to the Capital Investment Plan until the funds are received. CIL income was assumed from 2013/14 which may not be achievable if the scheme implementation is delayed.

In quarter one 2012/13, invoices to a total of £0.277m from S106 income for capital purposes were raised.

A3.4 Grants

Unringfenced Grants

Since the Capital plan was approved by Council in February 2012 the following unringfenced grants have been received and allocated to support the estimated allocation of capital funds over four years of the capital investment plan.

- a) a capital grant of £0.778 million for Disabled Facilities Grants.
- b) A capital grant of £0.629 million for schools basic need

Ringfenced Grants (or grants treated as ring fenced due to bid process)

- a) a capital grant of £1.250m for the Local Sustainable Travel Fund Ferry Bid
- b) a capital grant for £0.515m for Better Bus Areas.

A4. Prudential Indicators

A4.1 The Council set its Prudential Indicators and monitoring arrangements for affordable borrowing in February 2012. The Authorised Limit for External Debt including long term liabilities (the maximum borrowing the Council can legally undertake) and the Operational Boundary (the day-to-day limit for cash management purpose) are monitored on a daily basis by the Executive Head-Finance and reported to this Board quarterly.

A4.2 The limits are as follows

• Authorised Limit	£192 m
• Operational Boundary	£173 m

External Debt, and long term liabilities, such as the PFI liability, as at end of June 2012 was £163 million. No borrowing, or repayment of borrowing, was undertaken during the first quarter of 2012/13. The current level of debt is within the Operational Boundary and the Authorised Limit set for the year. No management action has been required during the quarter.

A4.3 The Council's capital expenditure has an overall positive impact on the Council's Balance Sheet. The majority of expenditure in the Capital Investment Plan is on the Council's own assets which will therefore increase the value attached to the Council's fixed assets. This also applies to investment in assets funded from borrowing where the increase in asset value will exceed any increase in the Council's long term liabilities. As at 31 March 2012 the Council's Non Current Assets were valued at over £320 million. (Note when Council schools transfer to Academy status the value of the asset is removed from the Council's balance sheet, however the Council remains liable for any outstanding borrowing or other long term liability in relation to the asset being transferred).

A5. Outline of significant key risks

That capital receipts and other capital contributions such as S106 and Community Infrastructure levy will be not be generated to support the plan.

The contingency is approximately 1.6% of total planned expenditure on a total programme of £67 million. There could be inflationary cost pressures on the programme thus increasing expenditure.

A6. Other Options

Council could consider reducing the Capital Investment Plan to reflect any potential reduction in capital receipts or other capital resources

A7. Summary of resource implications

Resources implications are outlined in the report with a summary of funding in paragraph A3.1.

Schemes funded from prudential borrowing have a revenue impact until the borrowing is "repaid". Unless the scheme is an 'invest to save' scheme, the costs of interest and repayment of principal (MRP) will need to be funded from the Council's revenue budget.

A8. What impact will there be on equalities, environmental sustainability and crime and disorder?

No direct impact but the Capital programme supports all Council priorities and complies with Council policies.

A9. Consultation and Customer Focus

Where appropriate capital schemes have public consultation and negotiation with stakeholders.

A10. Are there any implications for other Business Units?

The Capital Investment Plan supports all Council priorities thus will directly impact on service delivery.

