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Tuesday, 13 September 2016

Meeting of the Council

Dear Member

I am pleased to invite you to attend a meeting of Torbay Council which will be held in **Rosetor Room, Riviera International Conference Centre, Chestnut Avenue, Torquay, TQ2 5LZ** on **Thursday, 22 September 2016** commencing at **5.30 pm**

The items to be discussed at this meeting are attached.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Steve Parrock".

Steve Parrock
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.)

A prosperous and healthy Torbay

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

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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 21 July 2016.

(Pages 5 - 14)

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. **Public question time - Transfer of Attendance Allowance Administration to Local Councils**

(Page 15)

To hear and respond to any written questions or statements from members of the public which have been submitted in accordance with Standing Order A24.

7. **Members' questions**

(Pages 16 - 17)

To respond to the submitted questions asked under Standing Order A13.

- 8. Notice of motions**
To consider the attached motions, notice of which has been given in accordance with Standing Order A14 by the members indicated:
- (a) Notice of Motion - Protecting Torbay's Position following the EU Referendum (Mayoral Decision) (Page 18)
- (b) Notice of Motion - Policy Framework: Torbay Development Agency Business Plan (Council Decision) (Page 19)
- (c) Notice of Motion - Pension Changes (Mayoral Decision) (Page 20)
- (d) Notice of Motion - Opposing Badger Culls (Mayoral Decision) (Page 21)
- 9. Amendments to the Corporate Asset Management Plan - Mayor's Response to Council Recommendations** (Pages 22 - 61)
To consider the submitted report and record of decision on the above Policy Framework document.
- 10. Efficiency Plan** (Pages 62 - 75)
To consider the submitted report setting out the Council's proposed Efficiency Plan which needs to be submitted to the Department for Local Government and Communities by 14 October 2016 in order for the Council to receive a four year financial settlement. To consider any recommendation from the Overview and Scrutiny Board.
- 11. Capital Investment Fund** (To Follow)
To consider the submitted report on proposed changes to the Capital Investment Fund and any recommendations from the Mayor or Overview and Scrutiny Board.
- 12. Parking Strategy 2016-2021** (To Follow)
To consider the submitted report setting out the proposed Parking Strategy for 2016-2021 (Policy Framework).
- 13. Transformation project - Generating income through Housing** (Pages 76 - 118)
To consider the submitted report on the above.
- 14. Town Councils** (Pages 119 - 126)
To consider the submitted report on a possible Community Governance Review which could lead to the creation of town councils in Paignton and Torquay.
- 15. Delivery of Town Centre Masterplans** (Pages 127 - 128)
To consider the submitted report on the above.
- 16. Local Government Association Corporate Peer Challenge 6 Monthly Progress Report** (Pages 129 - 149)
To consider the submitted report on the above.

17. **Outside Bodies Protocol** (Pages 150 - 153)
To consider the submitted report on a proposed outside bodies protocol to be added to the Council's Constitution.
18. **Establishment of a Children's Services Monitoring Working Party** (Pages 154 - 155)
To consider the submitted report on the above.
19. **Establishment of an Oldway Mansion and Estate Working Party** (Page 156)
To consider the submitted report on the above.
20. **Treasury Management Mid-Year Review 2016/17 and Revised Minimum Revenue Provision Policy 2016/17** (Pages 157 - 179)
To consider the submitted report on the above.
21. **Capital Investment Plan Update 2016/2017 Quarter 1** (Pages 180 - 192)
To consider the first Capital Investment Plan monitoring report for 2016/17 under the Authority's agreed budget monitoring procedures which provides high-level information on capital expenditure and funding for the year compared with the latest budget position as reported to Council in February 2016 and any recommendations from the Overview and Scrutiny Board.
22. **Revenue Budget Monitoring 2016/2017 - Quarter 1** (Pages 193 - 199)
To note the contents of the submitted Revenue Budget monitoring report.
23. **Composition and Constitution of Executive and Delegation of Executive Functions** (Pages 200 - 206)
To receive details on the composition and constitution of the Mayor's Executive for 2016/2017, together with the record of delegations of Executive functions.
24. **Urgent Decisions taken by the Chief Executive** (Pages 207 - 208)
To note the details of decisions taken by the Chief Executive on the grounds of urgency as set out in the submitted report.

Note

An audio recording of this meeting will normally be available at www.torbay.gov.uk within 48 hours.



Minutes of the Council

21 July 2016

-: Present :-

Chairman of the Council (Councillor Hill) (In the Chair)
Vice-Chairwoman of the Council (Councillor Brooks)

The Mayor of Torbay (Mayor Oliver)

Councillors Amil, Barnby, Bent, Bye, Carter, Cunningham, Darling (M), Darling (S), Doggett, Ellery, Excell, Haddock, King, Kingscote, Lewis, Manning, Mills, Morey, O'Dwyer, Parrott, Pentney, Robson, Stockman, Stocks, Stringer, Stubley, Sykes, Thomas (D), Thomas (J), Tolchard and Tyerman

28 Opening of meeting

The meeting was opened with a prayer.

29 Apologies for absence

Apologies for absence were received from Councillors Cunningham, Kingscote and O'Dwyer (until the adjournment) and Councillors Morris, Sanders and Winfield (for the whole meeting).

30 Minutes

The Minutes of the Special and Annual meeting of the Council both held on 11 May 2016 were confirmed as a correct record and signed by the Chairman.

31 Declarations of interests

Councillor Thomas (D) declared a pecuniary interest in respect of Minute 55.

32 Communications

The Overview and Scrutiny Co-ordinator thanked the Scrutiny Leads and members of the Overview and Scrutiny Board for their work since the last meeting which he stated had been more overview than scrutiny.

33 Strategic Agreement between Torbay and Southern Devon NHS Foundation Trust (Integrated Care Organisation - ICO) and Torbay Council /Torbay and South Devon Clinical Commissioning Group

The Council considered the submitted report on the Annual Strategic Agreement between Torbay Council, South Devon and Torbay Clinical Commissioning Group and Torbay and South Devon NHS Foundation Trust which set out the strategic direction designed to maximise choice and independence for those requiring adult social care and support in the context of an integrated care organisation.

It was proposed by Councillor Parrott and seconded by Councillor Barnby:

- (i) that the Annual Strategic Agreement (ASA) between Torbay Council, South Devon and Torbay Clinical Commissioning Group and Torbay and South Devon NHS Foundation Trust set out at Appendix 1 (and annexes 1 to 13) to the submitted report be approved;
- (ii) that, to support the funding requirements of Torbay and South Devon NHS Foundation Trust for 2016/17 as identified in the ASA, the Council allocates £2.4m to adult social care on a one off basis to be funded as identified in paragraph 4.8 of the submitted report; and
- (iii) that, the allocation of the Better Care Fund to specific schemes (as set out in Appendix 2 to the submitted report) be noted and that any subsequent changes in the allocation or the overall application required as a result of changes in central government guidance and/or the requirement of NHS England be agreed by the Chief Financial Officer and the Director of Adult Services, in consultation with the Executive Lead for Health and Wellbeing.

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

34 Adult Social Care - Local Account and Annual Adult Safeguarding Report

Members considered the submitted report which set out the achievements for local people in relation to adult social care and outlined the level of performance for the last financial year and commitment to service delivery.

It was proposed by Councillor Parrott and seconded by Councillor Bent:

that the Local Account set out in Appendix 1 to the submitted report be approved and that the multi agency safeguarding annual report set out in Appendix 2 to the submitted report be approved.

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

35 Provisional Revenue Outturn 2015/2016 - Subject to External Audit

Members noted the submitted report in respect of the provisional Revenue Outturn 2015/2016.

36 Capital Investment Plan Outturn 2015/2016 - Subject to Audit

Members noted the submitted report in respect of the Capital Investment Plan Outturn 2015/2016.

37 Treasury Management Outturn 2015/2016

Members noted the submitted report in respect of the Treasury Management Outturn 2015/2016.

38 Equalities Objectives

Members considered the submitted report which set out the Council's proposed equality objectives in order to meet the Public Sector Equality Duty.

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

that the Equality Objectives 2016 to 2020 as set out at Appendix 2 to the submitted report be approved.

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

39 Consultation, Communication and Engagement Strategy

Members considered the submitted report which set out how the Council will communicate, consult and engage.

It was proposed by Councillor Mills and seconded by Councillor Ellery:

- (i) that the Communication, Consultation and Engagement Strategy 2016 – 2020 set out in Appendix 2 to the submitted be approved; and
- (ii) that a Communication, Consultation and Engagement Working Party be established comprising five Members politically balanced with the following terms of reference:
 - to develop the approach for improving Members and officers working together to ensure that Members are aware of all engagement activity;
 - to develop approaches to ensure Members are equipped to promote and be involved in engagement activity; and
 - to develop a set of key performance indicators against which this strategy and the action plan can be measured.

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

40 Local Government Boundary Review

Members considered the submitted report which set out statistical and benchmarking information and the recommendation of the Overview and Scrutiny Board on a review of boundaries and the number of Councillors required.

It was proposed by Councillor Mills and seconded by Councillor Thomas (D):

- (i) that the Assistant Director of Corporate and Business Services be instructed to formally write to the Local Government Boundary Commission for England on behalf of the Council requesting a review of the Council Ward Boundaries to be carried out from April 2017 with a view to any changes being implemented from May 2019 when the next Local Government Elections are scheduled; and
- (ii) that any meeting with the Local Government Boundary Commission for England includes the Mayor and Group Leaders together with relevant officers.

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

41 Exclusion of the Press and Public

Prior to consideration of the item in Minute 42 the press and public were formally excluded from the meeting on the grounds that the item involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended).

42 Proposed Investment at Torbay Business Park

Members considered the submitted exempt report on a proposed investment at Torbay Business Park.

It was proposed by Mayor Oliver and seconded by Councillor Haddock:

that the recommendation set out in the submitted exempt report be approved.

An amendment was proposed by Councillor O'Dwyer and seconded by Councillor Robson which sought the following to be incorporated at the end of the proposed recommendation:

within the term of the agreed lease.

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

The original motion was then before Members and on being put to the vote, was declared carried (unanimous).

43 Adjournment

At this juncture the meeting was adjourned until 5.30pm on Thursday, 21 July 2016.

44 Petitions - Sandringham Drive, Paignton

In accordance with Standing Order A12, the Council received the following petition:

objecting to the release of restrictive covenants on 9 Sandringham Drive, TQ3 1HU, that would allow a substantial extension, to be built which contravened covenants that neighbours, and much of the properties on the road are subject to (approximately 126 signatures)

It was noted that the petition would be referred to the Assistant Director of Corporate and Business Services in consultation with the Executive Lead for Business Services.

45 Public question time

In accordance with Standing Order A24, the Council noted two questions which had been submitted by Mr David Ward. Councillor Amil responded to question 1 and the Mayor advised he would arrange for a written response to be sent in respect of question 2.

46 Members' questions

Members received a paper detailing the questions, attached to the agenda, notice of which had been given in accordance with Standing Order A13.

Written responses were circulated prior to the meeting. Supplementary questions were then asked and answered in respect of round one questions 2, and 5, round two questions 1 and 4 and round three questions 1 and 2.

47 Order of Business

At this juncture and in accordance with Standing Order A7.2, the Chairman varied the order of the business to enable Item 24 (New Primary School in Paignton) to be considered before Item 20 (Notice of Motion).

48 New Primary School in Paignton

Members considered the submitted report on a proposal to open a new one form entry primary school with early years' provision.

It was proposed by Councillor Parrott and seconded by Councillor Bye:

that in response to the identified need for a new school in Paignton, as outlined in the submitted report and appendices, the proposal to open a new primary school on the Torbay School Site at Torquay Road from September 2018 be approved.

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

49 Notice of motion - Racism, Xenophobia and Hate Crime

Members considered a motion in relation to racism, xenophobia and hate crime, notice of which was given in accordance with Standing Order A14.

It was proposed by Councillor Doggett and seconded by Councillor Robson:

Residents of Torbay are proud to live in a diverse and tolerant society, racism, xenophobia, and hate crimes have no place in our Country. Torbay Council condemns such actions unequivocally, and will not allow hate to become acceptable, and will reassure all people living in Torbay that they are valued members of our Community.

This Council resolves to publically condemn any such attacks and make it clear what steps it will undertake to tackle this behaviour. Torbay Council should also remind all Staff and Partners of our opposition to racism, xenophobia and hate.

In accordance with Standing Order A14.3(a), the motion stood referred to the Mayor.

The Mayor advised that he supported the motion and referred it to the Executive Lead for Community Services for investigation.

50 Amendments to the Corporate Asset Management Plan

Members considered the submitted report proposing amendments to the existing Corporate Asset Management Plan 2015-2019 and allow for clear and published processes to exist in relation to the award of grants in lieu of rent as well as the Council's approach to long leases for sports clubs.

It was proposed by Mayor Oliver and seconded by Councillor Mills:

that the report be deferred.

An amendment was proposed by Councillor Thomas (D) and seconded by Councillor Tyerman:

- (i) that, a new Appendix AM-G ~ 'Procedure for determining applications for grants to offset market rent (grants in lieu of rent)', as set out in Appendix 2 to the submitted report, be added to the existing Corporate Asset Management Plan 2015 ~ 2019;
- (ii) that, Appendix AM-H ~ 'Granting of sports leases – An overarching strategy', as set out in Appendix 3 to the submitted report, be added to the existing Corporate Asset Management Plan 2015 ~ 2019; and

- (iii) that, the existing Corporate Asset Management Plan 2015 ~ 2019 be amended to ensure that any grant from the Council to assist with a tenant's rent will be time bound and will not extend beyond the next scheduled.

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

The substantive motion was then before members for consideration.

An objection was proposed by Councillor Darling (S) and seconded by Councillor Pentney:

that the Council formally objects to the Amendments to the Corporate Asset Management Plan on the basis that:

- i) all current and future sports leases granted to 'not for profit organisations' should have a peppercorn rent up to a maximum of £500 a year.

In accordance with the Constitution at F4.9, the Council therefore requires the Mayor to consider this objection by 12 August 2016 to either:

- a) submit a revision of the Corporate Asset Management Plan with the reasons for any amendments to the Council for its consideration; or
- b) inform the Council of any disagreement that the Executive has with any of the Council's objections and the Executive's reasons for any such disagreement.

A recorded vote was taken on the objection. The voting was taken by roll call as follows: For: Mayor Oliver and Councillors Amil, Brooks, Carter, Darling (M), Darling (S), Doggett, Excell, Haddock, King, Manning, Mills, Morey, Pentney, Stockman, Stocks, Stringer and Stubley (18). Against: Councillors Barnby, Bent, Bye, Cunningham, Ellery, Hill, Kingscote, Lewis, O'Dwyer, Robson, Sykes, Thomas (D), Thomas (J), Tolchard and Tyerman (15). Abstain: Councillor Parrott (1). Absent: Councillors Morris, Sanders and Winfield (3). Therefore the objection was declared carried and the Chairman advised that the Mayor would consider the objection and publish his response by 12 August 2016 for consideration at the Council meeting on 22 September 2016.

(Note: During consideration of this item the following non-pecuniary interests were declared:

Councillor Darling (S)	member of Babbacombe Corinthians Sailing Club and Paignton Canoe Club
Councillor Excell	member of Torre Table Tennis Club
Councillor Morey	member of Brixham Rugby Club and Brixham Cricket Club

Councillor O'Dwyer member of Torquay Golf Club and season ticket holder at Torquay United AFC

Councillor Stockman member of Brixham Cricket Club).

51 Torre Valley North Lease

Members considered the submitted report on the proposed lease for Torre Valley North sports lease.

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

that the report be deferred to the Council meeting in September 2016 to enable further information to be obtained.

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

52 Self Build and Custom Build Housing Allocation Policy

Members considered the submitted report which provided an update on the self build housing option and sought approval of the self build housing allocation policy.

It was proposed by Councillor King and seconded by Councillor Haddock:

that the Torbay Council Self Build/Custom Build Allocation Policy, as set out in Appendix 2 to the submitted report, be agreed as an appendix to the Housing Strategy.

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

53 Proposed Disposal by Long Lease - Waterpark and Go-Kart Site, Goodrington Sands, Tanners Road, Paignton TQ4 6LN (Mayoral Decision)

The item was withdrawn from the agenda for consideration at a future meeting.

54 Devolution

Members considered the submitted report which sought an 'in principle' approval to sign up to the pursuit of a Devolution Deal and the creation of a Combined Authority for the Heart of the South West sub-region to administer the powers and funding devolved through the Deal. It was noted such an 'in principle' agreement from all of the local authorities, partners and MPs involved in the Heart of the South West devolution process would open up negotiations with HM Treasury which was the next necessary step in securing the Deal.

It was proposed by Mayor Oliver and seconded by Councillor Ellery:

- (i) that the Council endorses the current approach to devolution and agree to sign up to the principle of creating a Combined Authority for the Heart

of the South West, as set out in the Prospectus for Productivity, as the basis for negotiation with Government towards a Devolution Deal for the area; and

- (ii) that the Council notes that giving this endorsement does not commit the Council to entering into a Devolution Deal or becoming a member of a Heart of the South West Combined Authority. This would be subject to future debate and agreement by the Council and subject to negotiations with Government.

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

55 Torbay Air Show

Members considered the submitted report which provided a summary of the outcomes of the first Torbay Air Show in 2016 and a financial proposal to underwrite the Air Show in future years for the benefit of Torbay's economy.

It was proposed by Councillor Amil and seconded by Councillor Haddock:

- (i) that 2016 Air Show be funded from the balance of the revenue budget contingency (£190k) and the remainder from CSR reserves;
- (ii) that the Council makes a three year funding commitment to develop the Torbay Air Show in accordance with the proposal in Appendix 3 of the submitted report to be funded as part of the 2017/18 budget development with future years built into the Medium Term Resources Plan;
- (iii) that the Senior Leadership Team monitor, on a regular basis, the proposals to hold a 2017 Air Show; and
- (iv) that a Torbay Air Show Working Party (comprising 5 members politically balanced) be established to enable Members to be kept fully briefed on the progress of the Torbay Air Show and to monitor the budget allocated for the Torbay Air Show.

An amendment to (ii) above was proposed by Councillor O'Dwyer and seconded by Councillor Thomas (J):

- (ii) that the Council makes a three year ~~funding~~ commitment to develop the Torbay Air Show **on a cost neutral mean basis** ~~in accordance with the proposal in Appendix 3 of the submitted report to be funded as part of the 2017/18 budget development with future years built into the Medium Term Resources Plan;~~ and

A recorded vote was taken on the amendment. The voting was taken by roll call as follows: For: Councillors Bent, Bye, Kingscote, Morey, O'Dwyer, Robson, Stockman, Sykes, Thomas (J) and Tolchard (10). Against: Mayor Oliver and Councillors Amil, Brooks, Cunningham, Ellery, Excell, Haddock, Hill, King, Lewis, Manning, Mills, Parrott, Stubley and Tyerman (15). Abstain: Councillors Carter,

Darling (M), Darling (S), Doggett, Pentney, Stocks and Stringer (7). Absent: Councillors Barnby, Morris, Sanders, Thomas (D) and Winfield (5). Therefore the amendment was declared lost.

The original motion was then before Members and on being put to the vote was declared carried.

(Note: Prior to consideration of this item Councillor Thomas (D) declared a pecuniary interest and withdrew from the meeting room.)

Chairman

Council Meeting 22 September 2016

Public Question

Question (1) from Mr Swithin Long to the Mayor and Executive Lead for Finance and Regeneration (Mayor Oliver)	Does the Mayor support the national campaign by Age UK which calls on the Government NOT to transfer responsibility for administering Attendance Allowance to local Councils?
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Agenda Item 7

Meeting of the Council

Thursday, 22 September 2016

Questions Under Standing Order A13

Question (1) by Councillor Sanders to the Mayor and Executive Lead for Finance and Regeneration (Mayor Oliver)	To ask the Mayor if he will help protect Torbay's allotments from development by encouraging residents and allotment holders to exercise their right to apply for a community asset transfer?
Question (2) by Councillor Darling (S) to the Executive Lead for Environment Councillor Manning	Over a year ago, I shared my concern with Torbay Council regarding the erosion of the sea defence on Redgate Beach Torquay. Since then no remedial action has been taken and the erosion has more than doubled in size. Has the local authority decided to abandon this sea defence, that could result in cliff falls and impact on the South West Coastal footpath?
Question (3) by Councillor Darling (M) to the Mayor and Executive Lead for Finance and Regeneration (Mayor Oliver)	When taking office at No 10 Downing Street Teresa May said her premiership "would make Britain work for everyone." And represent the interests of the many and not the privileged few. In light of the Consultation to change the Council tax support scheme in Torbay which will result in some of the poorest households in Torbay being forced to pay hundreds of additional pounds in Council tax a year. Would you agree with me that one should always judge political parties by their deeds rather than words?
Question (4) by Councillor Doggett to the Executive Lead for Health and Wellbeing and Corporate Services (Councillor Mills)	In light of the new model of care consultation being conducted by our local CCG that could result in the Closure of Paignton hospital can you please advise of what representations you have made as chair of the Health and Wellbeing Board to the secretary of state, for any financial windfalls from the sale of land to be ring fenced and reinvested in our local health and care provision?
Question (5) by Councillor Stringer to the Mayor and Executive Lead for Finance and Regeneration (Mayor Oliver)	A local hotelier has offered to put in £50,000 and his personal expertise to help develop an alternative community led redevelopment of the Pavilion. What response has Torbay Council made to this helpful offer?

Second Round

Question (6) by Councillor Sanders to the Mayor and	To ask the Mayor why his statement of 29 July in relation to Torquay United had to be clarified by Officers after it was sent?
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Executive Lead for Finance and Regeneration (Mayor Oliver)	
Question (7) by Darling (M) to the Mayor and Executive Lead for Finance and Regeneration (Mayor Oliver)	I note that Cllr King is referred to as the Councillor responsible for responses to the consultation on changes to the Council Tax Support scheme. As Councillor Morris holds this area of responsibility in his portfolio why is he not the lead Councillor for this consultation.
Question (8) by Councillor Darling (S) to the Executive Lead for Planning, Transport and Housing (Councillor King)	In Recent months I have found a significant increase in the number of abandoned vehicles that residents are contacting me about. I understand that in July 2016 Torbay dealt with as many abandoned vehicles as the whole of the previous year. How are the Council realigning resources to tackle this increasing problem?
Question (9) by Councillor Doggett to the Executive Lead for Planning, Transport and Housing (Councillor King)	Last year I raised the issue of faded double yellow lines around the Bay. Can you please give me an update as to where we are regarding these? At the time, and really it does happen now, that sadly people will take advantage of the situation, whereby people will park in these areas, which may be dangerous, and also cause the Council to lose Income, as such areas are unenforceable regarding the restrictions they imply by the Parking Attendants!

Third round

Question (10) by Councillor Sanders to the Executive Lead for Community Services (Councillor Excell)	To ask the Executive Lead for Transport when he expects to arrange the meeting with myself as promised in his reply to my question at the Full Council Meeting on the 11 th May 2016 about parking and the Disability Discrimination Act, and if he will explain his policy of not responding to emails?
Question (11) by Councillor Darling (M) to the Executive Lead for Planning, Transport and Housing (Councillor King)	Torbay Council started consultation on the 9 August on controversial changes to the Council Tax Support Scheme. Councillors will only be briefed on this matter on 28 September. Surely elected members should be briefed on such possible policy changes at the beginning of the consultation rather than more than half way through it?