Agenda Item 11

Appendix 2

CAPITAL INVESTMENT PLAN - QUARTER 1 2012/13 - EXPENDITURE

Annex 1

	Expend in Prev Years (active schemes only)	Actuals & Commitments 2012/13 Qtr 1	Original 2012/13	2011/12 Slippage b/f	2012/13 Adjustments	New Schemes 2012/13	Revised 4-year Plan July 2012				
							Total 2012/13 Revised	2013/14	2014/15	2015/16	Total for Plan Period
Old Funding Regime (pre 12/13)											
Adults & Resources											
Adult Personal Social Services	-	0	443	0	-443	0	0	0	0	0	0
Mental Health Care Initiatives	-	0	0	22	0	0	22	0	0	0	22
Various ICT Improvements	-	50	0	53	0	0	53	0	0	0	53
	0	50	443	75	-443	0	75	0	0	0	75
Childrens, Schools & Families											
14-19 Diploma Delivery	-	0	0	35	0	0	35	0	0	0	35
Asbestos Removal	-	0	0	14	0	0	14	0	0	0	14
Barton Primary Cap Project	253	516	4,250	-3	-2,590	0	1,657	2,400	140	50	4,247
Capital Repairs & Maintenance 2010/11	-	0	0	96	0	0	96	0	0	0	96
Capital Repairs & Maintenance 2011/12	-	110	200	99	0	0	299	0	0	0	299
Childrens Centres	53	21	300	108	-350	0	58	350	0	0	408
Cockington Primary-Ch Cen & mobiles	1,955	0	0	5	0	0	5	0	0	0	5
Combe Pafford Business Enterprise	445	0	0	6	0	0	6	0	0	0	6
Combe Pafford Construction Workshop	477	0	0	13	0	0	13	0	0	0	13
Curledge St - Remodelling	1,792	436	700	-81	166	0	785	30	0	0	815
Education Review Projects	-	0	50	77	0	0	127	0	0	0	127
Ellacombe - Remodelling	716	0	0	6	0	0	6	0	0	0	6
EOTAS Halswell House	48	2	0	12	0	0	12	0	0	0	12
Feasibilities (Project)	-	0	0	23	0	0	23	0	0	0	23
Foxhole Community Multi Use Games Arrea	158	7	0	21	0	0	21	0	0	0	21
Foxhole Schools - Amalgamation	9,116	5	0	43	0	0	43	0	0	0	43
Minor Adaptations Childcare	-	3	0	77	0	0	77	0	0	0	77
My Place Parkfield	5,306	62	0	56	0	0	56	0	0	0	56
Oldway Primary Disabled Changing Rooms	116	35	0	13	0	0	13	0	0	0	13
Paignton Community Sports College - Astro turf pitch	1,778	0	0	13	0	0	13	0	0	0	13
Paignton Community Sports College Mobile Replce 14-19 Project	761	24	580	-320	0	0	260	0	0	0	260
Preston Primary - ASD Unit	620	264	1,050	-170	-17	0	863	17	0	0	880
Primary Places 2011/12	-	3	100	87	-100	0	87	0	0	0	87
Roselands - Remodelling	1,493	0	0	7	0	0	7	0	0	0	7
School Security	-	1	0	54	0	0	54	0	0	0	54
Short Breaks for Disabled Children	-	9	0	39	0	0	39	0	0	0	39
Special Education Needs - reactive works	-	0	0	32	0	0	32	0	0	0	32
Torquay Community College Re-build (Building Schools for the Future)	28,789	-639	0	256	0	0	256	0	0	0	256
Torquay Girls Grammar Astro turf Fencing	69	0	0	11	0	0	11	0	0	0	11
Westlands 14-19 Project	289	331	300	161	0	0	461	0	0	0	461
Youth Modular Projects	-	0	0	51	0	0	51	0	0	0	51
	54,234	1,191	7,530	841	-2,891	0	5,480	2,797	140	50	8,467
Place & Resources											
Babbacombe Beach Road	-	0	70	0	0	0	70	0	0	0	70
Barton Gas Safety Works	49	0	0	1	0	0	1	0	0	0	1
Barton Infrastructure	33	0	105	0	0	0	105	0	0	0	105
Barton Playing Fields	49	0	0	11	0	0	11	0	0	0	11
Enhancement of Development sites	6	3	100	39	-64	0	75	75	59	0	209
Former B&Q site Torre (24 units)	-	0	0	0	0	0	0	858	0	0	858
Haldon Pier - Structural repair Phase I/2	2,007	15	978	87	0	0	1,065	0	0	0	1,065
Harbour Development Phase 1&2 (Quay & Buildings)	19,687	76	240	-16	7	0	231	0	0	0	231
Highway Capital Maintenance annual programme	-	0	-192	59	133	0	0	0	0	0	0
Integrated Transport programme	-	8	0	197	-133	0	64	0	0	0	64
Housing - Advances Budget to be allocated	-	0	590	0	-533	-30	27	75	0	0	102
NGP - Great Parks Access	33	1	447	20	0	0	467	0	0	0	467
NGP - HCA Match Land Acquisitions	677	0	1,246	66	-721	0	591	721	0	0	1,312
NGP - Strategic Cycleway	228	-34	187	-15	0	0	172	0	0	0	172
NGP - Torbay Innovation Centre Ph 3	69	0	498	0	-498	0	0	498	0	0	498
NGP - Windy Corner Junction	10	0	186	4	0	0	190	0	0	0	190
Paignton Geoplay Park	459	139	0	32	99	0	131	0	0	0	131
Sanctuary HA - Hayes Road	250	0	375	0	-375	0	0	250	0	0	250
Sanctuary HA - Raleigh Ave (4 units)	16	0	16	0	0	0	16	0	0	0	16
Sanctuary HA - Royal Standard Hele Rd (2 units)	-	0	0	0	-30	30	0	30	0	0	30
Sea Change - Cockington Court	3,136	49	88	-10	0	0	78	0	0	0	78
Signpost HA - Rock Road (30 units)	-	0	100	0	-100	0	0	0	0	0	0
Sovereign HA - Beechfield (102 units)	140	0	140	0	-140	0	0	140	0	0	140
Torbay Enterprise Project	500	0	250	0	-250	0	0	250	0	0	250
Westcountry HA - Preston Down Road (12 units)	-	0	0	0	0	0	0	25	25	0	50
	27,349	257	5,424	475	-2,605	0	3,294	2,922	84	0	6,300
Public Health											
Insulation Scheme	-	10	20	10	0	0	30	0	0	0	30
Private Sector Renewal	-	46	135	35	0	0	170	0	0	0	170
	0	56	155	45	0	0	200	0	0	0	200
	81,583	1,554	13,552	1,436	-5,939	0	9,049	5,719	224	50	15,042
New Funding Regime (12/13 onwards)											
Childrens, Schools & Families											
Capital Repairs & Maintenance 2012/13	-	0	0	0	0	200	200	150	100	100	550
Cockington Primary expansion	-	17	0	0	0	455	455	2,000	1,000	45	3,500
Ellacombe Primary expansion	-	1	0	0	0	0	0	0	600	0	600
Mayfield expansion	91	55	0	129	180	1,000	1,309	20	0	0	1,329
Roselands Primary expansion	-	23	0	0	0	129	129	365	6	0	500
Schools Access	-	14	0	48	0	50	98	0	0	0	98

	Expend in Prev Years (active schemes only)	Actuals & Commitments 2012/13 Qtr 1	Original 2012/13	2011/12 Slippage b/f	2012/13 Adjustments	New Schemes 2012/13	Revised 4-year Plan July 2012				
							Total 2012/13 Revised	2013/14	2014/15	2015/16	Total for Plan Period
Torre CoE Primary expansion	-	19	0	0	0	85	85	800	550	15	1,450
Warberry CoE Primary expansion	-	5	0	0	0	739	739	940	21	0	1,700
Whiterock Primary expansion	-	1	0	0	0	0	0	0	0	0	0
Place & Resources	91	134	0	177	180	2,658	3,015	4,275	2,277	160	9,727
Affordable Housing	-	0	0	0	0	0	0	145	0	0	145
Flood Defence schemes (with Env Agency)	-	0	0	0	0	0	0	0	155	0	155
Livermead Sea Wall structural repair	-	0	0	0	0	352	352	0	0	0	352
Paignton Community Library	-	16	0	0	0	0	0	0	0	0	0
Riviera Centre renewal	-	0	0	0	0	138	138	0	0	0	138
Social Care - Hollacombe CRC	-	0	0	0	0	60	60	0	0	0	60
SWIM Torquay - improve facilities	-	0	0	0	0	100	100	500	0	0	600
Torre Abbey Renovation - Phase 2	617	3,002	3,804	157	-992	0	2,969	1,237	0	0	4,206
Transport Gateway Enhancement	-	0	0	0	0	100	100	0	0	0	100
Transport Integrated Transport Schemes	-	0	0	0	0	620	620	575	575	620	2,390
Transport Structural Maintenance	-	-1	0	0	0	840	840	840	840	840	3,360
Transport Western Corridor	-	0	0	0	0	250	250	0	0	0	250
Princess Pier - Structural repair (with Env Agency)	-	0	1,400	0	-1,400	0	0	0	1,850	0	1,850
Public Health	617	3,017	5,204	157	-2,392	2,460	5,429	3,297	3,420	1,460	13,606
Disabled Facilities Grants	-	93	0	272	6	778	1,056	0	0	0	1,056
	0	93	0	272	6	778	1,056	0	0	0	1,056
Govt Dept Non-ringfenced grants to be allocated to Projects	0	0	1,582	0	629	-2,211	0	0	0	0	0
	708	3,244	6,786	606	-1,577	3,685	9,500	7,572	5,697	1,620	24,389
New Ring Fenced or Specific Funding (12/13)											
Adults & Resources	0	0	0	0	0	205	205	0	0	0	205
Corporate Telephony System	0	0	0	0	0	205	205	0	0	0	205
Childrens, Schools & Families	0	411	232	884	-540	0	576	500	0	0	1,076
Devolved Formula Capital	0	411	232	884	-540	0	576	500	0	0	1,076
Place & Resources	0	0	0	0	0	515	515	0	0	0	515
DfT Better Bus Areas	0	0	0	0	0	900	900	295	295	0	1,490
DfT Local Sustainable Transport Fund (Ferry/Cycle)	-	0	0	0	0	544	544	0	0	0	544
Torbay Leisure Centre - structural repairs	0	0	0	0	0	1,959	1,959	295	295	0	2,549
	0	411	232	884	-540	2,164	2,740	795	295	0	3,830
Prudential Borrowing Schemes											
Place & Resources	122	41	0	91	0	250	341	0	0	0	341
Council Fleet Vehicles	0	0	0	0	0	0	0	75	200	225	500
Empty Homes Scheme	6,619	376	2,500	478	-432	0	2,546	0	0	0	2,546
Office Rationalisation Project Ph 2 - Project Remainder	617	0	309	-68	0	0	241	0	0	0	241
On Street Parking meters	1,201	423	400	16	2,150	0	2,566	0	0	0	2,566
Princess Promenade (Western Section) Repairs	1,232	-11	2,462	357	-726	0	2,093	3,564	2,500	8,700	16,857
South Devon Link Rd - Council contribution	9,669	829	5,671	874	992	250	7,787	3,639	2,700	8,925	23,051
	9,669	829	5,671	874	992	250	7,787	3,639	2,700	8,925	23,051
Contingency											
General Capital Contingency	0	0	901	0	-500	0	401	730	0	0	1,131
	0	0	901	0	-500	0	401	730	0	0	1,131
TOTALS	91,960	6,038	27,142	3,800	-7,564	6,099	29,477	18,455	8,916	10,595	67,443
CAPITAL INVESTMENT PLAN - QUARTER 1 2012/13 - FUNDING											
Supported Borrowing							1,225	30	0	0	1,255
Unsupported Borrowing							9,354	5,899	5,083	10,500	30,836
Grants							16,706	10,598	3,749	95	31,148
Contributions							360	491	25	0	876
Reserves							694	369	0	0	1,063
Revenue							0	0	0	0	0
Capital Receipts							1,138	1,068	59	0	2,265
Total			0	0	0	0	29,477	18,455	8,916	10,595	67,443