Agenda Item 8a

Notice of Motion – Council 22 September 2016

Protecting Torbay's Position following the EU Referendum (Mayoral)

That Torbay Council notes the result of the EU Referendum and now commits to doing everything that it can to protect, support and enhance the position of the residents of Torbay, in whatever new agreements are sought and reached with the European Union and its member countries and the rest of the world and otherwise, as a result of the Referendum decision to leave the EU.

In particular it believes:-

- (1) That the financial position of local authorities such as Torbay must not be further worsened and should, if possible, be improved.
- (2) That the Government must give an immediate guarantee that the existing rights of citizens of other European Union countries who are already living in Torbay will be protected.
- (3) That the importance of the Visitor economy and Hospitality Industry (including language schools and care homes) in Torbay must be recognised and their future protected.
- (4) That there must not be any weakening of environmental legislation, particularly relating to clean bathing waters, or employment rights that at present derive from EU directives.
- (5) That fisheries support for areas such as Torbay must be maintained by the Government following a withdrawal from the Common Fisheries Policy.
- (6) That convergence funding, European Social Funding, European Regional Development Funding and other EU derived funding must be replaced with funds from the UK Treasury.

This Council is further shocked by the reported increases in race hate crimes and antisocial behaviour directed at EU citizens in the UK and other ethnic minorities since the referendum result was announced, including in Torbay, and resolves to call an early meeting with the local police and other agencies to consider its response.

Proposer: Councillor Sanders
Seconder: Councillor Darling (S)

Notice of Motion - Council Meeting 22 September 2016

Policy Framework: Torbay Development Agency Business Plan (Council Decision)

The Torbay Economic Development Company Limited (operating under the trading name Torbay Development Agency (TDA)) is Torbay Council's wholly owned and controlled economic development company. Established in 2011 the TDA is responsible for delivery of a range of services and outcomes for Torbay Council. It is also a trading business providing services to the broader public sector. The TDA's business plan sets out how the business will function over the business plan period and approval of the same is currently a Mayoral decision. However, given the length of plan, which provides a mandate to the company for the next 5 years, it is considered that this should be classed as part of the Policy Framework for the Council to determine.

Therefore, the Council is recommended:

That the Torbay Development Agency (TDA) Business Plan be included in the Council's Policy Framework and the Monitoring Officer be requested to update the Constitution accordingly.

Proposed by Councillor Tyerman
Seconded by Councillor Carter

Agenda Item 8c

Notice of Motion – Council 22 September 2016

Pension Changes (Mayoral)

This Council notes that the Pensions Minister at the time claims the Government did not know the full implications of changes to the pension system made in the last Parliament. This Council requests the Mayor and Executive Lead for Finance and Regeneration to write to Torbay's Members of Parliament requesting them to ask the Government to reconsider the transitional arrangements for women born on or after 6th April 1951, so that women do not live in hardship due to pension changes they were not told about until it was too late to make alternative arrangements.

Proposer Councillor Sanders
Seconder Councillor Doggett

Notice of Motion – Council 22 September 2016

Opposing Badger Culls (Mayoral)

This Council wishes it to be known that it is opposed to any culling of badgers on council owned land and land leased to third parties including the Torbay Coast and Countryside Trust. The recent badger culls have been a catalogue of errors, contradictions and last minute changes, deviating from expert advice from the start. No control zone studies were established for the pilot culls, no post-mortems were organised and no details of scientific monitoring established. There has been no proof established that badgers shot were infected ones.

In the cull, the cost of the cull has been established at £6,775 per Badger, this includes policing and equipment. It would be better for the police to be dealing with actual crime issues, and the money already wasted so far would be better used at Council level for helping our Residents problems! Undisturbed Badgers live in a stable close knit social group, which tend to have limited movement from one area to another and as a result, if a badger sett was harbouring TB, then it would tend to remain relatively isolated. Culling actions disrupt the social groups and opens up the territory, causing individuals to roam further afield and, if infected will pass this infection on to sets which are not infected! This is what is known and referred to as perturbation, and Government has already acknowledged that this is likely to have happened in the recent cull held in Gloucestershire!

This Council calls on our Members of Parliament to oppose any further extension to the cull to other areas and resolves not to allow any further pilot culls to take place within the boundaries of Torbay and instructs the Executive Lead for Environment to notify the Secretary of State for Environment, Food and Rural Affairs as well as our MP's accordingly.

Proposed by Councillor Doggett
Seconded by Councillor Darling (S)

Agenda Item 9



Meeting: Council

Date: 22 September 2016

Wards Affected: All Wards

Report Title: Amendments to the Corporate Asset Management Plan

Is the decision a key decision – Yes

When does the decision need to be implemented?

Executive Lead Contact Details: Mayor (Mayor Gordon Oliver) Executive Lead for Finance and Regeneration, 01803 207001

Supporting Officer Contact Details: Kevin Mowat, Executive Head of Business Services, 01803 208428, kevin.mowat@torbay.gov.uk

1. Proposal and Introduction

- 1.1 On 25th February 2016 the Council approved the Corporate Asset Management Plan for 2015 ~ 2019. In section 6.11 the Plan states that the Council holds a variety of Tenanted Non-Residential Properties (TNRP) on which it has granted either leases or licences to third parties. These assets range from golf clubs, offices, restaurants, industrial & leisure sites, to leases to sports clubs and other voluntary sector groups. One of the issues that the Corporate Asset Management Plan goes on to identify, is the need for the Council *'To review the accounting procedures to ensure that market rent is charged on all assets – even if then an equivalent grant is given to the organisation leasing the asset'*.
- 1.2 The issue around accounting procedures has now been largely resolved but one of the **'Asset Management Principles'** identified within the Corporate Asset Management Plan is **'To release value and minimise cost'**. The Plan is clear that due to the financial challenges facing the Authority, one of the measures to achieve this is to *'Ensure any grant from the Council to assist with a tenant's rent will be reviewed annually'*, unless there is specific approval at Full Council to the contrary.
- 1.3 It is important that the Council has clear processes and procedures in place to determine applications for grants to offset market rents. Officers have therefore taken the opportunity to review, amend and consolidate the processes and procedures in place to determine applications for grants in lieu of or to offset market

forward thinking, people orientated, adaptable - always with integrity.

rents. The revised processes and procedures for determining applications for grants to offset market rent should be adopted as an Appendix to the Council's Corporate Asset Management Plan 2015 ~ 2019. It is expected that this will provide a more consistent and transparent approach, for all concerned, which will help meet the requirements of the Corporate Asset Management Plan and manage the expectations of those applying for grants.

- 1.4 It is not always practicable to review grants on an annual basis and this also causes uncertainty for the sports clubs and other organisations. Therefore, it is proposed that the existing Corporate Asset Management Plan 2015 ~ 2019 should be amended to ensure that any grant from the Council to assist with a tenant's rent will be time bound and will not extend beyond the next scheduled rent review.
- 1.5 In July 2011, a paper was submitted to Full Council that recommended the Mayor authorise the then Executive Head of Commercial Services, in consultation with the Chief Executive of the Torbay Development Agency (TDA), to grant leases for up to 40 years to sports clubs on acceptable terms with each case being considered on its merits. It was envisaged that the granting of leases of up to 40 years, to the Bay's sports clubs, would give them a better chance of applying for and receiving grants to improve facilities.
- 1.6 Since this time a number of sports clubs within Torbay have agreed a 40 year sport lease with Torbay Council. Appendix 4 provides details of sports clubs that already have leases or are in discussions with the Council. Some of these already pay a market rent.
- 1.7 Despite a significant amount of effort and resource from Council and TDA officers, there are an additional number of sports clubs/organisations where agreements have not been reached. There have been a variety of reasons why the Council has failed to reach agreement on the outstanding sports leases. As an example, changing priorities within the sports clubs, failure to reach agreement on proposed lease terms, lack of understanding on proposed lease terms and the failure of sports clubs to be legally represented are to name a few. A change of Council officers and policy direction has also contributed to the prolonged negotiations.
- 1.8 The drawn out process of trying to reach agreement over several years has been a significant drain on Council and TDA resources. During the year 2015/16, the TDA Estates Team spent over 400 recorded hours working on sports leases.
- 1.9 It is clearly stated in the latest Corporate Asset Management Plan that "*Due to the financial challenges facing the Authority and the possible future reductions in Revenue Support Grants, unless there is specific approval at Full Council to the contrary, the Council will always seek to maximise the full market receipt for their assets whether by way of freehold disposal or leasehold interest*". It is therefore apparent that Officer time might be better spent maximising returns to the Council.

- 1.10 Officers have therefore taken the opportunity to review and amend the whole process surrounding the granting of sports leases and it is proposed that an 'overarching strategy' for the granting of sports leases should be adopted as an Appendix to the Council's Corporate Asset Management Plan 2015 ~ 2019. It is expected that this strategy will provide a speedier, more consistent and transparent approach, for all concerned, which will help reduce delays and manage expectations.
- 1.11 The estimated 'market rent' assesses the lease value against other similar leases (i.e. sports leases) across the South Devon area. It is an amount payable between two unconnected parties to rent a property or land, who are under no compulsion to do so, on appropriate terms, The 'market rent' will take into account a number of factors including :-
- The duration of the lease
 - Whether the tenant has security of tenure
 - The frequency of rent reviews
 - Whether the landlord or the tenant has the liability for the cost of maintenance
 - What income generating facilities are at the disposal of the tenant ? i.e. is there a club house & bar, private car parking, etc.
 - Is it a ground rent only or are buildings included
 - Are there any restrictive covenants or a strict user clause i.e. sports use only

A combination of the above factors can either increase or lower the valuation and so it must not be assumed that a 'market rent' is necessarily a high rent. In the case of sports clubs the 'market rent' should not be compared with the commercial rent a business might pay in the high street.

- 1.12 Quite often a sports club will only require a ground lease and this is likely to attract a relatively low market rent. Over the period of a long lease the sports club may well add some buildings, such as a new club house, however, at the time of a scheduled rent review, any tenant improvements must be disregarded when assessing a revised 'market rent'.

2. Reason for Proposal

- 2.1 The adoption of two new Appendices to add to the existing Corporate Asset Management Plan 2015 ~ 2019 will amend a key policy framework document and allow for clear and published processes to exist in relation to the award of grants in lieu of rent as well as the Council's approach to long leases for sports clubs. It is expected that the amendments will introduce more certainty, consistency and transparency for all concerned.
- 2.2 By offering long leases to local sports clubs the Council can provide the clubs with the confidence that comes with security of tenure. This new found confidence should serve as a catalyst for improvement whereby our sports clubs will positively engage with their communities and in particular with our young people. Some local

clubs are already fully engaged with their communities but this new overarching strategic approach to sports leases will ensure that the tenant clubs are working with the respective national Governing Body for their sport. Not all clubs are optimising the opportunities that are available and there is an opportunity cost.

3. Recommendation(s) / Proposed Decision

- 3.1 That, a new Appendix AM-G ~ 'Procedure for determining applications for grants to offset market rent (grants in lieu of rent)', be added to the existing Corporate Asset Management Plan 2015 ~ 2019.
- 3.2 That, Appendix AM-H ~ 'Granting of sports leases – An overarching strategy', be added to the existing Corporate Asset Management Plan 2015 ~ 2019.
- 3.3 That, the existing Corporate Asset Management Plan 2015 ~ 2019 be amended to ensure that any grant from the Council to assist with a tenant's rent will be time bound and will not extend beyond the next scheduled rent review unless there is specific approval at Full Council to the contrary.

Appendices

Appendix 1: Supporting Information and Impact Assessment

Appendix 2 Appendix AM-G ~ Procedure for determining applications for grants to offset market rent (grants in lieu of rent)

Appendix 3 Appendix AM-H ~ Granting of sports leases – An overarching strategy

Appendix 4: List of Sports Leases Granted

Background Documents

Corporate Asset Management Plan – February 2016

<http://www.torbay.gov.uk/DemocraticServices/documents/s27873/Appendix%20%20-%20Corporate%20Asset%20Management%20Plan%20Final%20Version.pdf>

Review of the provision of grants in lieu of rent – Report to the Overview & Scrutiny Board (March 2004)

Expression of Interest for a Community Asset Transfer - prepared by Sport Torbay Limited, August 2015

Torbay Sports Facilities Strategy – April 2014

Torbay Playing Pitch Strategy – April 2014

Agenda Item 9

Appendix 1

Appendix 1

Supporting Information and Impact Assessment

Service / Policy:	Corporate Asset Management Plan
Executive Lead:	Mayor Gordon Oliver, Executive Lead for Finance and Regeneration
Director / Assistant Director:	Anne-Marie Bond, Assistant Director – Corporate & Business Services

Version:	2	Date:	08/07/16	Author:	Kevin Mowat
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Section 1: Background Information

<p>1.</p>	<p>What is the proposal / issue?</p> <p>On 25th February 2016 the Council approved the Corporate Asset Management Plan for 2015 ~ 2019. In section 6.11 the Plan states that the Council holds a variety of Tenanted Non-Residential Properties (TNRP) on which it has granted either leases or licences to third parties. These assets range from golf clubs, offices, restaurants, industrial & leisure sites, to leases to sports clubs and other voluntary sector groups. One of the issues that the Corporate Asset Management Plan goes on to identify, is the need for the Council <i>‘To review the accounting procedures to ensure that market rent is charged on all assets – even if then an equivalent grant is given to the organisation leasing the asset’</i>.</p> <p>The issue around accounting procedures has now been largely resolved but one of the ‘Asset Management Principles’ identified within the Corporate Asset Management Plan is ‘To release value and minimise cost’. The Plan is clear that due to the financial challenges facing the Authority, one of the measures to achieve this is to <i>‘Ensure any grant from the Council to assist with a tenant’s rent will be reviewed annually’</i>, unless there is specific approval at Full Council to the contrary.</p> <p>It is important that the Council has clear processes and procedures in place to determine applications for grants to offset market rents. Officers have therefore taken the opportunity to review, amend and consolidate the processes and procedures in place to determine applications for grants in lieu of or to offset market rents. The revised processes and procedures for determining applications for grants to offset market rent should be adopted as an Appendix to the Council’s Corporate Asset Management Plan 2015 ~ 2019. It is expected that this will provide a more consistent and transparent approach, for all concerned, which will help meet the requirements of the Corporate Asset Management Plan and manage the expectations of those applying for grants.</p> <p>One of the recommended amendments is that grants to tenants are not reviewed annually but any grant will be time bound and will not extend beyond the next scheduled rent review. This should provide tenants with a degree of certainty.</p>
<p>2.</p>	<p>What is the current situation?</p> <p>In July 2011, a paper was submitted to Full Council that recommended the Mayor authorise the then Executive Head of Commercial Services, in consultation with the Chief Executive of the Torbay Development Agency (TDA), to grant leases for up to 40 years to sports clubs on acceptable terms with each case being considered on its merits. It was envisaged that the granting of 40 year leases to the Bay’s sports clubs would give them a better chance of applying for and receiving grants to improve facilities.</p> <p>Despite the benefits of securing additional funding through the granting of extended leases, the Council has only reached agreement on four leases for</p>

sports clubs. Notwithstanding a significant amount of effort and resource from Council and TDA officers, there are an additional number of sports clubs where agreements have not yet been reached. There have been a variety of reasons why the Council has failed to reach agreement on the outstanding sports leases. As an example, changing priorities within the sports clubs, failure to reach agreement on proposed lease terms, lack of understanding on proposed lease terms and the failure of sports clubs to be legally represented are to name a few.

The drawn out process of trying to reach agreement over several years has been a significant drain on the Council and TDA resources. During the year 2015/16, the TDA Estates Team spent over 400 recorded hours working on sports leases.

It is clearly stated in the latest Corporate Asset Management Plan that “*Due to the financial challenges facing the Authority and the possible future reductions in Revenue Support Grants, unless there is specific approval at Full Council to the contrary, the Council will always seek to maximise the full market receipt for their assets whether by way of freehold disposal or leasehold interest*”. It is therefore apparent that Officer time might be better spent maximising returns to the Council.

The estimated market rent assesses the lease value against other similar leases (i.e. sports leases) across the South Devon area. An estimated market rent will take into account whether the landlord or tenant has the liability for the cost of maintenance and what income generating facilities are at the disposal of the tenant. i.e. a club house & bar, private car parking, etc. The estimated market rent would also reflect the restrictive nature (sports use only user clause) of the lease and the level of the security of tenure.

A combination of the above factors can either increase or lower the valuation and so it must not be assumed that a ‘market rent’ is necessarily a high rent. In the case of sports clubs the ‘market rent’ should not be compared with the commercial rent a business might pay in the high street.

Clearly there is still a need to try and conclude the outstanding sports leases for the benefit of all concerned. Officers have therefore taken the opportunity to review and amend the whole process surrounding the granting of sports leases and it is proposed that an ‘overarching strategy’ for the granting of sports leases should be adopted as an Appendix to the Council’s Corporate Asset Management Plan 2015 ~ 2019. It is expected that this strategy will provide a speedier, more consistent and transparent approach, for all concerned, which will help reduce delays and manage expectations.

It is the intention that all future sports leases will adhere to the key terms of this overarching strategy.

<p>3.</p>	<p>What options have been considered?</p> <p>The following options have been considered:</p> <ol style="list-style-type: none"> 1. Continue to consider requests for grants to offset market rents without any clear processes or procedures. This would clearly be contrary to the expectations set out in the Corporate Asset Management Plan 2015 ~ 2019. 2. Continue with ongoing negotiations with sports clubs based on discussions and negotiations to date. It is clear from the limited progress and protracted negotiations there is little likelihood of many of the outstanding sports leases reaching completion in the near future. Further significant effort would be required to conclude the outstanding matters. 3. Propose a new overarching strategy that outlines the Council's approach to granting leases to sports clubs. This option may well result in the rewinding of discussions back to a starting point in some cases and this could cause some reputational damage to the Council. However, proposing a predetermined set of key terms where little additional negotiation is required or necessary should ultimately result in discussions reaching a satisfactory conclusion in a more timely fashion. 4. Revert back to the Council considering requests for sports leases on a case by case basis. This option would allow the Council to have regard to the aspirations of the clubs and also consider the Council's long term views for the leased area. However, it is likely this would ultimately result in further delays as detailed negotiations would need to be undertaken with each sports club in isolation.
<p>4.</p>	<p>How does this proposal support the ambitions, principles and delivery of the Corporate Plan 2015-19?</p> <p>This decision to grant sports leases is not a specific corporate priority. However, it does support the Corporate Plan ambitions of being a Healthy Torbay in promoting a healthy lifestyle and ensuring Torbay remains an attractive and safe place to live. It also supports and adds to the existing principles set out in the approved Corporate Asset Management Plan.</p> <p>By offering long leases to local sports clubs the Council can provide the clubs with the confidence that comes with security of tenure. This new found confidence should serve as a catalyst for improvement whereby our sports clubs will positively engage with their communities and in particular with our young people. Some local clubs are already fully engaged with their communities but this new overarching strategic approach to sports leases will ensure that the tenant clubs or group are</p>

	<p>working with the respective national Governing Body for their sport. Not all clubs are optimising the opportunities that are available and there is an opportunity cost.</p> <p>A new overarching strategic approach to sports leases will require that the tenant/sports clubs are working with the respective national Governing Body for their sport. This requirement is included to ensure that a tenant organisation has an appropriate constitution with associated rules & regulations. It also means that the tenant would be required to follow best practice in such matters as safeguarding, protecting young children, inclusion and financial probity; it will also help to prevent discrimination and promote equality. Consequently, it is expected that the tenant organisation will have the relevant policies for such matters and can therefore demonstrate a corporate social responsibility.</p> <p>Where an umbrella group is acting as the tenant it will be a condition of the lease that they must ensure that the clubs using the facilities are affiliated to a recognised sport's governing body.</p>
<p>5.</p>	<p>Who will be affected by this proposal and who do you need to consult with?</p> <p>The decision to formally adopt a procedure for determining applications for grants to offset market rent (grants in lieu of rent) could have an adverse affect on some tenant organisations that currently enjoy the benefit of a grant or grants. Equally it could have a positive impact on certain groups who do not currently benefit from such a grant.</p> <p>The decision to formally adopt an overarching strategy for the granting of sports leases may have an adverse affect on some sports clubs where negotiations have been ongoing for some time. However, it is hoped that sports clubs will understand that given the protracted discussions thus far, that a new and transparent process will hopefully result in outstanding matters reaching a conclusion more quickly. The Council has also spent a significant amount of time negotiating sports leases.</p> <p>Consultation has been undertaken with the Executive Leads and the Council's Senior Leadership Team. Torbay Sports Council and the Overview & Scrutiny Board have also been consulted. Direct consultation with all the tenant organisations applying for grants and all the sports clubs requesting leases was not considered appropriate.</p>
<p>6.</p>	<p>How will you propose to consult?</p> <p>Discussions were held with the Executive Leads and Council's Senior Leadership Team. Draft reports and appendices were considered by the Overview & Scrutiny Board and sent to the Torbay Sports Council for suggestions and comment. Further consultation will take place with the tenants during the grant application process and/or the discussions for a long sports lease. The Corporate Asset Management Plan is reviewed annually in any event and so further amendments can be made in future years.</p>

Section 2: Implications and Impact Assessment

7. What are the financial and legal implications?

Financial Implications of Decision

Savings should be made by strengthening the criteria for applying for a grant to offset the market rent. Also, by streamlining the sports leases process a significant saving should be realised as there will be a reduction in Officer time and improved efficiency.

Sports leases will normally be advertised to ensure that there is a competitive element to the selection of a tenant and that our communities will be rewarded with the best offer in terms of quality. The Council will use a combination of quality and cost to demonstrate best value, when scoring an applicant's bid for a long sports lease. It is important that a local sports club that wishes to become a tenant or is already a tenant; is discouraged from 'coasting along', not improving or reaching out to their local community.

8. What are the risks?

Risks to Council

- If the rent is agreed at full market rent then there is no risk to the Council as it is within the Councils policy.
- If the rent is agreed at a level below market rent then this would be outside of the current Council policy.
- If the Council determines a rental higher than they have been negotiating with the tenant organisation/sports club, due to these recommended changes in policy then there is a risk of reputational damage for the Council. This risk may be mitigated if a grant to offset the rent is appropriate and applied.

Risk to the tenant organisation/sports club

- If the rent is increased to the market rent then there is a risk that the tenant would find it difficult to meet the rental commitments and they might have to increase their membership/subscription fees to the community using the facilities which may deter participation. However, the tenant will be able to apply for a grant to offset the market rent and the tenant will be able to exercise a break clause if they cannot sustain their commitments. Furthermore, the grant period can be aligned with the time of the rent review and/or break option.