Agenda Item 12



Title: **Revenue Budget Monitoring 2012/13 – Quarter 1**

Wards Affected: **All Wards in Torbay**

To: **Council** **27 September 2012**

Contact Officer: **Paul Looby**
Telephone: **01803 207283**
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1. Key Points and Summary

- 1.1 In Quarter 1, the Council has overspent by £0.564m. With recovery plans in place officers are projecting an overspend of £1.117m at the end of the financial year. However there are also a number of emerging pressures which need to be monitored closely over the next quarter. The risks to the 2012/13 budget were advised to Council when the budget was approved.
- 1.2 The key variations within services which are projecting an overspend at the end of the year are:
- Children's Services: £0.750m due to pressures within Safeguarding and Wellbeing service due to the number and costs for looking after Children and the costs for the continued use of agency social workers.
 - Adult Social Care: £0.563m due to the number of Ordinary Residency cases coming into the Bay.
 - Spatial Planning: £0.340m due to a combination of unachieved 2012/13 savings, increased costs for Concessionary Fares and a shortfall in Planning income.
- 1.3 Where significant overspends have been identified services will be required to monitor progress against their plans to ensure expenditure is contained within the approved budget and bring forward individual recovery plans. It is recommended that the Budget Pressures contingency, which was created as part of the 2012/13 budget setting is applied now to address specific pressures identified within Children's Services and Spatial Planning.
- 1.4 Directors and Executive Heads will be working closely with Executive Leads to consider all options for addressing the projected overspend. The Council will continue to adopt strict measures of financial control including the continuation of a vacancy freeze and possible extension to posts currently protected and challenging all expenditure not yet committed. Executive Head's will take measures to bring

forward any proposed budget savings which will be required to address the budget gap for the next financial year (2013/14).

- 1.5 The Council must achieve a balanced budget at year end. This will be achieved by either:
- a) those services overspending producing in-year recovery plans which reduces or removes the projected overspend;
 - b) all other services deliver in year savings resulting in an underspend at year end;
 - c) if insufficient savings can be made there is a risk that, as a last resort, uncommitted reserves or uncommitted budgets will be required to ensure a balanced budget can be achieved at the end of the year.
- 1.6 A summary of the projected overspend is shown in the table 1 below and how it must be managed:

Table 1

	£'m	£'m
Council Forecast Overspend		2.153
To be managed by:		
In Year savings identified to date by services	0.536	
Funding From Budget Pressures Reserve	0.500	
Balance remaining		1.117
Further options to balance budget:		
Further in year savings to be identified through recovery plans (see paragraph 1.7)	to be confirmed	
Uncommitted reserves (if required)	to be confirmed	
Balance		0

Strategy For in Year Budget Management

- 1.7 The majority of budget pressures identified are for services provided to the most vulnerable residents within the Bay and these are some of the Council's most

volatile budgets. It is recognised that some of the pressures will be difficult to reduce and will be recognised by allocating the budget pressures reserve to Spatial Planning and Children's Services. However, all of these services will be expected to continue to address the key issues through the implementation of their recovery plans and where possible identify further savings during the year.

1.8 The Strategy to address the current pressures is the implementation of continued strict financial management and control by the Senior Leadership Team and Executive Lead Members including a range of measures for all services:

- a moratorium on all non essential expenditure and a reduction in all other expenditure with an assessment of the services consequences.
- a freeze on all non essential recruitment through robust control by the Establishment Control Panel.
- a review of budgeted expenditure that could be ceased and an assessment of the services consequences.
- bringing forward any savings proposals for 2013/14 and implementing these to derive in-year savings.
- identification of any invest to save schemes that will have immediate cost savings in 2012/13 and beyond.
- a review of savings achieved in 2011/12 to ascertain whether these can be repeated.

Paul Looby

Executive Head of Finance and Chief Finance Officer

Appendices

Appendix 1 Summary of Main Variations

Appendix 2 Pooled Budget with Torbay Care Trust

Appendix 3 Budget Monitoring of Council Subsidiaries and Associates

Appendix 4 Write-Off's over £5,000 (Exempt Appendix)

Documents available in Members' rooms

None.

Background Papers:

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

Torbay Council's Financial Information and Management System (FIMS).

Budget Digest 2012/13.

Summary of Main Variations

A.1 Report Overview

A1.1 The purpose of this report is to provide Members with a summary of the projections of income and expenditure for all Business Units within the Council and to set out how the Council will maintain expenditure within its approved budget of £123.7m.

A1.2 The revenue monitoring statement shows the expenditure and projected outturn position based upon the latest information available to finance officers in consultation with service departments. Where possible, the implications or consequences arising from the variations are reflected in the key performance indicators for that service.

A1.3. Ongoing performance and financial monitoring will be provided to Members through the quarterly performance reports.

A.2 Performance

A2.1 Table 2 on the next page provides a summary of the projected outturn position for Council services.