<p>9.</p>	<p>Public Services Value (Social Value) Act 2012</p> <p>Not applicable as procurement of services or the provision of services together with the purchase or hire of goods or the carrying out of works not required as part of this decision</p>
<p>10.</p>	<p>What evidence / data / research have you gathered in relation to this proposal?</p> <p>Reference was made to the 'Review of the Provision of Grants in Lieu of Rent' undertaken by the Overview & Scrutiny Board in March 2004.</p> <p>Reference was made to the Torbay Sports Facilities Strategy and the Torbay Playing Pitch Strategy.</p> <p>Comparable evidence from sport leases from Plymouth City Council, Teignbridge District Council and Exeter City Council was obtained as well as looking at lettings completed previously within Torbay Council.</p>
<p>11.</p>	<p>What are key findings from the consultation you have carried out?</p> <p>The adoption of two new Appendices to add to the existing Corporate Asset Management Plan 2015 ~ 2019 will amend a key policy framework document and allow for clear and published processes to exist in relation to the award of grants in lieu of rent as well as the Council's approach to long leases for sports clubs. It is expected that the amendments will introduce more consistency and transparency for all concerned.</p> <p>Torbay Sports Council were consulted on these proposals and they provided feedback to the Overview and Scrutiny Board. The views of the Torbay Sports Council can be summarised as follows :-</p> <p><i>"Torbay Sports Council do not agree with the Council to charging Market Rent on Sporting Facilities. Torbay Sports Council proposes that all Sports Leases not for profit organisations have a peppercorn rent up to a maximum of £500 a year and this is put before full Council. This includes old, current and future leases."</i></p> <p>Individual responses from clubs were forwarded by Torbay Sports Council and a number of these are set out below :-</p> <ul style="list-style-type: none"> • Clubs are run by volunteers who know nothing about the legalities around leases and most clubs cannot afford legal help and advice to help them through the process. • Clubs have already saved the Council several thousands of pounds by doing and paying for the work themselves which is ongoing and a permanent financial drain for them. • Clubs are confusing market rent with a commercial rent. • Clubs do not have the business skills to understand the long term

	<p>commitment to this type of leasing arrangement.</p> <ul style="list-style-type: none"> • Clubs see the proposals as a money making exercise for the Council. • Clubs are not going to commit to 40 years of full market rent in the hope of getting help in the form of grants which are reviewed annually. • Torre Valley Sport Association is not a sports club and cannot therefore be affiliated to a Sports Governing Body. • Charging a market rent to a voluntary sports club is unrealistic as sports clubs are not a profit making businesses. • Clubs are worried that grants could be withdrawn in the future. • It's great that clubs should be a member of their governing body.
<p>12.</p>	<p>Amendments to Proposal / Mitigating Actions</p> <p>Clubs will be able to apply for a grant from the Council to offset the market rent. Also, it is proposed that grants are not renewed annually but are reviewed on a three or five yearly basis in line with any scheduled rent review. This will provide clubs with some certainty over their rental costs and this combined with an option to break the lease on the tenant's part, will mean that clubs are not committing to something that they cannot afford.</p> <p>It is clear that sports clubs will need ongoing support and advice regarding their commitments in respect of long leases. If they are not familiar with lease negotiations then the prospect can be both challenging and daunting, which could discourage further participation in the process. The Council and the TDA will therefore work with the Torbay Sports Council to support the clubs through the lease process, including the provision of a set of "Frequently Asked Questions".</p>

Equality Impacts

13	Identify the potential positive and negative impacts on specific groups			
		Positive Impact	Negative Impact & Mitigating Actions	Neutral Impact
	Older or younger people	Long leases for sports clubs will bring confidence through security of tenure. This confidence should serve as a catalyst for improvement whereby our sports clubs will positively engage with their communities and in particular with our young people. Some local clubs are already fully engaged with their communities but this new overarching strategic approach to sports leases will ensure that the tenant clubs are working with the respective national Governing Body for their sport. This will help prevent discrimination and promote equality.	Charging a market rent may undermine the tenant's business case with the result that charges will be increased to end users of the sporting facilities. This may reduce participation in sport.	
	People with caring Responsibilities	Long leases for sports clubs will bring confidence through security of tenure. This confidence should serve as a catalyst for improvement whereby our sports clubs will positively engage with their communities and in particular with our young people. Some local clubs are already fully engaged with their communities but this new overarching strategic approach to	Charging a market rent may undermine the tenant's business case with the result that charges will be increased to end users of the sporting facilities. This may reduce participation in sport.	

	sports leases will ensure that the tenant clubs are working with the respective national Governing Body for their sport. This will help prevent discrimination and promote equality.		
People with a disability	Long leases for sports clubs will bring confidence through security of tenure. This confidence should serve as a catalyst for improvement whereby our sports clubs will positively engage with their communities and in particular with our young people. Some local clubs are already fully engaged with their communities but this new overarching strategic approach to sports leases will ensure that the tenant clubs are working with the respective national Governing Body for their sport. This will help prevent discrimination and promote equality.	Charging a market rent may undermine the tenant's business case with the result that charges will be increased to end users of the sporting facilities. This may reduce participation in sport.	
Women or men	Long leases for sports clubs will bring confidence through security of tenure. This confidence should serve as a catalyst for improvement whereby our sports clubs will positively engage with their communities and in particular with our young people. Some local clubs are already fully engaged with their communities but this new overarching strategic approach to	Charging a market rent may undermine the tenant's business case with the result that charges will be increased to end users of the sporting facilities. This may reduce participation in sport.	

	<p>sports leases will ensure that the tenant clubs are working with the respective national Governing Body for their sport. This will help prevent discrimination and promote equality.</p>		
<p>People who are black or from a minority ethnic background (BME) <i>(Please note Gypsies / Roma are within this community)</i></p>	<p>Long leases for sports clubs will bring confidence through security of tenure. This confidence should serve as a catalyst for improvement whereby our sports clubs will positively engage with their communities and in particular with our young people. Some local clubs are already fully engaged with their communities but this new overarching strategic approach to sports leases will ensure that the tenant clubs are working with the respective national Governing Body for their sport. This will help prevent discrimination and promote equality.</p>	<p>Charging a market rent may undermine the tenant's business case with the result that charges will be increased to end users of the sporting facilities. This may reduce participation in sport.</p>	
<p>Religion or belief (including lack of belief)</p>	<p>Long leases for sports clubs will bring confidence through security of tenure. This confidence should serve as a catalyst for improvement whereby our sports clubs will positively engage with their communities and in particular with our young people. Some local clubs are already fully engaged with their communities but this new overarching strategic approach to</p>	<p>Charging a market rent may undermine the tenant's business case with the result that charges will be increased to end users of the sporting facilities. This may reduce participation in sport.</p>	

	<p>sports leases will ensure that the tenant clubs are working with the respective national Governing Body for their sport. This will help prevent discrimination and promote equality.</p>		
<p>People who are lesbian, gay or bisexual</p>	<p>Long leases for sports clubs will bring confidence through security of tenure. This confidence should serve as a catalyst for improvement whereby our sports clubs will positively engage with their communities and in particular with our young people. Some local clubs are already fully engaged with their communities but this new overarching strategic approach to sports leases will ensure that the tenant clubs are working with the respective national Governing Body for their sport. This will help prevent discrimination and promote equality.</p>	<p>Charging a market rent may undermine the tenant's business case with the result that charges will be increased to end users of the sporting facilities. This may reduce participation in sport.</p>	
<p>People who are transgendered</p>	<p>Long leases for sports clubs will bring confidence through security of tenure. This confidence should serve as a catalyst for improvement whereby our sports clubs will positively engage with their communities and in particular with our young people. Some local clubs are already fully engaged with their communities but this new overarching strategic approach to</p>	<p>Charging a market rent may undermine the tenant's business case with the result that charges will be increased to end users of the sporting facilities. This may reduce participation in sport.</p>	

	<p>sports leases will ensure that the tenant clubs are working with the respective national Governing Body for their sport. This will help prevent discrimination and promote equality.</p>		
<p>People who are in a marriage or civil partnership</p>	<p>Long leases for sports clubs will bring confidence through security of tenure. This confidence should serve as a catalyst for improvement whereby our sports clubs will positively engage with their communities and in particular with our young people. Some local clubs are already fully engaged with their communities but this new overarching strategic approach to sports leases will ensure that the tenant clubs are working with the respective national Governing Body for their sport. This will help prevent discrimination and promote equality.</p>	<p>Charging a market rent may undermine the tenant's business case with the result that charges will be increased to end users of the sporting facilities. This may reduce participation in sport.</p>	
<p>Women who are pregnant / on maternity leave</p>	<p>Long leases for sports clubs will bring confidence through security of tenure. This confidence should serve as a catalyst for improvement whereby our sports clubs will positively engage with their communities and in particular with our young people. Some local clubs are already fully engaged with their communities but this new overarching strategic approach to</p>	<p>Charging a market rent may undermine the tenant's business case with the result that charges will be increased to end users of the sporting facilities. This may reduce participation in sport.</p>	

	sports leases will ensure that the tenant clubs are working with the respective national Governing Body for their sport. This will help prevent discrimination and promote equality.		
Socio-economic impacts (Including impact on child poverty issues and deprivation)	Long leases for sports clubs will bring confidence through security of tenure. This confidence should serve as a catalyst for improvement whereby our sports clubs will positively engage with their communities and in particular with our young people. Some local clubs are already fully engaged with their communities but this new overarching strategic approach to sports leases will ensure that the tenant clubs are working with the respective national Governing Body for their sport. This will help prevent discrimination and promote equality.	Charging a market rent may undermine the CIC business case with the result that charges will be increased to end users of the sporting facilities. This may reduce participation in sport.	
Public Health impacts (How will your proposal impact on the general health of the population of Torbay)	Long leases for sports clubs will bring confidence through security of tenure. This confidence should serve as a catalyst for improvement whereby our sports clubs will positively engage with their communities and in particular with our young people. Some local clubs are already fully engaged with their communities but this new overarching strategic approach to	Charging a market rent may undermine the CIC business case with the result that charges will be increased to end users of the sporting facilities. This may reduce participation in sport	

		sports leases will ensure that the tenant clubs are working with the respective national Governing Body for their sport. This will help prevent discrimination and promote equality.		
14	Cumulative Impacts – Council wide (proposed changes elsewhere which might worsen the impacts identified above)	N/A		
15	Cumulative Impacts – Other public services (proposed changes elsewhere which might worsen the impacts identified above)	N/A		

Appendix 2

**Appendix AM-G Procedure for determining applications for grants
to offset market rent (grants in lieu of rent)**

July 2016

Introduction

All applications for grants to offset market rent (grants in lieu of rent) should be made to the Executive Head of Business Services by completing the Application Form attached to this procedure.

The estimated market rent assesses the lease value against other similar leases (i.e. sports leases) across the South Devon area. An estimated market rent will take into account whether the landlord or tenant has the liability for the cost of maintenance and what income generating facilities are at the disposal of the tenant. i.e. a club house & bar, private car parking, etc. The estimated market rent would also reflect the restrictive nature (sports use only user clause) of the lease and the level of the security of tenure.

Applications will be considered for any period up to the next scheduled rent review but that period should not exceed five years. Any grant application below a cumulative value of £25,000 (of foregone income) will be considered and determined by the Council's officers in the form of the Senior Leadership Team. All applications for grants in excess of five years or with a cumulative value of £25,000 or more will be passed to the Council for determination.

The Senior Leadership Team and/or Council will use the criteria set out below when considering an application for a grant to offset market rent (i.e. a grant in lieu of rent).

If a grant is rejected by the Council's Senior Leadership Team then the applicant can take their case to an Appeals Committee made up of Councillors.

The Council will not normally offer grant support to tenant organisations whose activities do not support one or more of the 'Targeted Actions' within the Corporate Plan.

The Council will not normally offer grant support to tenant organisations that are not affiliated to or are a member of a recognised national body/voluntary organisation. This requirement is included to ensure that a tenant organisation has an appropriate constitution with associated rules & regulations. It also means that the tenant would be required to follow best practice in such matters as safeguarding, protecting young children, inclusion and financial probity; it will also help to prevent discrimination and promote equality. Consequently, it is expected that the tenant organisation will have the relevant policies for such matters and can therefore demonstrate a corporate social responsibility.

Tenant organisations will need to supply a set of annual accounts and it may be necessary to supply audited accounts and/or accounts for more than one year. The Council may also request to see a medium term financial forecast to evaluate whether or not the organisation is financially sustainable.

Criteria for assessing applications for grants to offset market rent (grants in lieu of rent)

1. Do the activities or services provided by the tenant organisation contribute to the Council's Corporate Plan?

(The Council will not normally offer grant support to tenant organisations whose activities do not support one or more of the 'Targeted Actions' within the Corporate Plan)

2. Is the tenant organisation affiliated or a member of a national body ?

(The Council will not normally offer grant support to tenant organisations that are not affiliated or are a member of a national body/voluntary organisation. This is to ensure that the tenant organisation has proper oversight and governance at a national level, such that it can follow best practice in such matters as safeguarding, financial probity and equality)

3. How many residents of Torbay benefit from the services provided by the organisation ?

4. What is the level of benefit received by those users of the organisation ?

5. How well does the organisation promote social inclusion ?

6. Would the Council need to provide the services if they were not provided by the organisation ?

7. How much other funding will the organisation be able to access if the Council provides a grant ?

8. What mechanisms are in place for working in partnership with other organisations?

9. How much effort is made towards self-help, especially in the form of local fundraising and grant applications ?

10. How far is the organisation able to become self-supporting over the period of the grant?

Application Form for a grant to offset market rent (grant in lieu of rent)

1. Information about the organisation

1.1 Name of Organisation

--

1.2 Address of premises to which the grant will apply

--

1.3 Which of the following best describes your organisation ?

- a. Registered Charity
If yes please provide Charity Registration Number:.....
- b. Awaiting Charity Registration
- c. Charitable organisation which is not registered in any way
- d. Company Limited by guarantee
- e. Other (**Please state**):.....

1.4 Is your organisation:

affiliated to a national voluntary organisation ? Yes No

a branch of a national voluntary organisation ? Yes No

If yes to either of these:

Do you have an independent local management committee ? Yes No

Do you produce separate accounts for the local organisation ? Yes No

2. Name and Address of Contact Person

To whom any queries on this application and correspondence should be addressed

2.1 Name of contact.

--

2.2 Position held within organisation:

--

2.3 Address if different from above.

2.4 Telephone Number

Home:

Work:

Email

3. Grant Information

3.1 Amount of rent due on premises

£		pa
---	--	----

3.2 Amount of grant requested

£		pa
---	--	----

3.3 Length of lease

3.4 For how many years would you like a grant ?

3.5 Please explain why you need a lease of this length

3.6 Have you received, ever received, or do you currently receive, funding from Torbay Council ?..... Yes No

3.7 If Yes, Year
 Amount
 Type of grant
 What for

£	£	£

4. Your Organisation

4.1 Please describe the aims of your organisation.

4.2 What services and/or activities will you provide from your premises ?

4.3 Which of the 'Targeted Actions' within the Council's Corporate Plan does the work of your organisation meet ? If you meet more than one please tick appropriate boxes.

- Protecting all children and giving them the best start in life.....
- Working towards a more prosperous Torbay
- Promoting healthy lifestyles across Torbay.....
- Ensuring Torbay remains an attractive and safe place to live and visit
- Protecting and supporting vulnerable adults

4.4 Please explain briefly how your organisation meets the 'Targeted Actions' you have ticked.

4.5 Please describe how your organisation promotes social inclusion (i.e. how does it serve people who are disadvantaged).

4.6 Please give three examples of how your organisation made a difference to the lives of your users in the last 12 months.

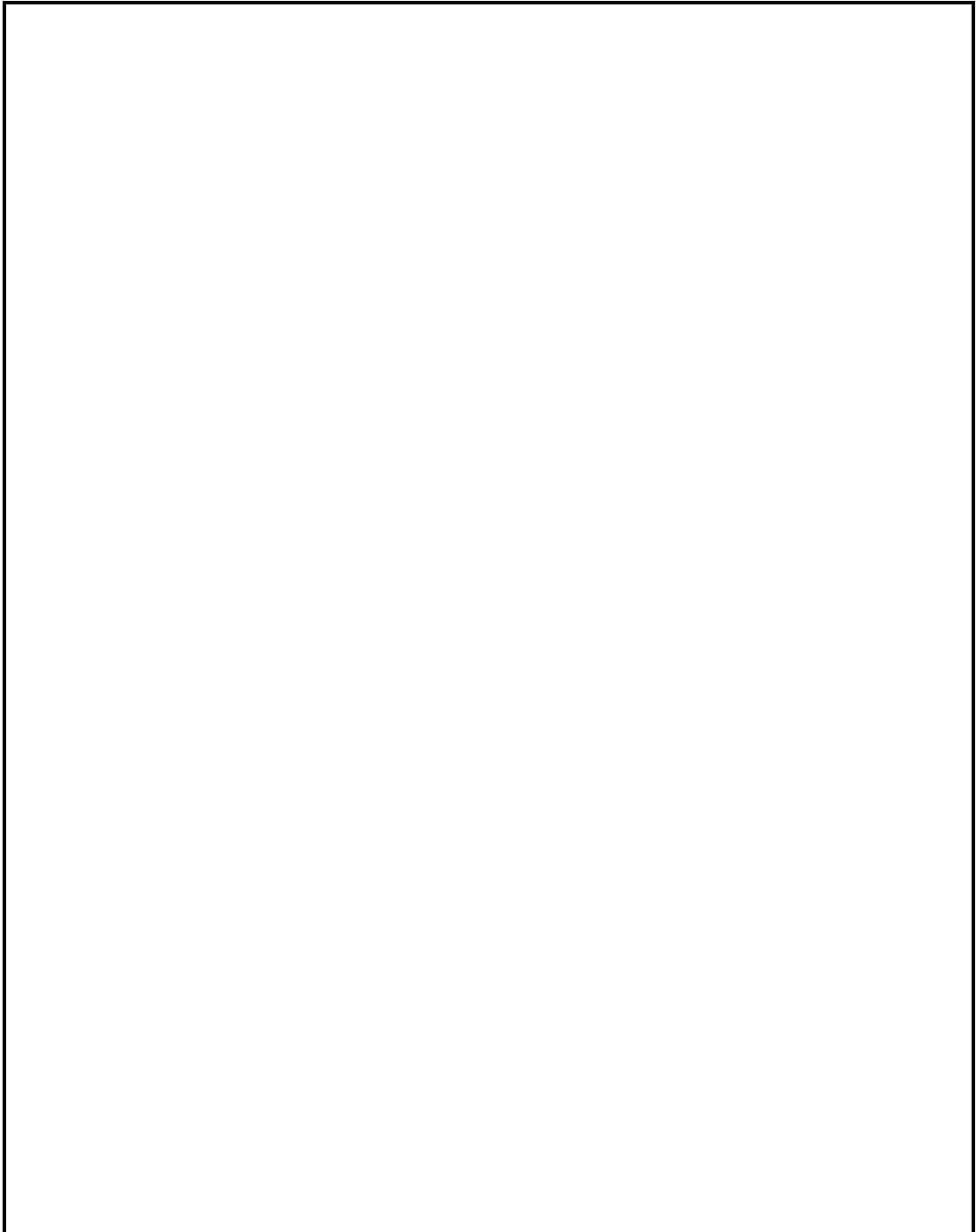
4.7 How many members does your organisation have ?

4.8 How many users did your organisation have last year ?

4.9 How many of your users were residents of Torbay last year ?

4.10 Do you have an equal opportunities policy ?..... Yes No

4.11 Please give examples of how you ensure your service is accessible to all sections of the community.

A large, empty rectangular box with a black border, intended for the user to provide examples of how their service is accessible to all sections of the community.

4.12 Are you aware of any other organisations which also provide similar services or activities in Torbay ? Yes No

If yes, please give brief details, and describe how your organisation liaises or works with these organisations to complement each other and avoid duplication.

5. Financial Information

5.1 Please provide details of your organisation’s income and expenditure last year, your budget for this year and your proposed budget for next year.

INCOME – Source	Last year	This year	Next year
Grants			
:			
:			
:			
:			
Fund-raising			
:			
:			
:			
Earned Income			
:			
:			
:			
Reserves brought forward (do not include fixed assets)			
Other (please specify what they are for)			
TOTAL			

EXPENDITURE – Details	Last year	This year	Next year
Salaries/Staffing			
Premises			
Administration			
Volunteers/Management Committee			
Resources and Training			
Transport			
Other			
TOTAL			

Please provide details of any reserves you had at the end of the last financial year, which were either reserves for a specific purpose (e.g. building fund) or were general reserves (e.g. funds held on deposit at the bank).

5.2 What reserves (excluding fixed assets) were held by your organisation at the end of the last financial year ?

£

5.3 What are these reserves held for ?

5.4 What was the value of your fixed assets at the end of the last financial year ?

£

5.5 What are your plans generating income (including fund raising) or making savings over the period of your lease ?

6. Checklist

If applicable, please enclose with your application a copy of your constitution, your equal opportunities policy, evidence that your organisation is affiliated or a member of a national voluntary organisation/body, your latest annual accounts (audited if possible) and a copy of your most recent annual report.

	Enclosed	Not Produced
Application Form		
Constitution		
Equal Opportunities Policy		
Evidence of membership of a national body		
Annual Accounts for last financial year		
Annual Report for last financial year		

7. Additional Information

Please use this space for any additional information relevant to your application.

8. Declaration

This application has been seen and approved by the organisation's Management Committee and/or officers of the Management Committee. The information contained in this application is correct to the best of my knowledge and belief.

Signed:

Position in Organisation:

Date:

Please return this completed form along with all enclosures to :-

The Executive Head of Business Services
c/o Torquay Harbour Office
Beacon Quay
Torquay
TQ1 2BG

Appendix 3

Appendix AM-H ~ Granting of sports leases – An overarching strategy

July 2016

Introduction

In July 2011, a paper was submitted to full Council that recommended the Mayor authorise the then Executive Head of Commercial Services, in consultation with the Chief Executive of the Torbay Development Agency (TDA), to grant leases for up to 40 years to sports clubs on acceptable terms with each case being considered on its merits. There are a number of sports clubs within Torbay who have since completed leases with Torbay Council. However, there are also still a number outstanding, which is absorbing a significant amount of effort and resource.

This overarching strategy is therefore intended to help streamline the process. The strategy will set out the key terms of occupation that the Council is willing to grant. This will be clear and transparent from the outset. The strategy should be extended to all sports clubs within the Bay to avoid a claim that the Council is being selective. Care will however, have to be taken as to what premises are leased to the clubs. A large number of football clubs hire pitches along with the use of changing rooms from the Council. It would be impractical to lease out an individual pitch with changing facilities, as this would deny other clubs from using them at other times. In these instances it may not be possible to offer any type of lease, regardless of its length.

By offering long leases to local sports clubs the Council can provide the clubs with the confidence that comes with security of tenure. This new found confidence should serve as a catalyst for improvement whereby our sports clubs will positively engage with their communities and in particular with our young people. Some local clubs are already fully engaged with their communities but this new overarching strategic approach to sports leases will ensure that the tenant clubs are working with the respective national Governing Body for their sport. Not all clubs are optimising the opportunities that are available and there is an opportunity cost.

It is clear that the Council has an over-supply of poor quality, asset related, sports provision in the Bay. The Council needs to understand the issues with its facilities and have a better understanding of where the demand exists. It would then be better placed to invest in those facilities, improving quality, increase demand and ultimately increase income to sports funds. Adhering to the terms listed below will help ensure this happens.

The Council will work with the Torbay Development Agency and the Torbay Sports Council to provide support and advice to those clubs that need help to understand the issues surrounding these sports leases. This support will include a set of “Frequently Asked Questions” that can be provided to the clubs and kept under review as an ongoing resource.

Key Terms

- **Advertising the Opportunity** - Sports leases will normally be advertised to ensure that there is a competitive element to the selection of a tenant and that our communities will be rewarded with the best offer in terms of quality. The Council will use a combination of quality and cost to demonstrate best value, when scoring an applicant's bid for a long sports lease. It is important that a local sports club that wishes to become a tenant or is already a tenant; is discouraged from 'coasting along', not improving or reaching out to their local community.
- **Full Market Rent payable** - In February 2016 the Council's Corporate Asset Management Plan 2015 ~ 2019, latest revision, was agreed and adopted by the Council. The revision inserted the following statement, "*Due to the financial challenges facing the Authority and the possible future reductions in Revenue Support Grants, unless there is specific approval at Full Council to the contrary, the Council will always seek to maximise the full market receipt for their assets whether by way of freehold disposal or leasehold interest*". The securing of full Market Rent is therefore in accordance with the Corporate Asset Management Plan.