Table 2 – Projected Outturn Position

Business Unit/Service	2012/13 Budget	Spend to Date	Projected Out-turn	Variation at Out-turn
	£'000	£'000	£'000	£'000
Adults & Resources				
- Adult Social Care	42,819	13,148	43,382	563
- Chief Information Officer	3,849	1,453	3,849	0
- Commercial Services	3,798	1,153	3,798	0
- Supporting People	5,913	1,772	5,913	0
	56,379	17,526	56,942	563
Children, Schools & Families	20,456	4,834	21,206	750
Community Safety	2,617	(44)	2,581	(36)
Place & Resources				
- Residents & Visitors	9,037	3,589	9,037	0
- Spatial Planning	5,311	1,259	5,651	340
- TDA - Clientside	2,747	1,083	2,747	0
- TDA - TEDC	1,720	2,249	1,720	0
- Torbay Harbour Authority	0	(505)	0	0
- Waste & Cleaning	11,142	8,223	10,992	(150)
- Finance	12,342	(5,233)	11,992	(350)
- Business Services	1,995	485	1,995	0
	44,294	11,381	44,134	(160)
Total	123,746	33,697	124,863	1,117

Main Variations

A2.2 A summary of the main variances and the principal reasons for any underspends or overspends and any emerging issues within each directorate are explained below.

Place and Resources

A2.3 There is a projected underspend of £0.160m. A summary of the main variations are identified below:

Residents and Visitor Services is predicted to declare a balanced budget at year end. However there are a number of emerging pressures that will need to be monitored closely over the next quarter. The poor weather has had an impact on the number of visitors to the Bay and has already been reflected in the amount of income received across the service including beaches and sports bookings but in particular car parking income.

Pay and display income is up by 3% compared to last year but parking and seasonal ticket sales are 8% lower which is thought to be primarily as a result of the poor weather in the first part of the summer season. If this continues for the year this could lead to an income shortfall of £0.460m. Car parking is a known volatile budget and with an improvement in the weather and the number of visitors to the Bay there is time to recover this shortfall. Income levels will be monitored closely over the next 8 weeks where an accurate indication of where income levels are likely to be will be available at the end of season in September. On-Street income is on target at the moment.

To mitigate against any shortfall in income Residents and Visitors have implemented a full moratorium on all discretionary spending, allowing only Health & Safety works, committed and contracted expenditure to be taking place. This will require managers to put a tight hold on all project expenditure within the revenue budgets.

A corporate approach will be taken when reviewing the moratorium such that if the income situation improves in the main season then a loosening of the moratorium can be put in place.

As with all services, strict controls will be put in place to ensure that expenditure is controlled at the point of ordering, so all expenditure can be thoroughly challenged before approval is given.

The largest reductions are likely to be made in repairs and maintenance budgets across the services and therefore only essential works will be completed as a result. This will have service implications and will be kept under review.

Waste and Cleaning is projecting an underspend of £0.150m. This is due to TOR2's introduction of various waste reduction and diversion initiatives which has generated savings in landfill tax and transportation costs. This has been partly offset by lower than expected income due to the non implementation of disposal charges at the Council's civic amenity site at Paignton.

Spatial Planning – is projected to overspend by £0.340m. Budget pressures include increased costs for Concessionary Fares arising from a shortfall in the final negotiated payment to bus operators amounting to £0.225m. The final agreement was not finalised until after the budget was approved. In addition passenger numbers have increased in the first quarter and coupled with an increase in fares a further £0.135m budget pressure has been identified.

As stated in paragraph 1.3 of this report, the Council's budget pressures reserve will be used to fund the £0.225m shortfall in the final negotiated payment to bus operators.

Budget pressures have been identified within Development Control primarily as a result of the delay in the introduction of 'full cost recovery' by Central Government resulting in a loss of income of £0.130m. In addition, Planning Application and Pre-Application fee income levels are predicted to be £0.185m below expectation as the national and local economic downturn continues. Building Control income is forecast to be down by £20,000.

To help ameliorate part of the above, Spatial Planning will use £0.1m of the earmarked reserve for future Planning Inquiries to reduce the shortfall in income.

Economic Development Company (Client side) – is projecting to spend within budget as at the end of quarter 1. Officers will be considering the impact of the moratorium on expenditure and what savings can be identified over the next quarter.

Finance – is projected to underspend by £0.350m which is due to savings within treasury management as a result of higher than budgeted cash balances (linked to the profile of spend within the capital programme) combined with higher investment rates leading to better investment returns and lower audit fees resulting from new arrangements for external audit of local authorities.

Business Services is projected to spend within its budget allocation as at the end of quarter 1.

A2.4 **Community Safety.**

Community Safety is projecting an underspend of £0.036m due to additional contract income derived from the Cemeteries and Crematorium Service.

A2.5 **Children, Schools & Families**

Children's are projecting an overspend of £0.750m - this is after the application of £0.275m of the budget pressures reserve to fund the costs of the recruitment and retention initiative to reduce social care agency costs(see below).

This overspend reflects the ongoing budget pressures and volatility faced by this

service. The overspend is within Safeguarding and Wellbeing due to the numbers and costs for children in care and placements within the independent sector. In addition ongoing difficulties with the recruitment and retention of social workers means the continued use of agency social workers has a significant impact upon the projected overspend for the year.

The overspend has been partly offset by savings within Children's, Schools and Communities and Commissioning and Performance budgets.

The number of looked after children at the end of March 12 was 252. As at 30 June this number had fallen to 250. The number of children on Child Protection Plans as at the end of March 12 was 290; this has decreased by 48 to 242 as at 30 June.

Children's Services Response to the projected overspend

Children's Services is currently going through a process of remodelling that aims to reduce the dependency on statutory provision by creating a targeted Early Help Service and Child in Need Service. This will systematically reduce the number of Looked After Children and the amount of time they spend in care. It will also reduce the number of children subject to a Child Protection Plan, thus reducing budget pressures in relation to statutory activity and placement costs.