[The estimated market rent assesses the lease value against other similar leases (i.e. sports leases) across the South Devon area. An estimated market rent will take into account whether the landlord or tenant has the liability for the cost of maintenance and what income generating facilities are at the disposal of the tenant. i.e. a club house & bar, private car parking, etc. The estimated market rent would also reflect the restrictive nature (sports use only user clause) of the lease and the level of the security of tenure.]

- **Sports clubs must be affiliated to National Sports Governing Bodies** - For the purposes of this strategy a sports club must be affiliated to a recognised national governing body for that sport. i.e. recognised by Sport England. Examples include, the Football Association, the Royal Yachting Association, the Rugby Football Union, the England & Wales Cricket Board, UK Athletics or England Athletics, etc. This key term is included to ensure that a tenant organisation has an appropriate constitution with associated rules & regulations. It also means that the tenant would be required to follow best practice in such matters as safeguarding, protecting young children, inclusion and financial probity; it will also help to prevent discrimination and promote equality. Consequently, it is expected that the tenant organisation will have the relevant policies for such matters and can therefore demonstrate a corporate social responsibility.

- **Lease length of up to 40 years** – The sports club should demonstrate the need for the lease length required. It is known that a number of funding bodies do not require clubs to hold leases for longer than 21 years to obtain funding. When granting medium to long term leases the Council should always ensure outputs and outcomes are monitored. If this is not monitored the Council risks losing control over the provision of sporting facilities at that leased area. The Council should not consider granting a lease, which is longer than 40 years as Upper Tribunal (formerly the Lands Tribunal), under s84 of the Law of Property Act 1925 may on certain grounds, after 25 years into the term, discharge or modify restrictions as to user or buildings on the land affecting the leasehold interest. Granting leases to a maximum lease of 40 years therefore prevents clubs applying to the Upper Tribunal thus safe guarding the Council's position. Where there is no existing lease in place any new sports lease granted will be contracted outside of Sections 24-28 (security of tenure provisions) of the Landlord and Tenant Act 1954.
- **Break Options** – The Council will look to insert mutual break options whereby in the event a sports clubs doesn't secure funding / grants, either party can bring the lease to an end on the service of a notice period. If a clubs takes a lease and did not apply, or were unsuccessful, in obtaining grant funding then the land might not be used to its full potential for the length of the lease with the Council being unable to use it for the same or any other purpose. For example, a club's membership may fall significantly over time and it may not be able to provide the same level of activities with the Council being unable to make use of the land.
- **Grants** – Sports clubs may make an application for a grant to offset market rent (a grant in lieu of rent) by following the procedure contained in Appendix AM-G of the Council's Corporate Asset Management Plan. If a decision is made to provide a grant it is likely to be a short period before it is reviewed and it will probably be linked to appropriate outputs and outcomes set out in the grant agreement. There will also be a clearly defined process for monitoring outputs.
- **Maintenance of Land & Buildings** – The leases will pass onto the sports clubs the full liability for the maintenance of the land and buildings. However, many sports pitches are currently maintained by TOR2 and this is expected to continue until at least 2019. The Council cannot make savings by individually removing certain playing pitches from the contract. Therefore, the Council may need to take account of this responsibility when assessing the appropriate market rent.

- **Adverse costs** – It is recognised that by passing the maintenance of the land and the buildings to the sports clubs this could represent a significant risk and liability that is unacceptable to the Clubs. To offset this risk where a significant item of disrepair manifests itself the sports club will be required to meet the first £1,000 of any costs and then an additional 10% of any costs associated with any repair needed above this ceiling. If the Council deems it is unable to meet the cost of the remaining 90% of repairs needed, it will have the ability to bring the lease to an end. Neither the Council nor the sports club should be required to bear an unacceptable level of liability, particularly where no budget exist to meet these costs. The Council’s decision shall be final in this regard.
- **Limit the use of lease restrictions** – If the Council is seeking to obtain market rent from a sports lease then it should also limit the use of lease restrictions which inhibits the clubs/tenants from maximising income. An exception will be to exclude telephone masts from the standard lease. Any consent to permit the erection of telephone masts will need to be agreed by the Council as the landlord in a separate agreement.
- **Identification of periphery land in sports leases** – The granting of sports leases will often cover a large area of land. It is possible that some land, most likely on the periphery of the demise area, may have some future development use/value. It is the intention that this land is identified on a lease plan at the commencement of the lease and reserved within the sports lease with rights for the Council to take back this land on the service of a suitable notice period.
- **Multiple Applications** – It is possible when considering future sports leases that the Council receives a number of Expression of Interests for one specific sports ground. Where this is the case the Council will apply a tender process for determining the outcome.
- **Standardised Lease** – The Council will look at all times to incorporate all of the above terms in a standard lease template. Any departure from the above will only be agreed in an exceptional circumstance.

Protocol for dealing with outstanding Sports Leases

1. Write to all sports clubs where negotiations are ongoing informing them of the new overarching strategy that will be applied on all new sports leases granted.
2. Propose new terms of occupation that adhere to the new strategy.

3. Consider any new requests against the criteria of this strategy and forward them to the Executive Head of Business Services and Assistant Director – Community & Customer Services for a steer about whether the request is agreed ‘in principle’.
4. Consult with Ward Councillors and the relevant community partnership about the proposed Sports Lease.
5. Take a report to Council for their consideration with the views of the Ward Councillors and the community partnership being incorporated into the report.
6. The following are the principal terms to be considered for all future Sports Lease and any variation must be agreed with the Executive Head of Business Services in consultation with the Assistant Director – Community & Customer Services :-
 - i) The sports club pays a full market rent for the premises.
 - ii) The sports club is responsible for the insurance and maintenance of the land and buildings with the club taking the facilities in their existing state.
 - iii) Where there is no existing lease (within the provisions of the Landlord & Tenant Act 1954) in place, the lease is to be excluded from the security provisions of the Landlord & Tenant Act 1954.
 - iv) The sports club to adhere to the agreed sports development plan (if required by the Council).
 - v) The sports club pays the Council’s reasonable legal and surveyor costs associated with the granting of the lease and, if applicable, the surrender of the existing lease.
7. The granting of any lease of open space is deemed to be a disposal of open public space and therefore the proposed granting of the lease will need to be advertised in accordance with the Local Government Act 1972.

Appendix 4: List of Sports Leases Granted

Completed Sports Leases			
Site	Sports Club	Lease term	Date
Queens Park Recreation Ground, Paignton	Queens Park Sports Club Ltd	40 years	1st May 2005
Torquay Recreation Ground, Torquay	Torquay Recreation Ground Ltd	40 years	1st Sept 2013
Abbey Park Bowling Green & Pavilion	Victoria Bowling Club	40 years	15th April 2015
Wall Park Football Ground, Brixham	Brixham Utd AFC	99 years	29th April 2002
Unit 6 & 7, South Arm, Paignton Harbour	Paignton Sailing Club	48 years	1st Jan 1988
Unit 11, Beacon Quay, Torquay	Royal Torbay Yacht Club	15 years	1st July 2005
Unit 8, Beacon Quay, Torquay	Torbay British Sub Aqua Club	15 years	1st Sept 2005

Un-Completed Sports Leases			
Site	Sports Club	Lease term	Date
Torre Valley North, Walnut Road, Chelston	Torre Valley Sports Group CIC		
Cricketfield Recreation Ground, Torquay	Barton Cricket Club		
Windmill Hill Playing Field, Higher Audley Ave, Torquay	Waldron Athletic		
Barton Downs Playing Fields, Lichfield Ave, Torquay	Acorn Centre		
Armada Park Football Pitch, Armada Park	Upton Utd FC		
Walls Hill Cricket Ground, Babbacombe Downs	Babbacombe Cricket Club		
Oddicombe Beach Club House, Torquay	Babbacombe Corinthian Sailing Club		
Foreshore Compound & Steps, Oxen Cove, Brixham	Brixham Yacht Club	Holding Over	

Record of Decision

Mayor's Response to Objection to Amendments to the Corporate Asset Management Plan

Decision Taker

Mayor on 11 August 2016

Decision

- (i) that the Mayor disagrees with the objection to the Amendments to the Corporate Asset Management Plan as this would pose a significant financial risk to the Council if the objection was implemented; and
- (ii) that the following wording be added to the Corporate Asset Management Plan to clarify the approach to be taken respect of sports leases:

“The estimated market rent assesses the lease value against other similar leases (i.e. sports leases) across the South Devon area. An estimated market rent will take into account whether the landlord or tenant has the liability for the cost of maintenance and what income generating facilities are at the disposal of the tenant i.e. a club house & bar, private car parking, etc. The estimated market rent would also reflect the restrictive nature (sports use only user clause) of the lease and the level of the security of tenure.

A combination of the above factors can either increase or lower the valuation and so it must not be assumed that a ‘market rent’ is necessarily a high rent. In the case of sports clubs the ‘market rent’ should not be compared with the commercial rent a business might pay in the high street.”

Reason for the Decision

To respond to the Council’s objections to the Amendments to the Corporate Asset Management Plan.

Implementation

The original report, together with this record of decision, will be considered at the Council meeting on 22 September 2016.

Information

At the Council meeting held on 21 July 2016, the Council formally objected to the Amendments to the Corporate Asset Management Plan on the basis that:

- i) all current and future sports leases granted to ‘not for profit organisations’ should have a peppercorn rent up to a maximum of £500 a year.

In accordance with the Constitution at F4.9, the Council required the Mayor to consider this objection by 12 August 2016 to either:

- a) submit a revision of the Corporate Asset Management Plan with the reasons for any amendments to the Council for its consideration; or

- b) inform the Council of any disagreement that the Executive has with any of the Council's objections and the Executive's reasons for any such disagreement.

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

Alternative Options considered and rejected at the time of the decision

None

Is this a Key Decision?

Yes – Reference Number: I024890

Does the call-in procedure apply?

No

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

None

Published

11 August 2016

Signed: _____
Mayor of Torbay

Date: 11 August 2016

Agenda Item 10



Meeting: Council

Date: 22 September 2016

Wards Affected: All

Report Title: Efficiency Plan

Is the decision a key decision? No

When does the decision need to be implemented? By 14 October 2016

Executive Lead Contact Details: Gordon Oliver, Elected Mayor and Executive Lead for Finance

Supporting Officer Contact Details: Caroline Taylor, Director of Transformation, caroline.taylor@torbay.gov.uk and Martin Phillips, Chief Accountant, martin.phillips@torbay.gov.uk

1. Proposal and Introduction

1.1 As part of the Local Government Finance Settlement for 2016/2017, the Government provided an offer of a four-year settlement up to 2019/2020 which was dependant on councils submitting an Efficiency Plan to the Department for Communities and Local Government (DCLG). The alternative would be an annual settlement with DCLG and HM Treasury. The Efficiency Plan needs to be submitted to the DCLG by 14 October 2016.

1.2 Given the changes in Government since the EU Referendum, it is assumed that the offer of a four-year settlement is still available and for Torbay would provide a Revenue Support Grant as follows:

2017/2018	£14.19 million
2018/2019	£10.31 million
2019/2020	£6.42 million

1.3 Very little guidance has been issued as to what constitutes an efficiency plan although the LGA and CIPFA have issued "Top Tips". That document highlights that no two efficiency plans will be the same as each local authority has its own ambitions, policies, opportunities and challenges and that each will be at a different stage in its journey to financial stability. However, it is recognised that an efficiency plan need not be any more than an abridged version of key, existing public documents already put together by the Council.

forward thinking, people orientated, adaptable - always with integrity.

- 1.4 In terms of the ambitions of Torbay Council, these are set out in the approved Corporate Plan (including its Delivery Plans). The financial challenges faced by the Council are articulated within the Medium Term Resources Plan (the latest version of which was published in April 2016). In response to the LGA Corporate Peer Challenge, the Council has established a Transformation Programme which will respond to the ambitions and challenges of the Council.
- 1.5 The attached Efficiency Plan provides a summary of the Corporate Plan and the Medium Term Resources Plan. It then describes the high level Transformation Programme which includes a wide range of projects. The Council's principles will underpin each project as the authority looks to maximise its income and reduce its expenditure.
- 1.6 The Transformation Programme, by its very nature, is an iterative process and will inevitably be subject to regular change. The Efficiency Plan sets out the projects as they stand in July 2016. The savings or income identified will be realised over a three year period.
- 1.7 As part of the decision making process for each project within the Transformation Programme, further consultation will take place as appropriate. Likewise, there is a level of risk associated with each project. These will be assessed and mitigation actions identified ahead of decisions being taken.

2. Reason for Proposal

- 2.1 To agree an Efficiency Plan to enable the Council to take advantage of the four-year funding settlement from Government.
- 2.2 However, regardless of the four-year funding settlement, the adoption of the Efficiency Plan is recommended as it provides a clear sense of direction about how the Council will implement plans to improve outcomes to the community and to ensure that it is a sustainable local authority.

3. Recommendation(s) / Proposed Decision

- 3.1 That the Council accept the offer of a four-year settlement and the Efficiency Plan attached at Appendix 1 be approved for submission to the Secretary of State for Communities and Local Government.
- 3.2 That, should the Government's requirements and/or offer change ahead of the submission deadline, the Chief Financial Officer be authorised to amend the Efficiency Plan, in consultation with the Mayor and Group Leaders, and to determine whether or not to accept the offer and submit the amended Efficiency Plan to the Secretary of State.
- 3.3 That the Director of Transformation be requested to progress each of the projects within the Transformation Programme and that, where appropriate, entries be included within the Forward Plan to enable engagement and consultation to take place as part of the decision making process.

4. Further information

- 4.1 Torbay Council's current Medium Term Resource Plan covers the period until the end of 2019/2020. Having taken into account the income and expenditure estimates based on the assumptions in the Plan, as of April 2016, an estimated funding gap of £18.5 million over the Plan period was identified.
- 4.2 As a result of the financial position in the current financial year in both children's and adults social care and the likely ongoing impact of these pressures on the Council's future year budget position it is likely that the current budget "gap" to be met by 2019/2020 is larger than stated in the Medium Term Resource Plan. The Efficiency Plan therefore identifies that the additional income and the level of reductions that the Council will need to achieve by 2019/2020 is £21.5 million.
- 4.3 Engagement with partners and the community took place during August 2016. The feedback received during the engagement period has been taken into account in preparing the Efficiency Plan at Appendix 1. The Overview and Scrutiny Board will formally consider the Plan at its meeting on 14 September 2016 and will publish its report after this date.
- 4.4 The Community Development Trust has been asked to develop a proposal for wider community engagement to ensure that all options for different ways of working can be explored as the Transformation Programme develops further.

Appendices

Appendix 1: Efficiency Plan

Background Documents

None



September 2016

Efficiency Plan

Delivering the Ambition, Meeting the
Challenge

1 Introduction

Torbay Council's Efficiency Plan has been written in response to the Government's offer of a guaranteed funding envelope for the four year period from April 2016. It sets out how the Council will achieve a sustainable position over the next four years and provides an overview of the existing agreed policies, strategies and plans which, together, are being used to ensure that the Council meets its ambitions for a prosperous and healthy Torbay.

The Council has a stability of direction given that the Corporate Plan covers the period up to the Council elections in May 2019 with the Medium Term Resource Plan and the Transformation Programme providing further detail around the future delivery of services.

2 Corporate Plan

www.torbay.gov.uk/corporate-plan-and-delivery-plans.pdf

To create a Council fit for the challenges of the future there is a focus on creating a prosperous and healthy Torbay.

The Council will look to secure investment in support of the right infrastructure for economic growth whilst working in partnership with important sectors and businesses such as hi tech industries. It will continue to encourage people to start new businesses and accelerate their growth. Working with schools, businesses and other partners, the Council will ensure young people are supported to build their careers within Torbay. This will build on initiatives already in place such as tSpace and Together 4 Torbay (T4T).

Torbay's economic prosperity is dependent on a healthy workforce with economic prosperity itself helping to create healthy communities. The Council will protect its natural environment and encourage its communities to make the most of it attractive and safe open spaces. The Council will take an integrated approach with its partners to ensure that intervention and prevention programmes are successful with the ultimate aim of reducing demand for more costly services.

The Council recognises that it must develop new ways of working and take the opportunity to do things differently. The Council will base everything it does on three main principles:

- Use reducing resources to best effect
- Reduce demand through prevention and innovation
- Take an integrated and joined up approach

The Council will work to maximise efficiencies, ensuring that every pound and every hour of work is well spent. Statutory services will be well defined and managed by a level of risk. Whilst some discretionary services may be stopped, others will be provided differently with greater community support and through more integrated working with our partners, such as Devon Building Control Partnership. The Council will identify new ways to generate income from its existing resources.

Building on the Council's current approaches of working together, demand for services will be reduced through multi-agency teams working within communities to deliver joined-up services. The Council will create environments and integrated services with individuals and communities being supported to prevent and delay the onset of disability and illness and where people can live independently.

The creation of the Integrated Care Organisation and the Torbay Public Services Trust allows for agencies to pool budgets as well as attracting external investment. The Council's arms length trading company, the TDA, will allow a dynamic and flexible approach to economic development, housing and skills development. The Council will work with other local authorities and partner organisations to seek out further opportunities to deliver services together.

Torbay Council has, along with the other 16 local authorities in the Heart of the South West Devolution Partnership, agreed "in principle" to form a Combined Authority which will enable the Council to play its part in a devolution deal with Government for Devon and Somerset. The delivery of the Partnership's Prospectus for Productivity will provide further opportunities for regeneration and investment leading to economic growth for Torbay and the region as a whole.

3 Medium Term Resource Plan

www.torbay.gov.uk/mtrp15.doc

Torbay Council's current Medium Term Resource Plan covers the period until the end of 2019/2020. Having taken into account the income and expenditure estimates based on the assumptions in the Plan, as of April 2016 an estimated funding gap of £18.5 million over the Plan period was identified.

As a result of the financial position in the current financial year in both children's and adults social care and the likely ongoing impact of these pressures on the Council's future year budget position it is expected that the current budget "gap" to be met by 2019/2020 is larger than stated in the Medium Term Resource Plan.

The following table summarises the pressures faced by the Council and the income and expenditure assumptions of the Medium Term Resources Plan.

The additional income and the level of reductions that the Council will need to achieve by 2019/2020 is £21.5 million.

Revenue Budget	2015/16 Restated * £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
Estimated Sources of Finance (Revenue Support Grant, Business Rate Retention, Council Tax & Collection Fund) **	(110,920)	(109,056)	(105,784)	(105,291)	(105,238)
Net Expenditure budget					
Net expenditure base budget b/f	116,975	110,920	109,056	105,784	105,291
In year movements e.g. pressures, investments and funding changes	5,354	7,419	5,239	4,921	3,900
Adult Social Care 2% Council tax	0	1,089	1,104	1,125	1,148
Less service savings/income	(12,975)	(8,806)	0	0	0
Less 2015/16 One Off expenditure	0	0	(2,790)	0	0
Add 2015/16 savings delayed until 2016/17 – Adult Social Care	1,566	(1,566)	0	0	0
In-year social care pressures			3,000		
Total Net Expenditure budget	110,920	109,056	115,609	111,830	110,339
Savings required <u>in year</u> to balance budget			(9,825)	(6,539)	(5,101)
Total Net expenditure budget after savings	110,920	109,056	105,784	105,291	105,238
Total Savings to be identified for the period of the Plan 2017/18 to 2019/20					(21,465)

* Technical change to presentation from 2016/17. Income from Devon Business Rate Retention Pool no longer classified as sources of finance income but service income. Section 31 New Burdens Grant – Business Rates, no longer classified as service income but sources of finance income.

** 2016/17 Revenue Budget identified a funding gap £12.4m this includes the deferred Adult Social Care saving of £1.6m. The balance of £10.8m is reflected as: Service Savings £8.8m, additional source of funding including council tax and NNDR of £1.3m, £0.7m of savings through changing inflation assumptions on both income and expenditure.
For scenario planning purposes, officers have assumed a Council Tax increase of 1.99% per annum for each year of its Medium Term Resource Plan as well as taking advantage of the ability to raise Council Tax by 2% in order to fund adult social care. Any rise in Council Tax would need to be agreed by the Council each year.

There continues to be an immense challenge to prepare and deliver robust budgets year-on-year which provide the statutory services of the Council as well as those discretionary services which are valued by the community. Over 60% of the Council's net budget is allocated to adult and children's social care and the estimated budget gap needs to be set in the context that the Council faces rising costs, in particular to meet the needs of an increasingly elderly and frail population as well as additional pressures within Children's Services.

However, the findings from two external inspection processes¹ need to be remembered: Torbay Children's Services is well resourced; and Torbay Council is a viable organisation moving forward provided that tough financial decisions are made at pace.

Income

As at April 2016, the Government had confirmed its intention to allow councils to keep 100% of National Non-Domestic Rates (NNDR) income "by the end of the parliament". When that change occurs, it will be fiscally neutral with the current Revenue Support Grant being removed completely (it stood at £27million in 2015/2016), other grant funding is being reduced and more responsibilities are being passed to the Council. Based on these proposed changes, Torbay Council assumes that it will be primarily reliant on Council Tax and NNDR income for its funding, meaning that there is a strong incentive for the Council to plan for and achieve tax base growth.

¹ Ofsted Inspection of Services for children in need of help and protection, children looked after and care leavers (January 2016) and LGA Corporate Peer Challenge (December 2015)

The Council will maximise the use of the grants currently available to it and will explore all other opportunities for further grant funding such as Social Investment Bonds and Local Sustainable Transport Grants.

The Council receives approximately £20 million from fees and charges and other sources of income. The Plan also assumes a 3% inflationary increase in these fees and charges over the Plan period. However, consideration will be given to all options for income generation whilst taking account of issues such as subsidies to encourage usage and the impact of charges on residents.

Expenditure

There is a continuing financial impact of the service pressures within Children's Services. The service spends more than its statistical neighbours and a reduction in spend is fundamental to the Council achieving a balanced budget over the next four years.

For adult social services, the Council is integrated with the NHS at provider level via an Integrated Care Organisation. The Council is part of a total financial pool for health and care with a Risk Share Agreement in operation with Torbay and South Devon NHS Foundation Trust and the South Devon and Torbay Clinical Commissioning Group. The Council bears a 9% risk share of the total financial position of the Foundation Trust.

In addition to the expected significant increase in the elderly population of Torbay, there will also be general growth in the population by 300 households per year with the consequent pressure on services such as refuse collection, benefits, education, community facilities and transport.

4 Transformation Programme

Achievements so far

As an organisation Torbay Council has experienced significant change in recent years. Transformation has been seen as "business as usual" with changes in service delivery such as:

- **Creation of an Integrated Care Organisation:** Adult Social Care has been delivered through an integrated "care trust" for many years. The NHS reforms and the need for health trusts to become foundation trusts has led to a solution in Torbay whereby the acute Foundation Trust has acquired the Community Trust creating a vertically integrated care organisation which provides community and acute care as well as adult social care. Torbay and South Devon has been recognised as a Pioneer for integrated health and social care.
- **Centralisation of the Connections service:** A centralised Connections service in Paignton Library and Information Centre will provide a community hub for residents alongside services provided by the Council's partners. A range of contact methods will continue including the Council's website and Call Centre with the facility to submit information in support of different application processes in secure document boxes in Torquay and Brixham Libraries.
- **Improved recycling opportunities and the creation of an Energy from Waste plant:** The establishment of the Council's joint venture company, TOR2, ensured that improved recycling options were available to the community. The Council has worked with Devon County Council and Plymouth City Council to create an Energy from Waste facility.
- **Replacement of street lanterns with LEDs:** Prudential borrowing has been used to replace existing street lanterns with LEDs which provides a cost saving and reduces the Council's carbon emissions.

- Continued investment and regeneration: The landmark development on the site of the former Palm Court Hotel has been completed along with the restoration of Torquay Promenade and Banjo. Torre Abbey has undergone Phase 2 of its restoration and development continues at White Rock Business Park. The South Devon Highway (built in partnership with Devon County Council) has opened and improved Torbay's transport links.
- Joint approaches to complex issues: Over recent years the Council has worked with a range of statutory and non-statutory partners to find innovative solutions to complex problems such as modern slavery, poor quality private rented housing and online safety.

Moving Forward

Torbay Council has established a Transformation Programme which will transform the way the Council delivers services and strengthen the way it engages with customers and partners to improve outcomes for its communities. The Programme (which requires funding for the next three years) will provide best value for money whilst creating a financially sustainable Local Authority. It will also assist in delivering an engaged and empowered workforce.

The Council is also in the process of forming a new Strategic Partnership which will enable the Council to work more effectively with its key partners.

The Transformation Programme is built of a wide range of projects which will meet both the ambitions of the Corporate Plan and the challenges articulated in the Medium Term Resource Plan. It will remain an iterative process and will, inevitably, be subject to regular change.

The Council's principles will underpin each project as the authority looks to maximise its income and reduce its expenditure. The Corporate Plan identifies five areas where it will target its actions with many projects which make up the Transformation Programme sitting within these areas. Corporately, the Council will also deliver projects which will maximise income from investments and services and maximise the amount of local taxation collected while reducing the costs of services through partnership arrangements.

Set out in the following sections are the projects as they stand in July 2016. The savings or income identified will be realised over a three year period. Business Cases for each of the projects are currently being developed and the tables which follow show both the minimum and maximum financial benefit currently expected. (It should be noted that those projects with no financial benefit shown are in the early stages of development with the benefits still to be identified.)

With this in mind, the Council is also exploring other ways of increasing its income or reducing its expenditure in the coming year. The outlines of these proposals are referred to in the sections which follow to allow for engagement with our partners and communities to commence ahead of more definitive proposals being published by the Mayor in November 2016 for formal consultation.

Protecting all children and giving them the best start in life

The Children's Services Financial Plan will focus on reducing demand and establishing a stable financial position at a reduced level. The Council and Torbay and South Devon NHS Foundation Trust are actively working together to improve the quality and safety of care and are assessing the benefits and risks of integrating the provision of children's social services within the Integrated Care Organisation. South Devon and Torbay Clinical Commissioning Group continue to be involved in this work to ensure that the service is developed to deliver high quality care for the population.

The broader ambitions to improve the economy will impact positively on improving the life chances of children and families.

An alternative delivery model for Youth Services in Torbay will be implemented which will protect and develop provision for young people. A new strategy for schools and education will be agreed to ensure good outcomes and take account of the Government policy which sets out a changed role of local authorities and schools.

The Council will review how it can best fulfil its responsibilities in relation to providing information, advice and guidance services and home-to-school transport.

Current Transformation Projects

	Minimum Financial Benefit	Maximum Financial Benefit	Other Benefits and Description
Transforming Schools and Education		£500,000	
Delivering the Children's Services Financial Plan		£2,000,000	A fundamental review of Torbay's population of Children Looked After is underway together with the potential for the reductions in the Children's Services Financial Plan to be delivered. Further work is needed to determine a more realistic trajectory.
Creating the Torbay Public Services Trust		£730,000	
Creating the Torbay Youth Trust	£86,000		
Establishing longer term savings from within Children's Services			Benchmarking and reviewing all departments within Children's Services to see if they can be delivered in a more efficient way
Reviewing the future delivery of Children's Safeguarding			Establishing whether Children's Safeguarding services can be delivered via the Integrated Care Organisation or a separate Trust

Working towards a more prosperous Torbay

Although there remains uncertainty around National Non Domestic Rates (NNDR), the tax base will be increased through economic growth. Alongside this, the rapid delivery of Masterplan projects will create vibrant and attractive town centres whilst also increasing the tax base through the creation of new homes and increased commercial space. The use of Council assets for development will be maximised in order to increase revenue to the Council.

The configuration of services will continue to be reviewed to ensure that they are as efficient as possible, with consideration being given to options such as shared services with other organisations. Management costs will also be kept under review and additional income opportunities identified.

The Council will review how it can reduce its costs associated to the repair, maintenance and disposal of its assets and its other obligations such as flood protection. It will also be reviewing how it can reduce the costs associated with regeneration.

Current Transformation Projects

	Minimum Financial Benefit	Maximum Financial Benefit	Other Benefits and Description
Delivering the Masterplans		£250,000	Enhancing Torquay and Paignton while improving the retail and tourism offers. Providing a wider mix of town centre uses, reviewing traffic flows and improving public spaces.
Reviewing our parking services and the creation of a Parking Strategy		£150,000	Creating a parking strategy which provides a fair and consistent approach to the way we manage parking
Maximising the use of our assets	£500,000		Maximising the use of our current assets to generate more income and dispose of those that are surplus
Delivering Business Rate Growth	£50,000		Maximising business growth to, in turn, maximise the amount of National Non-Domestic Rates available within Torbay.
Gaining the benefits from devolution			Working with partners across Devon and Somerset to maximise the benefits to Torbay of devolution to the Heart of the South West.
Exploring options for local levies			Considering the impacts on the economy of the introduction of local levies

Promoting healthy lifestyles across Torbay

Preventive work with vulnerable people and those with complex needs features as a theme in Torbay's Joint Health and Wellbeing Plan, focussing on the cross cutting issues which deliver a "Healthy Torbay". There will be an increase in the pace of working with partner organisations and the voluntary and community sector to deliver services differently, providing better outcomes at lower cost as well as working within objectives of the Sustainability and Transformation Plan on overarching preventative strategies across Devon.

The Council will look to secure savings through maximising community resilience. The Council will consider how it can make further efficiencies and changes in service to meet the reducing grant available to Public Health.

Current Transformation Projects

	Minimum Financial Benefit	Maximum Financial Benefit	Other Benefits and Description
Transforming public health, including preventing ill-health for vulnerable people and those with complex needs	£150,000	£500,000	
Working in partnership with the voluntary sector to deliver services	£56,000		

Ensuring Torbay remains an attractive and safe place to live and visit

The way in which key community assets such as Torre Abbey, Palace Theatre, libraries and sports facilities operate will be transformed. The provision of public toilets will be reviewed in order to meet the needs of residents and visitors whilst reducing the cost of the service.

The configuration of services will continue to be reviewed to ensure that they are as efficient as possible with consideration being given to options such as shared services with other organisations. Management costs will also be kept under review.

The Council will review how it can reduce the costs associated with the management of its wider estate. The Council will maximise the use sponsorship and grant funding opportunities to provide some recreation and landscape services.

Previous investments in LED street lighting and the Energy from Waste plant will create savings and income from new initiatives such as the Observation Wheel will be improved.

Current Transformation Projects

	Minimum Financial Benefit	Maximum Financial Benefit	Other Benefits and Description
Transforming events and cultural activities in Torbay	£143,000		
Transforming Sports and Leisure in Torbay	£271,000	£469,000	Considering whether sports and leisure services can be delivered in a different way (including a review of grants to outside organisations)
Extending the role of Enforcement Officers		£80,000	Reviewing the enforcement pilot for littering to establish if this is effective and could be extended to other areas
Reviewing our Highways Assets		£500,000	
Transforming the provision of Public Toilets	£500,000		Continuing provision of public toilets with different options for service delivery
Reviewing our flower beds and public open spaces	£200,000		Considering how the Council and the community can improve the management of parks and open spaces.
Reviewing the TOR2 Contract		£500,000	Reviewing all services in the existing TOR2 contract to determine if services can be delivered more effectively or efficiently.
Transforming Library Services	£119,000		Considering how the Council can deliver library services in a different way.

Protecting and supporting vulnerable adults

The Council will continue to work with the Integrated Care Organisation and the Clinical Commissioning Group to implement a new model of care with the aim of moving resources from urgent and emergency care settings to community and primary care settings.

Focusing on housing growth will maximise the amount of New Homes Bonus and Council Tax available to the Council. The Council aims to accelerate the Local Plan housing delivery trajectory and deliver up to 500 extra homes with the town centres of Torbay.

Consideration will be given to reducing accommodation support for vulnerable people.

Current Transformation Projects

	Minimum Financial Benefit	Maximum Financial Benefit	Other Benefits and Description
Delivering Integrated Health and Social Care	£2,600,000		
Focusing on Housing Delivery	£1,000,000		Maximising income from housing delivery

Cross-Cutting and Corporate

Corporately the Council will be looking to transform its services to ensure that our communities can access services as they would expect to in the 21st Century. The Council will maximise its income by providing services in the commercial sector, investing to maximise return and ensuring that it collects Council Tax and National Non-Domestic Rates effectively. The Council will make the best use of both its workforce and technology to support the delivery of front line services to its communities.

The configuration of services will continue to be reviewed to ensure that they are as efficient as possible with consideration being given to options such as shared services with other organisations. Management costs will also be kept under review and additional income opportunities identified. Treasury management will be used to maximise the benefits to the Council, the requirements for funding of pension enhancements is reducing and insurance reserves will be kept within the levels identified via the actuarial review.

The fees for audit services will be negotiated to ensure that value for money is being achieved whilst meeting the requirements of legislation and regulations. Consultation is underway on changes to the Council Tax Support Scheme.

Cross-Cutting and Corporate

	Minimum Financial Benefit	Maximum Financial Benefit	Other Benefits and Description
Transforming Customer Contact	£38,000		Making greater use of technology and encouraging customers to “channel shift” to improve customer contact across all Council services
Optimising our income	£500,000		Identifying opportunities to improve fees and charges arrangements and generate commercial income
Creating an investment portfolio	£750,000		Investing to generate a return on the Council’s capital.
Maximising our collection of Council Tax and National-Non Domestic Rates (NNDR)	£750,000	£1,250,000	Ensuring that discounts are applied correctly and collection rates are maximised.
Optimising our borrowing costs (Review of Minimum Revenue Provision)	£100,000		Reviewing the amount that the Council should set aside each year to repay its borrowing
Reviewing our Workforce Planning		£400,000	Reviewing our health at work, sickness management and other terms and conditions
Ensuring the appropriate Corporate Support Services			Reviewing how the Council supports itself to deliver front-line services.
Improving efficiency in our decision making processes			Reviewing the governance arrangements within Torbay Council.
Digitalisation			Transforming the use of digital technology across the Council to enable efficiencies and more streamlined processes.

5 Conclusion

The Council recognises that, as a result of the ongoing challenges the Council has in adult and children's social care, its funding gap has increased since the preparation of its Medium Term Resource Plan. It also recognises that taking the minimum financial benefit from the Transformation Programme as it currently stands will not be enough to meet challenge of the Medium Term Resource Plan. The Council will deliver its ambitions of a prosperous and healthy Torbay and will maintain the pace and scale of change to seek to maximise the financial benefits from its Transformation Programme. Alongside this, it will continue to identify further opportunities for working with others, generating income and reducing costs to ensure its viability going forward.

This Efficiency Plan has been prepared in response to the Government's offer of a Multi-Year Funding Settlement for Council. The Council believes it fulfils the requirement for accepting this deal.

The greater certainty around the Council's funding settlement will bring about opportunities for further savings through the ability to be able to plan for, and invest in, more significant changes to both service provision and the generation of sustainable income sources in future years.

The Council's Efficiency Plan is challenging and ambitious. Its delivery will improve the Council's income and make savings against its expenditure. It will be undertaken in partnership and by an engaged and empowered workforce. Ultimately it will ensure sustainable public services for the community of Torbay.

This Efficiency Plan was approved by the Council at its meeting held on 22 September 2016 and has been published on the Council's website.

Signed: _____
Gordon Oliver
Elected Mayor of Torbay
on behalf of Torbay Council

Signed: _____
Steve Parrock
Chief Executive

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Meeting: Council

Date: 22 September 2016

Wards Affected: All

Report Title : Transformation Project – Generating Income through Housing

Is the decision a key decision? Yes

When does the decision need to be implemented? Immediately

Executive Lead Contact Details: Councillor Mark King Executive Lead for Planning Transport and Housing 01803 207114 mark.king@torbay.gov.uk

Supporting Officer Contact Details: Caroline Taylor, Director of Adults (Housing-client side) Caroline.taylor@torbay.gov.uk

1. Proposal and Introduction

- 1.1 This report presents the business case for the principle of setting up a new wholly owned development company to develop and own homes with the overarching aim of maximising income back to the Council.
- 1.2 Approval is sought to endorse the principle of creating a housing development and housing management company to allow the Council to acquire, build, rent and sell housing to create both capital and revenue receipts for the authority.
- 1.3 The creation of a housing management company will allow the Council to buy and then rent out homes to provide a revenue return for Torbay Council.
- 1.4 A housing development company will allow the Council to undertake housing developments on its own land and also land owned by third parties for the purposes of generating income for the Council and providing additional affordable housing for local people.
- 1.5 The Council owns land which is suitable for residential development and by developing the sites itself the Council will realise both the land profit and the development profit. If land is sold the latter is transferred to a housing developer.
- 1.6 While these proposals are aimed at generating capital and revenue receipts for the Council as identified in the Councils Efficiency Plan in terms of income generation, these proposals will also assist with meeting a number of targets identified within the Housing Strategy.

2. Reason for Proposal

- 2.1 Torbay Council's Efficiency Plan which covers up to the end of 2019/20 sets out that there is estimated funding gap of £21.5m over the plan period.

- 2.2 The Council's transformation programme identified within the efficiency plan explains that the Council will *'deliver projects which will maximise income from investments and services'*.
- 2.3 There continues to be an immense challenge to prepare and deliver robust budgets year on year which provides the statutory services of the Council as well as those discretionary services which are valued by the community. Over 60% of the Council's net budget is allocated to social care and the estimated budget gap needs to be set in the context that the Council faces rising costs, in particular to meet the needs of an increasingly elderly and frail population as well as additional pressures in children's services.
- 2.4 The findings from the two external peer review process that Torbay Council is a viable organisation moving forward provided that tough financial decisions are made at pace.
- 2.5 The objectives of the housing company are to:
- Maximise the return from Council assets.
 - Provide a revenue income to the Council to support other Council services.
 - Enable the delivery of elements of the council's housing strategy which may include:
 - Increase the number of affordable homes delivered;
 - Increase standards in the private rented sector;
 - Provide greater flexibility when dealing with our housing needs for local people;
 - Increase the level of adapted accommodation;
 - Unlock stalled sites in around the town centre to assist with regeneration and increase footfall in our town centres; and
 - Assist with regenerating areas of deprivation.
- 2.6 A significant amount of due diligence and specialist advice is required before a thorough report and supporting information can be presented to Members but a decision in principle gives a helpful steer to minimise the potential abortive costs. The further advice and due diligence will include:
- The appropriate form or company structure.
 - Governance arrangements.
 - Financial modelling and stress tests.
 - Taxation.
 - Financial flows between the two entities.
 - Analysis of the benefits and risks.

3. Recommendation(s) / Proposed Decision

- 3.1 That Council agree the principle of setting up a new wholly owned development company to develop and own homes with the overarching aim of maximising income back to the Council.
- 3.2 That up to £75,000 be authorised from the Transformation Fund to undertake the necessary due diligence, explore the objectives listed in paragraph 2.5 to the submitted report and to carry out:
- The appropriate company structure;
 - Governance arrangements;
 - Financial modelling and stress tests;

- Taxation;
- Financial flows between the two entities; and
- Analysis of the benefits and risks.

Appendices

Appendix 1: Supporting Information

Appendix 2: Housing Company Business Case – Financial Modelling (exempt report)

Appendix 3: List of Councils that have created a Housing company

Background Documents

Efficiency Plan – Meeting the ambition, meeting the challenge.

Torbay Councils Housing Strategy

Torbay Councils Asset Management Plan

Supporting Information and Impact Assessment

Service / Policy:	Housing
Executive Lead:	Cllr Mark King
Director / Assistant Director:	Caroline Taylor-Director of Adults

Version:		Date:	22 nd September 2016	Author:	Caroline Taylor
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Section 1: Background Information	
1.	<p>What is the proposal / issue?</p> <p>To present the business case (appendix 2) and to seek approval in principle for the establishment of a Council owned housing company.</p> <p>A Local Authority housing company can enable the additional delivery of housing supply across a range of tenures. Over 100 Local Authorities have set up or are considering establishing a housing company. Some companies are commercially driven and being set up to deliver additional funding for the Council's general fund; others are set up with more of a focus on affordable housing provision. A selection of these have been listed in Appendix 3.</p> <p>Approval is sought to agree the principle of creating a housing development and housing management company to allow the Council to acquire, build, rent and sell housing to create both capital and revenue receipts for the authority.</p> <p>While these proposals are aimed at generating capital and revenue receipts for the Council as identified in the Councils Efficiency Plan in terms of income generation, these proposals will also assist with meeting a number of targets identified within the Housing Strategy.</p>
2.	<p>What is the current situation?</p> <p>Torbay Council's Efficiency Plan which covers up to the end of 2019/20 explains that there is estimated funding gap of £21.5m over the plan period.</p> <p>The transformation programme seeks to provide value for money whilst creating a financially sustainable Local Authority. The revenue and capital income generated through the proposed housing company will assist the Council in meeting its budget deficit and provide an income stream going forward.</p> <p>The Councils Housing Strategy identifies a number of objectives that it would like to achieve to help meet the housing needs of local people and the housing company will allow the Council to help meet those strategic objectives on their own land.</p> <p>The Councils Asset Management Plan sets out the Council should maximise the</p>

	<p>value from its assets.</p> <p>The Council owns land which is suitable for residential development and by developing the sites itself the Council will realise both the land profit and the development profit. If land is purely sold the latter is transferred to a housing developer which in turn reduces the potential return to the Council.</p> <p>The Business Case sets out a series of examples and financial modelling based on Torbay's housing market. It provides a high level view of how a company might look and work along with the potential returns back to the Council.</p> <p>This work was carried out to inform the debate and provide officers and members with enough information to demonstrate whether or not the proposal is worth exploring further without expending the necessary cost and time it would take to undertake and produce a more comprehensive proposal for members to consider.</p>
<p>3.</p>	<p>What options have been considered?</p> <p>Sale of the land on the open market wither by way of an option, conditional contract or a promotion agreement will provide a capital receipt for the Council with little or no risk. However there is an opportunity cost to this approach in that the Council will miss out on the development profit and the revenue income from retaining properties to rent.</p> <p>A joint venture with a development partner allows the Council to share in the risk of development while still retaining a greater profit share than a straight forward disposal but not as great as delivering the homes directly. This option should still be considered during the more advanced investigations as this may provide solutions to capacity or skill shortages in the early stages of the company's development.</p>
<p>4.</p>	<p>How does this proposal support the ambitions, principles and delivery of the Corporate Plan 2015-19?</p> <p>The proposal supports the Council's ambitions for a prosperous and healthy Torbay.</p> <p>The initiative would improve the resource position of the Council and therefore help maintain support for services for vulnerable people, while working for a more prosperous bay. It aligns with existing policy documents of the Council particularly the asset management plan and the housing strategy. It allows the use of assets to improve the resource position of the Council as well as regenerating the bay. It will allow the Council to meet aspects of the strategic objectives of the Council's housing strategy.</p>
<p>5.</p>	<p>Who will be affected by this proposal and who do you need to consult with?</p> <p>Members and officers of the Council.</p>

6.	<p>How will you propose to consult?</p> <p>Consultation has taken place with:</p> <ul style="list-style-type: none"> • Members briefings • Overview and scrutiny • Senior Leadership Team • Mayors Executive Group • Housing Officer and Members group • Transformation project board <p>If members are minded to endorse the Business plan and authorise further investigations and due diligence further consultation and engagement would take place with members and officers before the final proposal is presented to Council for decision.</p>
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Section 2: Implications and Impact Assessment	
7.	<p>What are the financial and legal implications?</p> <p>At this stage the proposal is requesting sufficient funds to carry out the necessary detailed investigations and due diligence. As part of this further detailed financial modelling will take place along with the identification of the financial benefits and risks which will then be presented to Members.</p> <p>There are risks to the Council owning or developing housing to rent out directly as it will fall within the jurisdiction of the right to buy legislation and Government rent regimes. This legislation imposes specific tenancies, controls over rent setting and provides tenants the ability to purchase their home from the Council at a discount. These measures contradict with the rationale and objectives for the company and therefore a Council wholly owned company provides greater flexibility in these areas and is by far and away the most common form of structure used by other Councils to date.</p> <p>Further advice is required to advise on the various aspects of the following if the principle is approved by members:</p> <ul style="list-style-type: none"> • The appropriate company structure • Governance arrangements • Financial modelling and stress tests • Taxation • Financial flows between the two entities • Analysis of the benefits and risks
8.	<p>What are the risks?</p> <p>There are a number of risks associated with such a proposal which will require careful consideration and investigated as part of the necessary due diligence if the</p>

	principle is agreed.
9.	<p>Public Services Value (Social Value) Act 2012</p> <p>The further advice will include information on any procurement obligations facing the Council.</p> <p>Potential economic and social benefits to Torbay could include maximising the potential for apprentices and training within the Councils own developments above what the market might normally deliver.</p>
10.	<p>What evidence / data / research have you gathered in relation to this proposal?</p> <p>We have commissioned Savills to investigate the business case for creating a housing company to carry out these proposals. Their findings are contained in a report entitled, "Housing Company, Business Case – Financial Modelling" a copy of which is attached at exempt Appendix 2.</p> <p>These proposals are not groundbreaking in that a number of local authorities have already created housing companies to acquire residential property for investment or establish a development company. A selection of these can be found at Appendix 3.</p> <p>Further detailed due diligence and financial modelling is required before a detailed proposal can be tabled.</p>
11.	<p>What are key findings from the consultation you have carried out?</p> <p>The consultation has brought out a number of key messages and helpful comments. There appears to be recognition that to achieve success at pace then there will need to be levels of delegation.</p> <p>There are a number of aspirations and objectives that different consultees would like to achieve as part of these proposals and these include:</p> <ul style="list-style-type: none"> • Increased standards in the private rented sector. • Increasing the number of affordable housing units delivered. • Maximising the return from Council assets and providing a revenue stream to help support other Council services. • Greater flexibility when dealing with our housing needs for local people. • Increased levels of adapted accommodation. • Unlocking stalled sites in and around the town centre to assist with regeneration and increased foot fall into our town centres.
12.	<p>Amendments to Proposal / Mitigating Actions</p> <p>At this stage the proposal is to endorse the principle so the proposed objectives need to be explored fully before a comprehensive paper comes back to members for approval.</p>

Document is Restricted

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Appendix 3

Local Authority	Link to Council documents	Year established
Mansfield	Mansfield 2014.doc	2014
Thurrock	https://www.thurrock.gov.uk/sites/default/files/foi/appendix_b_2.pdf	2013
South Cambridgeshire	http://scambs.moderngov.co.uk/documents/s79684/Housing.pdf	2015
Reading	http://www.reading.gov.uk/media/4837/item8-HousingCompany-PUBLIC/pdf/item8-HousingCompany-PUBLIC.pdf	2016
Mendip	http://www.mendip.gov.uk/CHttpHandler.ashx?id=9509&p=0	2015
Shepway	https://www.shepway.gov.uk/moderngov/documents/s12849/rcabt20131218%20Regeneration%20and%20Housing%20Company.pdf	2013
Telford	..\Telford Council Report.pdf	2015
Croydon	Croydon.pdf	2014
Hart	http://www.hart.gov.uk/sites/default/files/4_The_Council/Council_meetings/J_October/PAPER%20G%2001%2010%2015%20Cab%20Report%20-%20Housing%20Development%20Company.pdf	2015
Norwich	https://cmis.norwich.gov.uk/Live/Document.ashx?czJKcaeAi5tUFL1DTL2UE4zNRBcoShgo=Bkt02A6A%2BqJexn8e0RTBCIBOU1LTIPYN2SWbffUYMv37U8Nygttlzw%3D%3D&rUzwrPf%2BZ3zd4E7lkn8Lyw%3D%3D=pwRE6AGJFLDNlh225F5QMaQWctPHwdhUfCZ%2FLUQzgA2uL5jNRG4jdQ%3D%3D&mCTIbCubSFfXsDGW9IXnl%3D%3D=hFfIUdN3100%3D&kCx1AnS9%2FpWZQ40DXFvdEw%3D%3D=hFfIUdN3100%3D&uJovDxwdjMPoYv%2BAJvYtyA%3D%3D=ctNJff55vVA%3D&FgPIIEJYlotS%2BYGoBi5oIA%3D%3D=NHdURQburHA%3D&d9Qjj0ag1Pd993jsyOJqFvmyB7X0CSQK=ctNJff55vVA%3D&WGewmoAfeNR9xqBux0r1Q8Za60lavYmz=ctNJff55vVA%3D&WGewmoAfeNQ16B2MHuCPMRKZMwaG1PaO=ctNJff55vVA%3D	2015
Winchester	Winchester.pdf	2014
West Sussex	http://www2.westsussex.gov.uk/ds/cttee/pf/pf230114i9.pdf	2014
Guildford		2016
Southwark		2015
Blackpool		2014
Brentwood		2014
Oxford		2016
Barnet		2016
Lincoln		2016
Hertsmere		2015
Southampton		2015
South Northamptonshire		2015
West Norfolk		2016
East Herts		2016



Meeting: Council

Date: 22 September 2016

Wards Affected: All Wards

Report Title: Town Councils

Is the decision a key decision? Yes

When does the decision need to be implemented?