Children's Services are also in the process of developing a more robust and assertive Fostering Strategy, which is designed to increase the number of in-house foster carers. As a consequence this will reduce the growing dependency on external independent fostering placements and residential care.

At the present time there is a 42.6% vacancy rate within Children's Services. This is being addressed immediately by the previously approved Recruitment and Retention Strategy that has been designed to reduce Agency spend by at least 60% in this current financial year and a further 40% in the 2013/14 financial year.

As an invest to save model, by September 2013, the investment to the Recruitment and Retention Strategy will achieve an overall saving of approximately £0.664m. This will result in a permanent staff team without any ongoing dependency on agency staff.

As part of the Service Review Process, other savings have been identified and are in the process of being formalised as part of the overarching budget strategy.

Adults and Operations

A2.6 This portfolio covers a range of services with budget pressures of £0.563m projected to year end.

Adult Social Care – net overspend of £0.563m. This is due mainly to the number of ordinary residency cases within the Council i.e. movement of 16 adult social care clients from other local authorities. This is a volatile area resulting in increased cost pressures for the Council. The issue of Adult Social care clients changing their residence has been recognised nationally but is currently having a detrimental impact upon Torbay as a net importer of clients. This area will be monitored closely throughout the year but it is recognised that it is difficult to actively manage this cost pressure.

The Torbay and Southern Devon Health and Care NHS Trust have a Cost Improvement Programme which is used to monitor and deliver the savings as required when the 2012/13 budget was approved. At the end of the first quarter the Trust has declared that they are on target to achieve these savings subject to any new emerging pressures that may arise. The main risks to not achieving the cost reduction package include the achievement of a number of reviews within domiciliary care, and any changes to care home fees settlement.

Appendix 2 shows the pooled budget for the partnership as managed by the Torbay and Southern Devon Health and Care NHS Trust.

All other services within this portfolio are projected to spend within their budget allocation as at the end of quarter 1.

A3. Reserves

A3.1 As identified in the outturn report the Council has an uncommitted reserve of £3.618m to meet the financial challenges it faces over the next few years. These challenges will include:

- any unforeseen events or pressures that emerge during the year;
- invest to save initiatives where demonstrable savings can be delivered in future years;
- making provision for any costs of restructuring Council services.

No monies have been released from this reserve in the first quarter of the year.

A3.2 The Council is faced with a number of other cost pressures which will further reduce the level of reserves it holds. These include redundancy costs which will arise from the 2013/14 budget round (£0.6m last year) and will be a cost in 2012/13. In addition, if the Council is unable to declare a balanced budget at year end any overspend will have to be funded from these reserves. This will reduce the Council's uncommitted reserves and impact upon how the Council manages further reductions in government grant in 2013/14 and 2014/15.

A3.3 A summary of the Council's uncommitted reserve is shown below in table 3 and cost pressures already identified in 2012/13.

Table 3 - Uncommitted Reserves

Reserve	Working Balance £'m
Comprehensive Spending Review Reserve	
Balance at 30 June 2012	3.618
Possible calls upon reserves	
Redundancy Costs arising from 2013/14 budget	0.600m (estimated)
Projected overspend – 2012/13	1.117m (latest position)

A3.4 The Council also has its General Fund balance which is £4.0m and represents 3.2% of the Council's net budget which I consider to be a prudent level. It should be noted that the General Fund reserve should only be called upon in emergencies.

A.4 Dedicated Schools Grant (DSG)

A.4.1 The final confirmed Dedicated Schools Grant in 2012/13 is £84.3m and is used to fund all Schools Related Expenditure. The DSG is currently reporting an overspend of £0.055m. The DSG is a ring fenced grant and can only be used to fund schools related activities.

A.5 Debtors Monitoring

A5.1 This section of the report provides Members with an update for the first quarter 2012/13 in respect of council tax and business rate collection.

Council Tax

A5.2 The targets for the collection of Council Tax in 2012/13 are:

- (i) collect 96.5% of the Council Tax due within the 12 months of the financial year (i.e. April to March); and
- (ii) collect 50% of the arrears brought forward from previous years.

A5.3 The Council is due to collect £59.7m after the granting of statutory exemptions and reductions and Council Tax Benefit in the period April 2012 to March 2013. To date the Council has collected £16.1m which is about 26.9% of the Council Tax due in year. The collection level is in line with last year's performance

A5.4 The total arrears outstanding at 31 March 2012 were £3.9m and this has been reduced by £654k which is about 16.5% of the total arrears due.

A5.5 There are no Council Tax write-offs over £5,000 to report.

Non-Domestic Rates

A5.6 The targets for the collection of NNDR (business rates) re:

(i) collect 96.5% of the business rates due within the 12 months of the financial year (i.e. April to March); and

(iii) collect 50% of the arrears brought forward from previous years.

A5.7 The Council is due to collect £37.3m after the granting of mandatory relief in the period April 2012 to March 2013. To date the Council has collected £11.9m which is about 32.1% of the business rates due in year. The collection rate is slightly up compared to this point last year.

A5.8 The total arrears outstanding were £1.490m and this has been reduced by £0.305m which is about 20.4% of the total arrears due.