Executive Lead Contact Details: Councillor Mills, Deputy Mayor and Executive Lead for Health and Wellbeing and Corporate Services, derek.mills@torbay.gov.uk

Supporting Officer Contact Details: Anne-Marie Bond, Assistant Director of Corporate and Business Services, (01803) 207160, anne-marie.bond@torbay.gov.uk

1. Proposal and Introduction

1.1 The Assistant Director of Corporate and Business Services was requested to submit a report to Full Council for Members to consider whether or not the Council should conduct a Community Governance Review which could lead to the creation of town councils in Paignton and Torquay.

2. Reason for Proposal

2.1 To make a decision on the holding of a Community Governance Review in Torbay.

3. Recommendation(s) / Proposed Decision

3.1 That the Council conducts a Community Governance Review following the conclusion of the electoral review of Torbay's electoral boundaries being carried out by the Local Government Boundary Commission for England.

Appendices

Appendix 1: Supporting Information and Impact Assessment

Background Documents

Department for Communities and Local Government/Local Government Boundary Commission for England Guidance on Community Governance Reviews -

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/8312/1527635.pdf

forward thinking, people orientated, adaptable - always with integrity.

Agenda Item 14

Appendix 1

Appendix 1

Supporting Information and Impact Assessment

Service / Policy:	Town Councils
Executive Lead:	Councillor Mills
Director / Assistant Director:	Anne-Marie Bond

Version:	1	Date:	13/7/16	Author:	Teresa Buckley
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Section 1: Background Information	
1.	<p>What is the proposal / issue?</p> <p>To consider if the Council should request/use its powers to establish Town Council's for Paignton and Torquay.</p>
2.	<p>What is the current situation?</p> <p>Torbay currently has one Town Council, Brixham Town Council, which was established in 2007 following a referendum. It currently has 12 Town Councillors (five Councillors that represent the St Mary's with Summercombe Ward and seven Councillors that represent Berry Head with Furzeham Ward).</p> <p>What is a Town Council:</p> <p>Parish and town councils are the most local tier of government in England. There are currently about 10,000 parishes in England with around 8,900 having parish or town councils served by approximately 70,000 councillors. A Council may pass a resolution to rename a parish council to 'town council'.</p> <p>Torbay Council chose to call its parish council a 'town council' so this report will refer to it as a town council.</p> <p>All Town councils are constituted in the same way; councillors are elected by the local government electorate and each council has a Chair, who must be one of the elected councillors. Councils vary in size and capacity; many are small, representing a few hundred people, others represent communities of over 30,000 people with budgets of over £1m and expenditure and staffing levels per head of population similar to a small district council.</p> <p>Town councils act as sounding boards for local opinion, though the range of services and amenities provided varies. They often work with local voluntary organisations and other tiers of local government. Town councils are represented nationally by the National Association of Local Councils (NALC), which works with independent county associations to provide routine support for town councils and their clerks.</p> <p>There are certain obligations which by law a town council must fulfil. For example:</p> <ul style="list-style-type: none"> • It must hold an annual meeting; • It must hold at least three other meetings a year; • It must appoint such officers as it believes necessary for the proper discharge

of its functions. This must include an officer responsible for the proper administration of financial affairs; and

- It must make Standing Orders for the supply of goods and services to the council.

How do you create a Town Council:

The Local Government and Public Involvement in Health Act 2007 (Chapter 3 of Part 4) devolved power from the Secretary of State to principal councils (such as Torbay Council) to carry out community governance reviews and put in place or make changes to local community governance arrangements, for example the creation of parish/town councils. Torbay Council can therefore choose to undertake a community governance review which would consider whether or not to form town councils for Paignton and Torquay.

The terms of reference for a review can include the whole or part of the area of the Council. Reviews must be concluded within 12 months. The Council must consult the electors of the review area and have regard to the responses received. The Council must have regard to the need to secure that community governance within the area under review (a) reflects the identities and interests of the community in that area, and (b) is effective and convenient. The recommendations of the review must be published.

The Council must then decide what to do in response to a community governance review and give reasons for its decision. Where a governance review makes recommendations for the formation of a town council, the review must also make recommendations as to what electoral arrangements should apply to that council, including whether it is to be divided into wards and the number of Councillors on the town council.

If the Council decides to set up a new town council this will result in the making of orders by the Council, which must be published. Orders may make arrangements for the transfer, management or custody of property, transfer of staff and other staffing matters, and transfer of rights and liabilities.

What are the benefits of a Town Council:

There is likely to be a higher number of town councillors per ward than there are currently Torbay Councillors within the ward. Most members of town councils live in the communities they serve and many town councils also engage with local residents through surveys, newsletters and public meetings. Members will need to consider whether additional 'town council' councillor capacity would be welcomed by their communities.

Town councils have the flexibility in respect of any precept to enhance service provision in the community or to provide additional services and facilities that cannot be accommodated through Torbay Council resources.

Town councils can contribute to the creation of successful communities by influencing the quality of planning and design of public spaces and the built environment, as well as improving the management and maintenance of such amenities.

Town council elections should normally take place every four years at the same time as the elections for Torbay Councillors. This reduces the cost of holding stand alone elections for town councils. (However, where a new town council is

	<p>created Torbay Council can make provision for the first election to be held at any time with either a longer or shorter period for the first term.)</p> <p>What are the disadvantages of a Town Council:</p> <p>There may be difficulties attracting sufficient candidates to stand as Town Councillors. For the first election in 2007, only the Berry Head with Furzhem ward was contested as there were insufficient candidates for the St Marys with Summercombe ward, which resulted in several councillors being co-opted onto Brixham Town Council. The second election in 2011 was uncontested as there were only 12 candidates which meant that all 12 of them became town councillors.</p> <p>Two out of the current twelve Brixham Town Councillors are also Torbay Councillors meaning that they already have a busy workload and need to balance the needs of the residents and the two councils.</p> <p>Residents who live in the area of the town council are required to pay an additional precept on their Council Tax. For 2016/2017 this was an extra £40.24 for a person living in a Band D property in Brixham.</p>
<p>3.</p>	<p>What options have been considered?</p> <p>The Department for Communities and Local Government/the Local Government Boundary Commission for England's 'Guidance on community governance reviews' states 'Principal councils should use their knowledge and awareness of local issues when deciding whether to undertake a review. However, principal councils should avoid starting a community governance review if a review of a district, London borough or county council electoral arrangements is being, or is about to be, undertaken. Ideally, community governance reviews should be undertaken well in advance of such electoral reviews, so that the LG BCE in its review of local authority electoral arrangements can take into account any parish boundary changes that are made.' The Council agreed at its meeting held on 21 July 2016 to request the Local Government Boundary Commission for England to commence a boundary review of Torbay from 1 April 2017 and therefore it is not recommended at this stage to carry out a governance review.</p> <p>The Council also needs to consider the impact any community governance review would have on established community forums. The Council already has the following community partnerships which are already undertaking effective community engagement across the whole of Torbay:</p> <ul style="list-style-type: none"> • Barton and Watcombe • Blatchcombe • Brixham • Churston, Galmpton and Broadsands • Clifton and Maidenway • Cockington, Chelston and Livermead • Ellacombe • Goodrington, Roselands and Hookhills • Hele, Watcombe and Lower Barton • Paignton Town Centre • Preston • Shiphay and the Willows

	<ul style="list-style-type: none"> • St Marychurch and District • Torquay Town Centre • Torre and Upton • Wellswood and Torwood
4.	<p>How does this proposal support the ambitions, principles and delivery of the Corporate Plan 2015-19?</p> <p>Not applicable</p>

5.	<p>Who will be affected by this proposal and who do you need to consult with?</p> <p>Residents, ward councillors and community partnerships would be affected if Torbay decides to conduct a community governance review.</p>
6.	<p>How will you propose to consult?</p> <p>If the Council decides to conduct a community governance review a consultation and communication plan would be developed.</p>

Section 2: Implications and Impact Assessment

7.	<p>What are the financial and legal implications?</p> <p>A town council has the unfettered right to raise money by precept (a mandatory demand) on the Council. The precept required by a town council is then collected by the principal council as part of the council tax levied on tax payers in that area.</p>
8.	<p>What are the risks?</p> <p>There is a risk if the Council does not decide to conduct a community governance review that a % of the electorate could submit a petition requiring a community governance review with a view to establishing town councils in Paignton and Torquay. The three thresholds for requesting a community governance review t council are:</p> <ol style="list-style-type: none"> for an area with less than 500 local electors, the petition must be signed by at least 50% of them; for an area with between 500 and 2,500 local electors, the petition must be signed by at least 250 of them; and for an area with more than 2,500 local electors, the petition must be signed by at least 10% of them. <p>Petitions were submitted to the Council in 2005 requesting town councils be established in Brixham, Paignton and Torquay, however, only the petition for a town council for Brixham had the number of signatures required to request a referendum on the establishment of a town council. The Council therefore only chose to hold a referendum for the establishment of a town council for Brixham.</p>

9.	<p>Public Services Value (Social Value) Act 2012</p> <p>Not applicable as the proposal does not relate to the purchase of services.</p>																																																																	
10.	<p>What evidence / data / research have you gathered in relation to this proposal?</p> <p>Benchmarking of other similar size unitary authorities shows the following number of Parish/Town Councils:</p> <table border="1" data-bbox="304 577 1437 1211"> <thead> <tr> <th>Council</th> <th>Type of Authority</th> <th>Population</th> <th>Number of Town/Parish Councils</th> <th>Number of Wards in Unitary Council</th> </tr> </thead> <tbody> <tr> <td>Torbay</td> <td>Unitary Mayoral</td> <td>130,959</td> <td>1</td> <td>15</td> </tr> <tr> <td>Bath and NE Somerset</td> <td>Unitary</td> <td>176,016</td> <td>51</td> <td>37</td> </tr> <tr> <td>Bedford</td> <td>Unitary Mayoral</td> <td>157,479</td> <td>47</td> <td>27</td> </tr> <tr> <td>Bournemouth</td> <td>Unitary</td> <td>183,491</td> <td>0</td> <td>18</td> </tr> <tr> <td>Bristol</td> <td>Unitary Mayoral</td> <td>428,234</td> <td>0</td> <td>35</td> </tr> <tr> <td>Exeter</td> <td>Unitary</td> <td>117,773</td> <td>0</td> <td>18</td> </tr> <tr> <td>Hartlepool</td> <td>Unitary</td> <td>92,028</td> <td>5</td> <td>11</td> </tr> <tr> <td>Middlesbrough</td> <td>Unitary Mayoral</td> <td>138,412</td> <td>2</td> <td>20</td> </tr> <tr> <td>Plymouth</td> <td>Unitary</td> <td>256,384</td> <td>0</td> <td>20</td> </tr> <tr> <td>Poole</td> <td>Unitary</td> <td>147,645</td> <td>0</td> <td>16</td> </tr> <tr> <td>South Gloucestershire</td> <td>Unitary</td> <td>262,767</td> <td>47</td> <td>35</td> </tr> <tr> <td>Swindon</td> <td>Unitary</td> <td>209,156</td> <td>17</td> <td>20</td> </tr> </tbody> </table>	Council	Type of Authority	Population	Number of Town/Parish Councils	Number of Wards in Unitary Council	Torbay	Unitary Mayoral	130,959	1	15	Bath and NE Somerset	Unitary	176,016	51	37	Bedford	Unitary Mayoral	157,479	47	27	Bournemouth	Unitary	183,491	0	18	Bristol	Unitary Mayoral	428,234	0	35	Exeter	Unitary	117,773	0	18	Hartlepool	Unitary	92,028	5	11	Middlesbrough	Unitary Mayoral	138,412	2	20	Plymouth	Unitary	256,384	0	20	Poole	Unitary	147,645	0	16	South Gloucestershire	Unitary	262,767	47	35	Swindon	Unitary	209,156	17	20
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11.	<p>What are key findings from the consultation you have carried out?</p> <p>Not applicable.</p>																																																																	
12.	<p>Amendments to Proposal / Mitigating Actions</p> <p>Not applicable.</p>																																																																	

Equality Impacts

13	Identify the potential positive and negative impacts on specific groups		
	Positive Impact	Negative Impact & Mitigating Actions	Neutral Impact
Older or younger people			There is no differential impact.
People with caring Responsibilities			There is no differential impact.
People with a disability			There is no differential impact.
Women or men			There is no differential impact.
People who are black or from a minority ethnic background (BME) <i>(Please note Gypsies / Roma are within this community)</i>			There is no differential impact.
Religion or belief (including lack of belief)			There is no differential impact.
People who are lesbian, gay or bisexual			There is no differential impact.
People who are transgendered			There is no differential impact.
People who are in a marriage or civil partnership			There is no differential impact.

	Women who are pregnant / on maternity leave			There is no differential impact.
	Socio-economic impacts (Including impact on child poverty issues and deprivation)			There is no differential impact.
	Public Health impacts (How will your proposal impact on the general health of the population of Torbay)			There is no differential impact.
14	Cumulative Impacts – Council wide (proposed changes elsewhere which might worsen the impacts identified above)	None		
15	Cumulative Impacts – Other public services (proposed changes elsewhere which might worsen the impacts identified above)	None		



Meeting: Council

Date: 22 September 2016

Wards Affected: All Wards

Report Title: Delivery of Town Centre Masterplans

Is the decision a key decision? No

When does the decision need to be implemented? as soon as possible

Executive Lead Contact Details: Mayor Oliver, Mayor and Executive Lead for Regeneration and Finance, mayor@torbay.gov.uk

Supporting Officer Contact Details: Anne-Marie Bond, Assistant Director Corporate and Business Services, (01803) 207160, anne-marie.bond@torbay.gov.uk

1. Proposal and Introduction

- 1.1 In June 2015 the Council approved the town centre Masterplan regeneration programme. Over the past year the Masterplan sites have been the subject to further testing to ensure that the objectives that the Council and Community have of stronger town centres which create additional investment opportunities, employment, additional footfall and vibrancy can be delivered. The Masterplan Programme Board, chaired by the Executive Lead for Business, recommends the inclusion of Brixham Town Centre car park into the Masterplan programme which would mean there are **eight priority sites** (five of which are Council owned) and which have the potential to deliver substantial mixed-use development. The sites in Torquay are; the Town Hall Car Park site, Lower Union Lane MSCP and the Terrace Car Park. In Paignton the sites are: Crossways, Victoria Centre, Paignton Station and Paignton Harbour. In Brixham the site is: Brixham Town Centre.
- 1.2 It is apparent from the soft market testing that the development community will be expecting the Council to take an important role in building confidence in the developer market place and showing investors its intent to get delivery underway. The requirement to build momentum will help demonstrate that the Council is committed to delivery and is investing in economic infrastructure.
- 1.3 The Masterplan Programme Board, will bring recommendations on the delivery strategy for the Masterplans to the December Council meeting. Ahead of that demonstrating the Council's clear desire to deliver, through the use of its legal powers, investing where required in site acquisition and town centre infrastructure and acting as a flexible and pro active promoter of the schemes is considered by the Programme Board to be desirable.

- 1.4 Therefore it is proposed to request officers to commence work on identifying sites and ownerships in the vicinity of the Masterplan sites and exploring the potential to acquire or compulsorily purchasing appropriate sites to ensure that site assembly is not an impediment to quick delivery of the Masterplan schemes. Acquisition would be sought so that the Council can have control over the future of the site and ensure that the benefits of suitable development opportunities are maximised.

2. Reason for Proposal

- 2.1 To ensure that the aspirations and objectives of the Masterplan programme can be delivered securing a range of benefits for the community.

3. Recommendation(s) / Proposed Decision

- 3.1 That Brixham Town Centre be included in the Masterplan programme.
- 3.2 That the Assistant Director Corporate and Business Services be requested to consider acquisition/Compulsory Purchase of appropriate sites in support of the objectives of the town centre Masterplan programme subject to satisfactory business case(s) being made.

Background Documents

Masterplans and Adoption Statements -

<http://www.torbay.gov.uk/council/policies/planning-policies/masterplans/>



Meeting: Council

Date: 22 September 2016

Wards Affected: All

Report Title: Local Government Association Corporate Peer Challenge Action Plan – 6 monthly progress report

Is the decision a key decision? No

When does the decision need to be implemented? Ongoing implementation of action plan

Executive Lead: Councillor Derek Mills, Deputy Mayor and Executive Lead for Governance and Public Health

Supporting Officer Contact Details: **Anne-Marie Bond**, Assistant Director of Corporate and Business Services, 01803 207160 and anne-marie.bond@torbay.gov.uk

1. Proposal and Introduction

- 1.1 At its meeting on 3 February 2016, the Council received the Local Government Association's (LGA) Corporate Peer Challenge feedback report on Torbay Council and an outline action plan.
- 1.2 Following that meeting, a detailed action plan was prepared by a Working Party following a series of workshops with partners, members and officers to enable them to contribute towards the action plan. The Council approved the final action plan at its meeting on 7 April 2016. This report provides an update on the progress made since the action plan was implemented.

2. Reason for Proposal

- 2.1 To enable the Council to respond to the recommendations of the LGA Corporate Peer Challenge Feedback Report and make improvements.

3. Recommendation(s) / Proposed Decision

- 3.1 That the progress made on Local Government Association (LGA) Corporate Peer Challenge Feedback Action Plan (as set out at Appendix 1 to the submitted report) be noted; and

- 3.2. That a revised action plan be presented to Council in October 2016 for approval, taking into account any feedback received following the update visit of the LGA Peer Team on 27 September 2016.

4. Background

- 4.1 The LGA provide councils with support through corporate peer challenges. Peer challenge is a tool for assisting councils in identifying areas for improvement. The process involves a small team of local government peers spending time with the Council to provide challenge and share learning. Peer challenges are not a formal inspection and are designed to complement and add value to the Council's own performance and improvement.
- 4.2 The LGA undertook the peer challenge review of the Council during an on-site visit (30 November to 3 December 2015).
- 4.3 During the visit, the Peer Challenge Team engaged with a wide range of people connected with the Council.
- 4.4 The Peer Challenge Team considered the following questions which form the core components looked at by all corporate peer challenges:
1. Understanding of the local place and priority setting: Does the council understand its local context and place and use that to inform a clear vision and set of priorities?
 2. Leadership of Place: Does the council provide effective leadership of place through its elected members, officers and constructive relationships and partnerships with external stakeholders?
 3. Financial planning and viability: Does the council have a financial plan in place to ensure long term viability and is there evidence that it is being implemented successfully?
 4. Organisational leadership and governance: Is there effective political and managerial leadership supported by good governance and decision-making arrangements that respond to key challenges and enable change and transformation to be implemented?
 5. Capacity to deliver: Is organisational capacity aligned with priorities and does the council influence, enable and leverage external capacity to focus on agreed outcomes?
- 4.5 At the end of their review, the Peer Challenge Team made a number of recommendations and provided feedback. A detailed action plan to respond to the LGA's recommendations was developed.

4.6 The action plan was informed by a series of workshops with partners (primarily those interviewed by the LGA Peer Team), members and senior officers. This was followed by a joint member and officer working group (politically balanced) to further refine the action plan and gather the feedback from the workshops. The progress of the action plan has been kept under review by the Council's Senior Leadership Team.

5. Self appraisal

5.1. Overall it is believed that there has been good progress against the Action Plan. Whilst it is acknowledged that some of the original target dates have slipped, progress is being made against each of the actions. The initial priority had to be the creation of the Transformation Programme, which was quickly established, and is now supported by its own dedicated team in order to drive transformation within the Council, as the scale and pace of change required cannot be underestimated.

6. LGA Corporate Peer Team Follow Up Visit

6.1 The LGA Corporate Peer Challenge Team are due to revisit the Council on 27 September 2016 to review our progress. Their report following that visit will be presented to the Council meeting in October 2016, together with a revised Action Plan. It is proposed that this revised action plan be prioritised, so that the critical areas for action are clearly identifiable.

7. Outline of significant key risks

7.1 The main risk associated with the report is the failure to continue to respond to the recommendations of the LGA Peer Challenge Team. This may result in the Council not responding adequately to the challenges it faces. The action plan addresses the recommendations by the LGA Corporate Peer Challenge.

8. Other options

8.1 To stop implementing the action plan – this is not recommended as the action plan is mitigating the risks outlined above.

9. Summary of resource implications

9.1 The action plan is being delivered within identified resources and any additional resources will be incorporated in the budget setting process for 2016/2017.

10. Consultation

10.1 Key partners, stakeholders, elected members, and officers contributed towards the development of the LGA Corporate Peer Challenge action plan. The action plan continues to assist the Council in making improvements which will ultimately lead to better outcomes for the community.