A5.9 The write-offs in respect of debts over £5,000 are listed in Appendix 5

A.6 Financial Performance of External Companies

A6.1 For completeness a summary of the financial performance of the companies that Torbay Council has an interest in is included. Attached as appendix 4 is a list of those companies which summarises their projected outturn position.

Appendix 2

Torbay and Southern Devon Health and Care NHS Trust - Financial Position

	Year to Date - June 2012			Forecast End Year Outturn		
	Budget	Actual	Variance (Under)/ Over	Budget	F'cast	Variance (Under)/ Over
	£'000	£'000	£'000	£'000	£'000	£'000
Total Contract Income	26,891	26,973	82	107,564	108,127	563
Community Based Teams/ Clinical Services	14,461	14,416	(45)	57,842	57,922	80
Commissioned Social Care (Net of Client Charges)	8,183	8,264	81	31,941	32,504	563
Support Services (Management / Capital/Infrastructure/Unalloc'd CIF)	4,222	4,269	46	17,681	17,601	(81)
TOTAL TRUST SERVICES	26,866	26,948	82	107,464	108,027	563
(Surplus)/Deficit	(25)	(25)	0	(100)	(100)	(0)

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NHS Torbay Care Trust	8,025	8,025	0	32,100	32,100	0
NHS Devon	8,564	8,564	0	34,257	34,257	0
Total Contract Income	26,891	26,973	82	107,564	108,127	563
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TOTAL PROVIDER SERVICES	26,866	26,948	82	107,464	108,027	563
(Surplus)/Deficit	(25)	(25)	0	(100)	(100)	(0)

Budget Monitoring of Council Subsidiaries & Associates

Budget Monitoring of Council Subsidiaries & Associates 2012/13 - Quarter One	Council Ownership	Gross Income to Date £m	Gross Spend to Date £m	Surplus or Deficit to date £m	Projected Outturn £m
Subsidiaries					
Torbay Economic Development Company	100%	1.2	(0.8)	0.4	0
English Riviera Tourism Company	100%	0.6	(0.2)	0.4	0
Associates					
TOR2	19.99%	4.6	(4.5)	0.1	0.5
South West Careers	25%	2.9	(3.0)	(0.1)	0
PLUSS	25%	6.8	(7.0)	(0.2)	0

Summary of Main Variations

A.1 Report Overview

- A1.1 The purpose of this report is to provide Members with a summary of the projections of income and expenditure for all Business Units within the Council and to set out how the Council will maintain expenditure within its approved budget of £123.7m.
- A1.2 The revenue monitoring statement shows the expenditure and projected outturn position based upon the latest information available to finance officers in consultation with service departments. Where possible, the implications or consequences arising from the variations are reflected in the key performance indicators for that service.
- A1.3. Ongoing performance and financial monitoring will be provided to Members through the quarterly performance reports.

A.2 Performance

- A2.1 Table 2 on the next page provides a summary of the projected outturn position for Council services.

Table 2 – Projected Outturn Position

Business Unit/Service	2012/13 Budget	Spend to Date	Projected Out-turn	Variation at Out-turn
	£'000	£'000	£'000	£'000
Adults & Resources				
- Adult Social Care	42,819	13,148	43,382	563
- Chief Information Officer	3,849	1,453	3,849	0
- Commercial Services	3,798	1,153	3,798	0
- Supporting People	5,913	1,772	5,913	0
	56,379	17,526	56,942	563
Children, Schools & Families	20,456	4,834	21,206	750
Community Safety	2,617	(44)	2,581	(36)
Place & Resources				
- Residents & Visitors	9,037	3,589	9,037	0
- Spatial Planning	5,311	1,259	5,651	340
- TDA - Clientside	2,747	1,083	2,747	0
- TDA - TEDC	1,720	2,249	1,720	0
- Torbay Harbour Authority	0	(505)	0	0
- Waste & Cleaning	11,142	8,223	10,992	(150)
- Finance	12,342	(5,233)	11,992	(350)
- Business Services	1,995	485	1,995	0
	44,294	11,381	44,134	(160)
Total	123,746	33,697	124,863	1,117

Main Variations

A2.2 A summary of the main variances and the principal reasons for any underspends or overspends and any emerging issues within each directorate are explained below.

Place and Resources

- A2.3 There is a projected underspend of £0.160m. A summary of the main variations are identified below:

Residents and Visitor Services is predicted to declare a balanced budget at year end. However there are a number of emerging pressures that will need to be monitored closely over the next quarter. The poor weather has had an impact on the number of visitors to the Bay and has already been reflected in the amount of income received across the service including beaches and sports bookings but in particular car parking income.

Pay and display income is up by 3% compared to last year but parking and seasonal ticket sales are 8% lower which is thought to be primarily as a result of the poor weather in the first part of the summer season. If this continues for the year this could lead to an income shortfall of £0.460m. Car parking is a known volatile budget and with an improvement in the weather and the number of visitors to the Bay there is time to recover this shortfall. Income levels will be monitored closely over the next 8 weeks where an accurate indication of where income levels are likely to be will be available at the end of season in September. On-Street income is on target at the moment.

To mitigate against any shortfall in income Residents and Visitors have implemented a full moratorium on all discretionary spending, allowing only Health & Safety works, committed and contracted expenditure to be taking place. This will require managers to put a tight hold on all project expenditure within the revenue budgets.