Appendices

Appendix 1: LGA Corporate Peer Challenge Action Plan Progress Update 12 September 2016

Background Documents

Local Government Association Corporate Peer Challenge Torbay Council Feedback Report



LGA Corporate Peer Challenge – December 2015

ACTION PLAN – IN PROGRESS – AS AT 12.09.16

Purpose:

The Council undertook a corporate peer challenge with the Local Government Association (LGA) in December 2015. The main focus of the challenge was to review the strength of Torbay's financial planning and viability, along with governance, leadership and organisational capacity. The LGA Peer Team explored the core components underpinning the features of good performance, including how well the Council has:

1. Understanding of the local place and priority setting
2. Leadership of place
3. Financial planning and viability
4. Organisational leadership and governance
5. Capacity to deliver

	Recommendation	Overall Response	Detailed Action	Indicative Timescale	Lead Officer	LGA Support	Progress update
	Understanding of the local place and priority setting/ Leadership of Place						
1.	Facilitate an effective Strategic Partnership Forum	Work with stakeholders to develop proposals	<p>Explore different models, learning from best practice elsewhere, which will bring partners and communities together to get ownership for the future of Torbay as a place.</p> <p>In establishing such a Forum, ensure a review of existing partnership bodies is undertaken, establish clear aims and objectives, avoid duplication, and ensure membership is appropriate.</p> <p>Establish governance for the Forum to include transparency of decision-making and clear communication paths.</p> <p>A Strategic Partnership Forum Working Party to be established to take forward these actions in consultation with key</p>	End of May 2016, with first meeting of Strategic Partnership Forum meeting at the beginning of June 2016	Anne-Marie Bond	<p>Signpost to others who have undertaken this with positive results – look for conservative led unitary authorities.</p> <p>Explore potential support/facilitation of initial sessions.</p>	<p>Following exploration of arrangements elsewhere, Strategic Partnership Working Party have concluded upon an initial invite list for initial meeting and a ‘visioning’ session with partners.</p> <p>Meeting held on 6 September 2016, supported by Matt Nichols, LGA. Meeting demonstrated significant partner enthusiasm and support. Agreed actions as to further meeting in October, partners working on draft structure for next meeting and LGA undertaking place survey.</p> <p>Further meeting of Strategic Partnership Working Party on 29 September 2016.</p>

	Recommendation	Overall Response	Detailed Action	Indicative Timescale	Lead Officer	LGA Support	Progress update
			strategic partners.				
2	<p>Work with the Strategic Partnership Forum to develop a clear long term, high level plan for Torbay, with a compelling narrative which articulates ambitions and is agreed with key stakeholders.</p> <p>Develop a clear communication and engagement strategy for the plan to embed it with partners and the community</p>	<p>Creation of a plan for Torbay (what Torbay will look like in the future)</p> <p>Created, owned and promoted by political and managerial leadership and key partners.</p> <p>Underpinned by robust evidence base and community/business buy-in.</p> <p>Creation of communication and engagement strategy</p>	<p>The Strategic Forum as detailed in 1 above, to formulate the Plan, to be adopted as a single agreed plan with partners, providing a consistent message as to Torbay's aspirations for the future.</p> <p>Build on work already in place with a focus on bringing outcomes/actions across partners closer together.</p> <p>Leaders on Forum to agree the plan and be responsible for embedding it within their organisations and within the community.</p> <p>Engagement strategy to include enabling environment so people can start making a proactive contribution.</p>	No later than end August 2016, with report to Council in September (to coincide with Efficiency and Transformation Plan)	Steve Parrock	<p>Involvement of peers in supporting process and challenge</p> <p>LGA communications team (Matt Nichols) to help advise and signpost (3 days)</p>	<p>Discussion commenced with Strategic partners at meeting on 6 September 2016, with support from Matt Nichols, LGA. Next meeting. Next meeting in October to progress and hopefully receive presentation from another authority as to their work in this respect.</p> <p>Matt visited Torbay on 15 August 2016 for specific support and was involved in session with partners on 6 September. Support continuing.</p>
3.	Develop and understand	Understand what	Council to identify appropriate resources	Resources to be identified	Steve Parroc	LGA to help facilitate and	Resources to be identified through budget

	Recommendation	Overall Response	Detailed Action	Indicative Timescale	Lead Officer	LGA Support	Progress update
	Torbay's place in the national and regional context, and then champion Torbay.	Torbay's USP(s) are. Identify where we sit regionally and develop proposal/plan for championing Torbay, regionally and nationally.	to promote Torbay, regionally and nationally. Strategic Forum to use links to champion Torbay.	by November 2016. On-going once plan has been created.		organise regional/national discussion group	process. Work with Matt Nichols (LGA) and Strategic Partnership putting in place the basis for this area to progress from here.
Financial Planning and Viability							
4.	Urgently develop a Medium Term Financial Plan, covering period of Corporate Plan (four year). The MTFP to demonstrate how Torbay will meet the budget challenges it faces, including; <ul style="list-style-type: none"> - Asset sales and associated developments - Working with partners 	Develop four year plan for saving and investment. Develop efficiency plan.	Develop Efficiency Plan, for approval by October 2016. Efficiency Plan to include how the Council will meet the financial challenges over the following three years, so as to inform normal budget setting processes.	Efficiency Plan to be presented to Full Council meeting in September 2016.	SLT	Review of draft plan together with desktop review of finances in late June/July 2016 by Chris West LGA to ascertain any information possible as to requirements	Transformation programme established to feed into Efficiency Plan. Desktop review of finances undertaken by Chris West – brief report prepared to input into review on 27 September 2016. Efficiency Plan to be presented to Full Council on 22 September 2016.

	Recommendation	Overall Response	Detailed Action	Indicative Timescale	Lead Officer	LGA Support	Progress update
	- Solutions inside and outside of Torbay					of Efficiency Plan	
5.	<p>Creation of a single Transformation Programme to deliver savings and change.</p> <p>SLT should be the Programme Board for the Transformation Programme. The Children's 5 year plan should be one key element of the Programme to ensure it creates a stable financial platform for the future.</p>	<p>Project Mandate and Project Initiation Document to be developed with lead manager and resources to support.</p> <p>Budget to be allocated to deliver transformation projects.</p> <p>Transformation Board to be established.</p>	<p>Establish Transformation Board to meet on a monthly basis with clear objectives as to delivery.</p> <p>Transformation Board objectives and outcomes appended to this action plan for reference.</p>	Transformation Board established from 1 March 2016, now ongoing.	Caroline Taylor	<p>Signposting and provision of information.</p> <p>Ten days of productivity expert to assist in developing Assets business case. Alan Finch (LGA) to liaise with Kevin Mowat.</p>	<p>Transformation Board established.</p> <p>Business Cases being developed.</p> <p>Transformation Board 9 May 2016 – Lisa Annear and Andy Felton attended to provide external support and challenge.</p> <p>11 August - SLT approved creation of Transformation Team to further drive delivery of programme. Initial posts recruited to.</p> <p>Productivity Expert programme application approved – input now awaited.</p>

	Recommendation	Overall Response	Detailed Action	Indicative Timescale	Lead Officer	LGA Support	Progress update
6.	<p>Children's budget – need to urgently stabilise spending, but at a sustainable level.</p> <p>Ensure robust due diligence to the decision and timing of the transfer of Children's Services to the Integrated Care Organisation (ICO)</p>	<p>Sustainable budget to be identified including monitoring of thresholds, gate keeping, care planning and levels of risk.</p>	<p>Children's Services Five Year Plan to deliver savings, in line with appropriate benchmarking.</p> <p>The 5 year plan to be incorporated into the Transformation Programme (as per 5 above).</p> <p>The proposed transfer of Children's Services to ICO to be incorporated into Transformation Programme (as per 5 above).</p>	<p>Delivery of Children's Services Five Year Plan to be presented to Council meeting in July 2016.</p>	<p>Andy Dempsey</p>	<p>Chris West to review draft plan before submission to Council.</p> <p>LGA to assist with identification of appropriate benchmarking.</p> <p>LGA providing Grant funding for dedicated work on this.</p>	<p>A revised Children's Services Financial Plan will be presented to Council in October/November to feed into the Corporate financial plan.</p> <p>Transformation Programme to oversee spend reducing to benchmark.</p> <p>PeopleToo appointed - initial work completed in August with a further phase commissioned for September to determine comparative costs and support improvement activity.</p> <p>A time banded piece of work will be undertaken between September and January to determine the base case for the ICO as an alternative delivery model for Children's Services.</p> <p>Transfer to ICO is designated as a Transformation project</p>
7.	Review Asset	Identify	To include working with	Overarching	Kevin	Productivity	This is designated as a

	Recommendation	Overall Response	Detailed Action	Indicative Timescale	Lead Officer	LGA Support	Progress update
	Management and disposal plan	proactive programme to dispose of assets or alternatively maximize future revenue from such, at a greater scale and pace Review Asset Management Strategy	partners to map other public service assets and to consider a collective approach to asset management. To consider all assets in respect of – a) opportunities for future revenue generation b) disposal. Plus linkage to Medium Term Financial Plan and Efficiency Plan (as per 4 above) and Transformation Programme (as per 5 above).	statement to be presented to Council meeting in September 2016 alongside Efficiency and Transformation Plan, with detailed plan presented through the budget setting process.	Mowat	expert to review (as per 5 above).	Transformation project. Initial review of assets being undertaken by TDA with income optimisation opportunities being fast tracked. Include review of office accommodation within project.
8.	Develop a coherent economic vision and plan that will drive business rate growth aligned to Housing Strategy to deliver homes for council tax growth and New Homes Bonus	Draft new economic strategy Including housing growth Including Business rate growth	Commission TDA to develop new economic strategy to include emphasis on benefits to the Council as well as the community. Plus linkage to Transformation Programme (link to 5 above).	Overarching position to be presented to Council meeting in September 2016 alongside Efficiency and Transformation Plan. Economic Strategy to	Kevin Mowat	Review and challenge	New investment strategy being prepared to present to Council in September 2016. Work on new economic strategy to commence by TDA in October to be submitted to Council in February 2017.

	Recommendation	Overall Response	Detailed Action	Indicative Timescale	Lead Officer	LGA Support	Progress update
				be presented to Council once prepared.			
9.	Develop a commercially driven Tourism Strategy	Draft new Tourism Strategy and identify opportunities to drive revenue benefits for the Council	Prepare draft strategy for approval.	To be presented to Council meeting in September 2016.	Kevin Mowat	Review and challenge	This is being presented to December 2016 Council meeting to avoid any confusion with progress of TBID. This is linked to Assets Transformation Project.
10	Ensure portfolio for Finance has sufficient capacity to provide greater focus and capacity for the future	Mayor to review Executive Lead arrangements	For the Mayor to consider his approach.	Annual Council Meeting - May 2016.	n/a	Peer Support to Mayor	Mayor to advise if he wishes to make any changes to his Executive.
11	Review structures for financial management, to incorporate Children's finance staff and provide sufficient Council financial expertise on key partnership and commissioning	Review structures with Financial Services	Assistant Director of Corporate and Business Services to progress.	To be completed by summer 2016.	Anne-Marie Bond	None required	Restructure to be finalised by end of September 2016.

	Recommendation	Overall Response	Detailed Action	Indicative Timescale	Lead Officer	LGA Support	Progress update
	bodies						
12	Produce summarised and straight forward document for budget savings to ensure accessibility	Review budget documentation	Benchmark against good practice by other authorities. Evaluate 2016/17 approach with members. Focus on Council spending rather than savings as outlined in LGA recommendation.	New documentation to be in place for 2017/18 budget.	Kate Spencer	Guidance as to what is in place elsewhere and review of proposed documentation Alan Finch identified to review	Initial review undertaken. Proposals to be tested with members and LGA. Kate Spencer and Alan Finch progressing review. Informal session with Audit Committee arranged to review documentation.
Organisational Leadership and Governance							
13	Undertake training on the constitution and the roles and responsibilities of Officers and Members	Delivery of training	To include the commissioning of Devon and Somerset Shared Member Development Service to: undertake a review of development requirements recommended by LGA Peer Challenge; establish clear aims and objectives for development needs and delivering of training; and identify a prioritised programme for delivery. Programme will cover:	Immediately and on-going.	Anne-Marie Bond	Advice as to approach to delivery of training and development. Support to design and deliver training. (17 days) Academic support to deliver training (up to 8 days)	Training plan developed as a separate document, and dates in diaries to progress.

	Recommendation	Overall Response	Detailed Action	Indicative Timescale	Lead Officer	LGA Support	Progress update
			<ul style="list-style-type: none"> <input type="checkbox"/> Peer mentoring <input type="checkbox"/> Constitutional knowledge <input type="checkbox"/> Member and officer roles and responsibilities <input type="checkbox"/> Member and officer relations <input type="checkbox"/> Leadership practice <p>The member development programme to identify key training to be mandatory for all members.</p> <p>Devon and Somerset Shared Member Development Service and LGA to assist with identifying appropriate training providers.</p> <p>Evaluate members and officers learning once training has been delivered, and ensure continued development occurs.</p> <p>LGA to identify member peer support.</p>				

	Recommendation	Overall Response	Detailed Action	Indicative Timescale	Lead Officer	LGA Support	Progress update
14	<p>Undertake a review of the decision making process, including;</p> <ul style="list-style-type: none"> - Review adequacy and effectiveness of the Policy Framework - The role of Overview and Scrutiny and the CFPS recommendations - Member and Officer roles and responsibilities - Member and officer relations - The presentation of issues to members without fear, favour. or agenda - Transparency - Records of Decision 	<p>Review to be undertaken, and members and officers trained appropriately.</p>	<p>See 13 above for delivery of training/development.</p> <p>Re-establish clear governance practice and procedures with roles and responsibilities mapped out.</p> <p>Peer support to assist (as per 19 below).</p>	<p>Alongside training as per 13 above.</p>	<p>Anne-Marie Bond</p>	<p>As per 13 above</p>	<p>To flow from 13 above</p>

	Recommendation	Overall Response	Detailed Action	Indicative Timescale	Lead Officer	LGA Support	Progress update
	- Consider effective reporting back to full council from members on representative boards.						
15	Embed core values adopted for staff and reinforce them through actions of senior officers Encourage members to demonstrate same values and behaviours	Review work undertaken to date and plan programme to ensure values are embedded throughout the Council. Governance Support to work with Members to share staff core values and develop proposals for members.	Core values to be included on all reports and documentation. Appraisals and staff supervision to include performance against core values. Staff communications to include best practice examples where staff have met core values. Also links to 13 above for delivery of training/development for members.	Alongside training as per 13 above.	Anne-Marie Bond	As per 13 above	On-going
16	Plan and prepare for Governance Referendum. Ensure outcome does not impact on functioning of	Plan for Referendum. Engage with all members and the community	Peer support for Mayor and Group Leaders to establish positive response, regardless of the outcome of referendum.	Post 5 May 2016	Steve Parrock	Provision of mentoring support (43 days)	All Peer Mentors in place and providing support.

	Recommendation	Overall Response	Detailed Action	Indicative Timescale	Lead Officer	LGA Support	Progress update
	the Council.	post referendum.					
17	Review approach to managing perceived conflict of interests	Members to individually review their interests and potential for perceived conflicts of interests.	<p>Link to 13 above so as to ensure members have all necessary knowledge.</p> <p>Ensure staff are briefed on requirements for members interests and including channels to report any concerns.</p>	Ongoing	Anne-Marie Bond	Through mentoring support and provision of training as per 13 above.	<p>Peer Mentors in place.</p> <p>Training plan developed which will further support this.</p>
18	Risk and Performance framework – ensure it is effectively rolled out, and adding to the ‘business’ of the authority.	Review Framework	SLT and Audit Committee to continue to review and refine.	Ongoing	Jo Beer/ Anne-Marie Bond		SLT and Audit Committee continue to review and refine.
19	Provide peer support and mentoring for chief officers and elected members to support their capacity and provide guidance as the key changes that are required are made. Officers and	<p>Identify members and officers to receive peer support.</p> <p>Identify wider peer networks and opportunities to support and expand knowledge</p>	<p>In respect of Members, link to 13 above.</p> <p>LGA to assist in identification of peer support.</p> <p>SLT to review peer networks and provide capacity for staff to actively engage where appropriate.</p>	Ongoing	Anne-Marie Bond	Provision of mentoring support (43 days)	<p>Peer Mentors in place and providing support.</p> <p>SLT reviewing training and support needs - plan approved at September SLT meeting.</p>

	Recommendation	Overall Response	Detailed Action	Indicative Timescale	Lead Officer	LGA Support	Progress update
	members to engage in wider peer networks to support and expand knowledge and ideas.	and ideas.	Encourage staff to share best practice gained from peer networks. Utilise SLT and Manager's Forum as a channel for feedback.				Managers Forum and Connect Events in place and working well as a channel for feedback from staff to SLT
20	Continue to develop and deliver an Organisational Development and Workforce Plan. Develop and deliver an organisational succession plan	Continue with preparation of Workforce and Organisational Development plan. Succession plan to be formulated following completion of Workforce plan	SLT, supported by Human Resources, to deliver Organisational Development and Workforce Plans. Mayor and Group Leaders to consider approach to member succession planning – also links to 13 above.	Ongoing	Sue Wiltshire	LGA workforce advisor (Martin Denny) to offer support and critical review challenge (5 days)	Workforce plans being developed for consideration by SLT. Martin Denny has reviewed initial documentation and is providing on-going support.
Capacity to Deliver							
21	The Council needs to communicate as to the need to urgently prepare an efficiency plan and make difficult decisions, whilst	Need to ensure appropriate messages are communicated.	Link to 2 and 4 above Communications team to develop communication plan, internally and externally. Include staff and	Ongoing	Michelle Pierce	LGA communications team to help advise and signpost	Action Plan being drafted following Matt Nichols visit on 15 August 2016.

	Recommendation	Overall Response	Detailed Action	Indicative Timescale	Lead Officer	LGA Support	Progress update
	being clear that the Council is sustainable in such circumstances		actively encourage them to present innovative ideas.				
22	Invest in capacity to deliver organisational and business transformation at a pace	Review structure	Link to 5 above - Transformation Board to identify need. Head of Paid Service to determine.	Ongoing	Steve Parrock	None required	Transformation Board and Team in place.
23	Review and invest in the training and development needs of members with an emphasis on leadership, practice as well as learning	Review Member Training and Development Programme	Link to 13 above.	Ongoing	Anne-Marie Bond	Support and challenge	Training programme in place. Member Development Programme approved.
24	Review and invest in the training and development needs of senior officers	Review training and development needs of Senior Officers	Head of Paid Service to consider, and plan appropriately. Link to members training and development (see 13 above) and identify joint training where appropriate. Also link to 19 above	Ongoing	Steve Parrock (supported by Julia Baldie)	Review of training programme once drafted	SLT reviewed training and support needs - plan approved at September SLT meeting.

	Recommendation	Overall Response	Detailed Action	Indicative Timescale	Lead Officer	LGA Support	Progress update
25	Appraisals for all staff, Chief Executive down.	Undertake appraisals	Mandatory for all staff. External facilitation for appraisal Chief Executive. Establish performance management for members following trial undertaken in 2009 – link to 13 above	On-going on a rolling programme. Chief Executive's appraisal scheduled.	Anne-Marie Bond	None required	Chief Executive appraisal undertaken, facilitated externally. On-line appraisal system in place to provide data as to appraisals undertaken. Staff survey for Autumn 2016 to test reach compared with previous survey.
26	Ensure HR systems are up-to-date and provide effective reporting on key elements for effective people management	HR system currently being built to ensure it provides effective systems and reporting – review to ensure it will provide necessary reporting	HR system already in development. Review of reporting undertaken.	To be fully operational by summer 2016.	Anne-Marie Bond	None required	New system launched on 6 July 2016. Roll out of additional functionality Autumn 2016.
27	Establish plans with key targets and milestones for the delivery of the Corporate Plan	Corporate Plan Delivery Plans to be approved by Full Council	Corporate Plan Delivery Plans to be considered by Council in May 2016.	Annual Council May 2016	Steve Parrock	None required	Corporate Plan Delivery Plans approved by Full Council on 11 May 2016.

	Recommendation	Overall Response	Detailed Action	Indicative Timescale	Lead Officer	LGA Support	Progress update
		Effective Performance and Risk monitoring against the delivery plans.	Audit Committee to undertake performance and risk monitoring on an ongoing basis – link to 18 above.	Ongoing			

Endorsement by: Council Meeting on 7 April 2016

Implementation monitoring by Audit Committee with six monthly progress reports to full Council.

LGA follow up visit arranged for 27 September 2016. Trevor Holden, Chris West, Stuart Drummond, Andy Bates and Paul Clarke in attendance. Cllr Alan Jarrett to take part remotely.

Desktop review of finances/review of draft Efficiency Plan - August

Agenda Item 17



Meeting: Council

Date: 22 September 2016

Wards Affected: All Wards

Report Title: Outside Bodies Protocol

Is the decision a key decision? No

When does the decision need to be implemented? as soon as possible

Executive Lead Contact Details: Councillor Mills, Deputy Mayor and Executive Lead for Health and Wellbeing and Corporate Services, (01803) 843412, derek.mills@torbay.gov.uk

Supporting Officer Contact Details: Anne-Marie Bond, Assistant Director Corporate and Business Services, (01803) 207160, anne-marie.bond@torbay.gov.uk

1. Proposal and Introduction

1.1 At the meeting of the Mayor and Group Leaders held on 22 August 2016, Members considered a draft Outside Bodies Protocol which provided reporting arrangements for key outside bodies to enable all Members to be briefed annually on the work of these outside organisations from the appointed Councillors. The Mayor was not present at this meeting and requested it be considered by the Mayor's Executive Group.

2. Reason for Proposal

2.1 The Mayor's Executive Group meet on 8 September 2016 and requested that the protocol be submitted to Council to enable all Members to review and approve the document as it is a change to the Council's Constitution.

3. Recommendation(s) / Proposed Decision

3.1 That the Outside Bodies Protocol set out at Appendix 1 to the submitted report be approved.

Appendices

Appendix 1: Outside Bodies Protocol

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**Standing Orders – Access to Information New Standing Order E23 Outside
Bodies Protocol**

**Updated with feedback from Mayor and Group Leaders Meeting 22 August
2016**

E23. Outside Bodies Reporting Protocol

E23.1 The Council appoints Members to represent Torbay Council on a number of outside organisations. Representatives on those bodies listed below are required to report on the activities of the outside organisation, the impact of those activities on the local community and Council service delivery, in order to keep the Council informed. Reports from members on outside organisations will also allow the Council to evaluate the value and benefits of its continued membership. Members will not disclose any information that is confidential to that organisation:

1. Companies:

- a) Riviera International Conference Centre Board of Directors;
- b) Torbay Economic Development Company Ltd; and
- c) TOR2 Board.

2. Organisations which receive grants/funding from the Council:

- a) Parkwood Leisure Monitoring Group;
- b) Torbay Sports Council;
- c) Culture Board Steering Group;
- d) Torbay Coast and Countryside Trust Board of Trustees; and
- e) Torbay Community Development Trust.

3. Other strategic important outside bodies/partnerships:

- a) Local Enterprise Partnership Steering Group;
- b) Community Safety Partnership Board;
- c) Devon and Cornwall Police and Crime Panel;
- d) Devon and Exeter Area Rail Project Working Party;
- e) Devon and Somerset Fire and Rescue Authority;
- f) Devon Authorities Strategic Waste Joint Committee
- g) South West Devon Waste Partnership (Joint Working Committee);
- h) South West Energy and Environment Group; and
- i) South West Regional Flood Defence Committee.

Members on other outside bodies may submit a report where they feel it is in the Council's interest for them to do so.

E23.2 Reports will be submitted annually following the annual meeting of the body, unless exceptional circumstances require a further report. Reports will be prepared by the member(s) so not to draw on officer resource and submitted in writing to governance.support@torbay.gov.uk using the prescribed form (attached at Appendix 1 to these Standing Orders), and so far as is reasonably practicable limited to two sides of A4. Reports will be considered

by the Overview and Scrutiny Board to enable it to make recommendations to the Council before reports are presented to Council.

- E23. Where the Council nominates more than one representative to an outside body, a Lead Member will be nominated to be responsible for co-ordinating the report to the Council (this can include a joint report by all members on the outside body being prepared). If an organisation does not have an annual meeting, then the Council's Lead Member will report in the third quarter of the year so that the Council can consider the benefits of retaining its representation.