A corporate approach will be taken when reviewing the moratorium such that if the income situation improves in the main season then a loosening of the moratorium can be put in place.

As with all services, strict controls will be put in place to ensure that expenditure is controlled at the point of ordering, so all expenditure can be thoroughly challenged before approval is given.

The largest reductions are likely to be made in repairs and maintenance budgets across the services and therefore only essential works will be completed as a result. This will have service implications and will be kept under review.

Waste and Cleaning is projecting an underspend of £0.150m. This is due to TOR2's introduction of various waste reduction and diversion initiatives which has generated savings in landfill tax and transportation costs. This has been partly offset by lower than expected income due to the non implementation of disposal charges at the Council's civic amenity site at Paignton.

Spatial Planning – is projected to overspend by £0.340m. Budget pressures include increased costs for Concessionary Fares arising from a shortfall in the final negotiated payment to bus operators amounting to £0.225m. The final agreement was not finalised until after the budget was approved. In addition passenger numbers have increased in the first quarter and coupled with an increase in fares a further £0.135m budget pressure has been identified.

As stated in paragraph 1.3 of this report, the Council’s budget pressures reserve will be used to fund the £0.225m shortfall in the final negotiated payment to bus operators.

Budget pressures have been identified within Development Control primarily as a result of the delay in the introduction of ‘full cost recovery’ by Central Government resulting in a loss of income of £0.130m. In addition, Planning Application and Pre-Application fee income levels are predicted to be £0.185m below expectation as the national and local economic downturn continues. Building Control income is forecast to be down by £20,000.

To help ameliorate part of the above, Spatial Planning will use £0.1m of the earmarked reserve for future Planning Inquiries to reduce the shortfall in income.

Economic Development Company (Client side) – is projecting to spend within budget as at the end of quarter 1. Officers will be considering the impact of the moratorium on expenditure and what savings can be identified over the next quarter.

Finance – is projected to underspend by £0.350m which is due to savings within treasury management as a result of higher than budgeted cash balances (linked to the profile of spend within the capital programme) combined with higher investment rates leading to better investment returns and lower audit fees resulting from new arrangements for external audit of local authorities.

Business Services is projected to spend within its budget allocation as at the end of quarter 1.

A2.4 **Community Safety.**

Community Safety is projecting an underspend of £0.036m due to additional contract income derived from the Cemeteries and Crematorium Service.

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Children’s are projecting an overspend of £0.750m - this is after the application of £0.275m of the budget pressures reserve to fund the costs of the recruitment and retention initiative to reduce social care agency costs(see below).

This overspend reflects the ongoing budget pressures and volatility faced by this service. The overspend is within Safeguarding and Wellbeing due to the numbers and costs for children in care and placements within the independent sector. In addition ongoing difficulties with the recruitment and retention of social workers means the continued use of agency social workers has a significant impact upon the projected overspend for the year.

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Agenda Item 12

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(Surplus)/Deficit		(25)	(25)	0	(100)	(100)	(0)

Budget Monitoring of Council Subsidiaries & Associates

Budget Monitoring of Council Subsidiaries & Associates 2012/13 - Quarter One	Council Ownership	Gross Income to Date £m	Gross Spend to Date £m	Surplus or Deficit to date £m	Projected Outturn £m
Subsidiaries					
Torbay Economic Development Company	100%	1.2	(0.8)	0.4	0
English Riviera Tourism Company	100%	0.6	(0.2)	0.4	0
Associates					
TOR2	19.99%	4.6	(4.5)	0.1	0.5
South West Careers	25%	2.9	(3.0)	(0.1)	0
PLUSS	25%	6.8	(7.0)	(0.2)	0

Agenda Item 13



Title: **Constitution Amendments**

Public Agenda Item: **Yes**

Wards Affected: **All wards in Torbay**

To: **Council** On: **27 September 2012**

Key Decision: **No**

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

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

- 1.1 To consider proposed amendments to the Constitution relating to the Employment Committee terms of reference and responses to members questions 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 and 2) to: a) remove the appointment of directors of Council controlled companies from the Employment Committee terms of reference and delegate this to the Chief Operating Officer to streamline the process; and b) update the requirement for written responses to members questions within Standing Orders in relation to Council meetings.

3. Key points and reasons for recommendations

- 3.1 The Leadership Group (comprising the Mayor, Group Leaders, Deputy Leaders and Overview and Scrutiny Co-ordinator) met on 18 September 2012 to discuss the amendments suggested by the Monitoring Officer to the Constitution. 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 Employment Committee's terms of reference and Standing Orders in relation to Council meetings for responses to members' questions. Where

there is no consensus it is necessary for the proposed change to the Constitution to be agreed by full Council. The proposed amendments are attached at Appendix 1 and 2.

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 kept under review by the Monitoring Officer and updated to reflect changes in legislation and improved governance practice.

A1.2 The Leadership Group (attended by the Mayor and Councillors Darling, Excell, Morey, Pentney, Thomas (D) and Thomas (J) and Stockman) met on 18 September 2012 to discuss the latest amendments.

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 the Employment Committee Terms of Reference and subsequent change to the Officer Scheme of Delegation
- Appendix 2 Proposed amendments to Council Standing Orders

Background Papers:

None