Outside Bodies - Member Reporting Form

Name of Organisation	
Elected Member	
Objectives of Organisation	
Role and responsibility of the Council representative? (For example, Observer, Trustee, Director)	
What have you achieved through the relationship?	
How often does the organisation meet?	
How often have you attended meetings?	
Have you been provided with any training to support your role? If yes, please give details.	
What at key issues have arisen? (continue on separate sheet if required)	

Agenda Item 18



Meeting: Council

Date: 22 September 2016

Wards Affected: All

Report Title: Establishment of a Children's Services Monitoring Working Party

Is the decision a key decision? No

When does the decision need to be implemented? As soon as possible

Executive Lead Contact Details: Councillor Julien Parrott, Executive Lead for Adults and Children, 01803 293217 and julien.parrott@torbay.gov.uk

Supporting Officer Contact Details: Anne-Marie, Assistant Director Corporate and Business Services, 01803 207160 and anne-marie.bond@torbay.gov.uk

1. Proposal and Introduction

1.1 To establish a Children's Services Monitoring Working Party.

2. Reason for Proposal

2.1 To formalise current informal arrangement to strengthen the governance of Children's Services monitoring arrangements by elected members.

3. Recommendation(s) / Proposed Decision

3.1 That a Children's Services Monitoring Working Party be established comprising the Executive Lead for Adults and Children, plus 5 members (to be politically balanced) with terms of reference as follows:

- (i) to provide strategic political interface between elected members and the Director of Children's Services;
- (ii) to understand the key priorities for Children's Services;
- (iii) to be fully briefed on progress of improvements within Children's Services; and
- (iv) to understand the financial situation and plans for recovery of Children's Services.

Appendices

None

Background Documents

None

Agenda Item 19



Meeting: Council

Date: 22 September 2016

Wards Affected: All

Report Title: Establishment of an Oldway Mansion and Estate Working Party

Is the decision a key decision? No

When does the decision need to be implemented? As soon as possible

Executive Lead Contact Details: Mayor Oliver, Executive Lead for Finance and Regeneration, 01803 207001 and mayor@torbay.gov.uk

Supporting Officer Contact Details: Anne-Marie, Assistant Director Corporate and Business Services, 01803 207160 and anne-marie.bond@torbay.gov.uk

1. Proposal and Introduction

1.1 To establish an Oldway Mansion and Estate Working Party.

2. Reason for Proposal

2.1 To establish an Oldway Mansion and Estate Working Party to assist the Council in developing an alternative solution to ensure the long term protection of Oldway Mansion and the Estate.

3. Recommendation(s) / Proposed Decision

3.1 That an Oldway Mansion and Estate Working Party be established comprising 5 members, to be politically balanced and include the Executive Lead for Finance and Regeneration with terms of reference as follows:

- (i) to review any condition surveys for buildings on the site;
- (ii) to review proposals for use of buildings and grounds;
- (iii) to ascertain community views in respect of these matters; and
- (iv) to make recommendations about how future use of building should be taken forward.

Appendices

None

Background Documents

None

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Meeting: Council

Date: 22 September 2016

Wards Affected: All Wards in Torbay

Report Title: Treasury Management Mid-Year Review 2016/17 and Revised Minimum Revenue Provision Policy 2016/17

Is the decision a key decision? No

When does the decision need to be implemented? Immediate

Executive Lead Contact Details: Mayor Gordon Oliver, 01803 207001, gordon.oliver@torbay.gov.uk

Supporting Officer Contact Details: Pete Truman, Principal Accountant, 01803 207302, pete.truman@torbay.gov.uk

1. Proposal and Introduction

- 1.1 This report provides Members with a review of Treasury Management activities during the first part of 2016/17. The Treasury function aims to support the provision of all Council services through management of the Council's cash flow and debt & investment operations.
- 1.2 The report further details changes in policy for future decisions arising from the referendum vote for the UK to leave the European Union.
- 1.3 The key points in the Treasury Management review are as follows:
 - Market reaction to the European Referendum vote has led to a reduction in rates to (new) historic lows
 - UK sovereign credit rating lowered to AA
 - Investment cash locked out following the vote ahead of cut to Bank Rate
 - Amendment to the borrowing strategy to take new, ultra-cheap borrowing aligned to specific, revenue generating capital schemes
 - Investment return exceeds benchmark comparators
 - Amended Minimum Revenue Provision policy

2. Reason for Proposal

- 2.1 The preparation of a mid-year review on the performance of the treasury management function forms part of the minimum formal reporting arrangements required by the CIPFA Code of Practice for Treasury Management.

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2.2 The effects of the referendum vote to leave the EU on markets and rates required a reassessment of the Council's approved strategy.

3. Recommendation(s) / Proposed Decision

3.1 that the Treasury Management decisions made during the first part of 2016/17 as detailed in the submitted report be noted;

3.2 that an increase to the maximum exposure to Peer to Peer Lending from £200,000 to £500,000 as set out within section 7 of this report be approved.

3.3 that the performance of Prudential and Treasury Indicators as set out in Appendix 4 of the submitted report be noted.

3.4 that the revised Minimum Revenue Provision Policy Statement for 2016/17 as shown in Appendix 2 to the submitted report be approved.

4. Background Information

4.1 The Treasury Management Strategy for 2016/17 was approved by Council on 11th February 2016.

4.2 The Council defines its treasury management activities as:

“The management of the authority’s investments and cash flows, it’s banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks”.

4.3 The Chartered Institute of Public Finance and Accountancy’s (CIPFA) Code of Practice on Treasury Management (revised November 2009) was adopted by the Council on 25th March 2010.

4.4 On 23rd June 2016 the UK Referendum resulted in a majority decision to leave the European Union (Brexit). Financial markets had not anticipated this result and the initial impact has seen a fall in interest rates with forecasts of reduced economic growth and cuts to the Bank Rate.

4.5 This mid-year review has been prepared in compliance with the CIPFA Code of Practice and covers the following:

- Interest Rate update;
- Review of the Council’s Borrowing strategy;
- Review of the Council Investments 2016/17;
- Minimum Revenue Provision Policy Statement 2016/17;
- Revenue Budget Performance
- Compliance with Prudential Limits for 2016/17.

5. Economic and Interest Rate Update

- 5.1 An economic commentary by the Council's advisors, Capita Asset Services is provided at Appendix 1.
- 5.1 The original rate forecast in the 2016/17 strategy anticipated a rise in Bank Rate towards the end of the year with steady but small increases thereafter. Borrowing rates were forecast to rise steadily by around 0.1% each quarter.
- 5.2 These forecasts were predicated on the UK remaining in the European Union following the referendum held on 23rd June 2016. The subsequent Leave vote came as a shock to the markets and has seen a significant shift in economic growth expectations and rate levels prompted by concerns that the UK economy would slow down significantly. Gilt yields and PWLB rates have fallen sharply and investment rates also fell prior to and following the cut in Bank Rate.
- 5.3 The Monetary Policy Committee of the Bank of England cut the Bank Rate from 0.50% to 0.25% and launched new quantitative easing measures in August 2016. It is widely expected that the MPC could cut Bank Rate further to nearly zero, probably at the November quarterly inflation report meeting.
- 5.4 Following the referendum result the credit rating agencies reduced the UK sovereign rating to AA. An emergency decision was taken by the Chief Finance Officer under delegated powers, to exempt UK banks from the policy minimum sovereign rating of AA+ to ensure cash services could continue to operate. Individual bank ratings will continue to be applied as per approved policy.
- 5.5 The current view on interest rates of the Council's advisors, Capita Asset Services, is shown below:

%	Aug-16	Sep-16	Dec-16	Mar-17	June-17	Sep-17	Dec-17
BANK RATE	0.50	0.25	0.10	0.10	0.10	0.10	0.10
5yr PWLB	1.00	1.00	1.00	1.00	1.10	1.10	1.10
10yr PWLB	1.60	1.50	1.50	1.50	1.60	1.60	1.60
25yr PWLB	2.30	2.30	2.30	2.40	2.40	2.40	2.40
50yr PWLB	2.10	2.10	2.10	2.10	2.20	2.20	2.20

PWLB rates reflect a 0.20% reduction to which the Council is eligible.

6. Borrowing Portfolio 2016/17

- 6.1 The borrowing strategy reflected the need to increase borrowing by £10million over the next four years to successfully meet capital requirements.
- 6.2 The significant fall in borrowing rates following Brexit have changed the focus on the potential timing of borrowing to take advantage of cheap long term funding.
- 6.3 The Chief Finance Officer has recognised the value in aligning new ultra-low borrowing rates to the business cases of specific capital schemes generating new income streams.

6.4 It is therefore proposed to increase the strategic new borrowing target to £15million in respect of recent Council borrowing approvals for regeneration projects. Decisions on the timing of new loans will be determined under the Council's normal criteria i.e. at a point at which rate levels are deemed to be lowest (see para 5.3 for indicative levels) and for periods which maintain an even maturity structure (optimum durations are 10 year and 40-45 years).

7. **Investment Portfolio 2016/17**

7.1 At the start of the year the Council had £7million of core cash deposited longer term with local authorities at 1.30% in line with approved strategy.

7.2 It was assumed that the European Referendum would result in a Remain vote but some mitigation of a Leave vote was made by investing up to limits with Lloyds and Bank of Scotland securing 0.80% for 6 months, a yield some 15-20 basis points higher than general market levels.

7.3 In light of the surprise referendum result and the consequent forecasts of falling base rate, possibly to zero, emergency measures were taken to lock in deposits wherever available. Deals were made with one local authority and with Royal Bank of Scotland for one to two years at rates ranging from 0.55% to 0.68%, ahead of the assumed MPC announcement on 4th August 2016.

7.4 The Council has previously authorised the investment of core cash in a suitable Property Fund. Property values have been hit following Brexit and some Funds are in the process of revaluing their holdings. Officers are monitoring the situation for potential opportunities to buy into a fund at a point when property prices are at a low point.

7.5 Liquidity cash is being held in money market funds as these instruments offer a temporary protection against rate cuts until individual positions within the Fund are unwound. Cash will be transferred, if liquidity demands allow, into fixed term deposits where these offer further protection against the falling rate environment.

7.6 The externally managed fund (Aberdeen Asset Management) has performed well during the first quarter through lengthening the weighted average maturity. This strategy was partially offset in June by building up liquidity in preparation for any cash withdrawals resulting from the referendum. Current performance also reflects the variation in book values to new market levels. Going forward the fund manager will continue to lengthen the weighted average maturity to take advantage of the higher rates for longer duration.

7.7 Officers continued to build up exposure in the Funding Circle peer to peer lending scheme reaching the approved maximum of £200,000 in May. The facility has performed as expected with a running yield of around 7% net of fees and defaults. A detailed analysis of the performance for the year to date is provided in the table below:

Funding Circle (peer to peer lending) 2016/17 to 31st July 2016	
Total Invested	£200,000
No. of loan parts	502
Interest earned (year to date)	£5,057.61
Average principal	£182,400
Gross yield	8.36%
Return net of fees and bad debts	7.05%
Bad debts written off	£774.83
Bad debts as a proportion of principal invested	0.39%
Expected bad debt rate of portfolio	0.99%
<u>Risk Analysis</u>	
Proportion of secured/unsecured loans	
- Secured	59%
- Unsecured	41%
Proportion of loans by credit rating	
- A+	67%
- A	24%
- B	9%

- 7.8 In view of the positive results and experiences over the initial trial period and the reduced returns on cash deposits, the Chief Finance Officer feels justified in recommending Council to approve an increase in the maximum exposure to the Funding Circle (peer to peer lending) scheme of up to £500,000.
- 7.9 Overall, investment opportunities remain restricted due to market conditions and strict credit risk management resulting in a very limited counterparty list. A list of counterparties used in 2016/17 to date is included at Appendix 2
- 7.10 At the end July the in-house investment performance was 0.95%. At the same point in time the Fund Manager had achieved 0.91% (net of fees). A benchmark analysis of the Council's portfolio as at end of June quarter is detailed in the table below.

8 Minimum Revenue Provision (MRP) policy statement

<u>As at end of June 2016</u>	Average Investment Principal	Rate of Return (gross of fees)	Rate of Return (net of fees)	Capita Benchmarking Club		Market Benchmark/ Target Return
				Peer LA Comparison	English Unitaries	
In-House	£46million	1.05%		0.79%	0.89%	0.36%
Fund Manager	£18million	1.20%	1.02%			0.36%

- 8.1 The Minimum Revenue Provision is a statutory charge that the Council is required to make from its revenue budget. This provision enables the Council to generate cash resources for the repayment of borrowing.
- 8.2 The basis for the calculation of the provision is prescribed by legislation (Local Authorities (Capital Finance and Accounting (England) (Amendment) Regulations 2008), which states that Councils are required to “determine for the current financial year an amount of MRP that it considers to be prudent” and prepare an annual statement on their MRP calculation to their full Council.
- 8.3 One of the aims of this legislation is to ensure that the repayment of principal owed for capital expenditure is charged on a prudent basis. Central Government guidance says:
- “the broad aim of prudent provision is to ensure that debt is repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.”*
- 8.4 The Chief Finance Officer has reviewed the approved 2016/17 MRP policy and a revised policy is set out at Appendix 3 for approval.
- 8.5 A number of Councils have in 2015/16 reviewed their MRP policy with the aim of making revenue budget savings in the shorter term while maintaining the required levels of prudence in relation to repayment periods. These include Devon County Council and Birmingham City Council.
- 8.6 The Chief Finance Officer has reviewed the current policy and the relevant DCLG guidance and legislation has proposed a number of changes:
- 8.7 For the borrowing that was supported borrowing (i.e. ongoing costs funded by central government) where the provision was calculated on a 4% reducing balance basis, it is proposed to charge MRP at 2% of the balance as at 31st March 2016 after the deduction of the value of adjustment A (a set value in 2004) fixed at the same cash value so that whole debt is repaid after 50 years.
- 8.8 50 years is assessed as reasonable linked to both to the original funding of the ongoing costs by central government and the remaining asset lives which is in line with other councils’ MRP policies. As central government now issue capital grants rather than borrowing allocations this figure will not increase.
- 8.9 This change has the effect that the borrowing value will be provided for within 50 years rather than the 4% reducing balance which will take over 100 years to clear. The change does however move the profile of provision from the shorter term to the medium term with higher annual payments after 11 years. If a discount factor, to reflect the time value of money, is applied to the future year cash flows then the impact on future years is reduced in real terms.
- 8.10 To ensure prudence the Council needs to adjust its policy to ensure that an element of the adjustment A calculation is provided for. This element relates to the

outstanding borrowing from Devon County Council in relation to Torbay's share of the County's debt at the point of reorganisation in 1998. As a result, to ensure a provision is made to ensure that funds are available to repay this debt, a Voluntary Revenue Provision (VRP) of a fixed annual cash value will be made to ensure the provision is made over 50 years which is similar to the supported borrowing calculation.

- 8.11 The combined impact of the above changes is to reduce the MRP provision in 2016/17 by £0.8m, and by £0.7m in 2017/18, which will help support the Council's budget position. This "gain" continues to reduce over 11 years until 2027/28 when the council will make a higher MRP (subject to the impact of the time on the value of the cash payment). The impact of the changes and a range of discount factors is shown in Appendix 4.
- 8.12 The change to a provision for borrowing over 50 years compared to a 4% reducing balance combined with a provision for value of transferred debt within the Adjustment A calculation is more prudent than the current policy and enables all supported borrowing provision to be made within the next 50 years.
- 8.13 The impact of the proposed changes and the change to asset lives on prudential borrowing schemes (see below) will have the impact of generating revenue savings in the short term but will reduce council cash balances thus reducing any balances available for investment or to "cash flow" future borrowing schemes.
- 8.14 There are no proposed changes to the policy of using the Asset Live method using an annuity calculation in relation to unsupported borrowing (where the council funds the ongoing costs of the borrowing). However the Chief Finance Officer has reviewed asset lives for prudential schemes and has set indicative levels for asset lives of different asset types including a different asset life for land. This will have the impact that on a number of schemes, where prudent, the asset lives used for the provision calculation will be greater than before. The policy has also been adjusted to remove the distinction in the policy between investment properties and operational assets.
- 8.15 This change will reduce the MRP in 15/16 and future years by approx £0.1m per annum however the provision will be spread over a longer time period.
- 8.16 The Chief Finance Officer has also reviewed the MRP policy for loans for a capital purpose. The policy is unchanged however it should be noted that the option to NOT charge an MRP on a capital loan is only available when there is a realistic expectation that a loan will be repaid in full at some point in the future. If this assumption is no longer the case then an MRP will need to be calculated over the remaining asset life of the asset the capital loan relates to.

9 Revenue Budget Performance

- 9.1 The revenue effects of the Brexit decision have contributed to a worsening performance of investment income. No provision is made at this time for any impact of new borrowing or the impact of any changes to the revised MRP policy.

	Original Budget 2016/17	Projected Outturn 2016/17	Variation
	£M	£M	£M
Investment Income	(0.8)	(0.5)	0.3
Interest Paid on Borrowing	6.1	6.1	0.0
Net Position (Interest)	5.3	5.6	0.3
Minimum Revenue Provision	4.3	4.4 *	0.1
PFI Grant re: MRP	(0.5)	(0.5)	0.0
Unsupported Borrowing Recharges	(1.9)	(1.8)	0.1
Net Position (Other)	1.9	2.1	0.2
Net Position Overall	7.2	7.7	0.5

- 9.2 Note: The MRP includes the MRP re the EFW plant. Although an increase to MRP this is funded from within the waste budget.

10 Compliance with Prudential Limits for 2015/16

- 10.1 Performance of the Treasury Management function against the approved Prudential and Treasury Indicators is provided at Appendix 5

Appendices

Appendix 1: Economic Update

Appendix 2: Counterparties where funds were deposited (April 2016 to July 2016)

Appendix 3: Minimum Revenue Provision (MRP) Policy Statement

Appendix 4: MRP Review – Impact of Changes

Appendix 5: Treasury Management Prudential Indicators 2016/17

Background Documents

[Treasury Management Strategy 2016/17](#)

Appendix 1

Economics update

UK. UK GDP growth rates in 2013 of 2.2% and 2.9% in 2014 were the strongest growth rates of any G7 country. However, the 2015 growth rate finally came in at a disappointing 1.8%, though it still remained one of the leading rates among the G7 countries. Growth was +0.4% in quarter 1 and +0.6% in quarter 2, (first estimate), but forward looking indicators point to a sharp slowdown in the second half of 2016 as a result of the Brexit vote. During most of 2015, the economy had faced headwinds for exporters from the appreciation during the year of sterling against the Euro, and weak growth in the EU, China and emerging markets, plus the dampening effect of the Government's continuing austerity programme and uncertainty created by the Brexit referendum. However, since the peak in November 2015, sterling has fallen in value, especially after the referendum result, which will help to make British goods and services much more competitive and will increase the value of overseas earnings by multinational companies based in the UK. In addition, the Chancellor has announced that the target of achieving a budget surplus in 2020 will have to be eased in order to help the economy recover from the expected slowing of growth during the second half of 2016. He has also said he will do 'whatever is needed' to stimulate growth which could mean fiscal policy action e.g. cutting taxes, increasing investment allowances for businesses etc and / or increasing government expenditure on infrastructure, housing etc.

The Bank of England August Inflation Report included a sharp reduction in forecasts for growth for 2017 @ +0.8% and for 2018 @ 1.8%, though 2016 was kept at 2.0%. While this does not indicate the economy could go into recession in the second half of 2016, growth is expected to be minimal during that period

The August Bank of England Inflation Report forecast also included a sharp upward revision to the forecasts for inflation rising up above the MPC's 2% target in 2018 to about 2.3% due to the recent fall in the value of sterling etc. However, the MPC is likely to look through that and take a longer term view in order to give time for economic growth to recover

The American economy had a patchy 2015 – quarter 1 0.6% (annualised), 3.9% quarter 2, 2.0% quarter 3 and 1.4% in quarter 4, leaving growth in 2015 as a whole at 2.4%. Quarter 1 of 2016 came in at a weak 0.8% (annualised) and quarter 2 at 1.2% (first estimate). While these overall figures were disappointing, they were depressed by a significant run down in inventories which masked an underlying strength in consumer demand; forward indicators are therefore pointing towards a pickup in growth for the rest of 2016. The Fed embarked on its long anticipated first increase in rates at its December meeting. At that point, confidence was high that there would then be four more increases to come in 2016. Since then, more downbeat news on the international scene and then the Brexit vote, caused a re-emergence of caution over the timing and pace of further increases. However, in recent weeks, increases in non-farm payroll figures have again

boosted confidence that the economy is on a strong upward trend and have renewed expectations of at least one increase in the Fed. rate in 2016.

In the Eurozone, the ECB commenced in March 2015 its massive €1.1 trillion programme of quantitative easing to buy high credit quality government and other debt of selected EZ countries at a rate of €60bn per month; this was intended to run initially to September 2016. In response to a continuation of weak growth, at the ECB's December meeting, this programme was extended to March 2017 but was not increased in terms of the amount of monthly purchases. At its December and March meetings it progressively cut its deposit facility rate to reach -0.4% and its main refinancing rate from 0.05% to zero. At its March meeting, it also increased its monthly asset purchases to €80bn. This programme of monetary easing has had a limited positive effect in helping a recovery in consumer and business confidence and an initial start to some improvement in economic growth. GDP growth rose by 0.6% in quarter 1 2016 (1.7% y/y) but disappointed in quarter 2 with a reversal to only 0.3% (1.6% y/y). The ECB is also struggling to get inflation up from near zero towards its target of 2%.

Japan is still bogged down in anaemic growth and making little progress on fundamental reform of the economy while Chinese economic growth has been weakening and medium term risks have been increasing.

Appendix 2

Counterparties with which funds were deposited (April 2016 – July 2016)

Banks and Building Societies

Bank of Scotland
Goldman Sachs International Bank
Lloyds Bank
Royal Bank of Scotland/National Westminster
Santander UK
Svenska Handelsbanken

Local Authorities

Lancashire County Council
Newcastle City Council
Nottinghamshire Police and Crime Commissioner

Other Approved Institutions

Public Sector Deposit Fund
Goldman Sachs Sterling Fund
Aberdeen Asset Management
Funding Circle

Policy on Minimum Revenue Provision for 2016/17

Revised September 2016

1. The Minimum Revenue Provision is a statutory charge that the Council is required to make from its revenue budget. This provision enables the Council to generate cash resources for the repayment of borrowing.
2. The basis for the calculation of the provision is prescribed by legislation (Local Authorities (Capital Finance and Accounting (England) (Amendment) Regulations 2008), which states that Councils are required to “determine for the current financial year an amount of MRP that it considers to be prudent” and prepare an annual statement on their MRP calculation to their full Council.
3. One of the aims of this legislation is to ensure that the repayment of principal owed for capital expenditure is charged on a prudent basis. Central Government guidance says:

“the broad aim of prudent provision is to ensure that debt is repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.”
4. For Supported Borrowing, (borrowing funded by central government), the Council will charge MRP at 2% of the balance as at 31st March 2016 after the deduction of the value of adjustment A (a set value in 2004), fixed at the same cash value of that the whole debt is repaid after 50 years.
5. The Council will charge a VRP for the supported borrowing within the adjustment A value that is outstanding as at 31st March 2016 relating to transferred debt from Devon County Council fixed at the same cash value of that the whole debt is repaid after 50 years (which is similar to the supported borrowing calculation).
6. For capital expenditure funded from unsupported borrowing, less any repayment to date, the Council will make a provision based on the cumulative expenditure incurred on each asset in the previous financial years using a prudent asset life, which reflects the estimated usable life of that asset. (See table below).
7. The MRP for each asset will be calculated using the asset life method using an annuity calculation. An adjustment to the MRP calculation will be made where there is expenditure in the previous financial year, but the asset is not yet operational. MRP will be calculated on the total expenditure on that asset in the year after the asset becomes operational.
8. The Council will continue to charge services for their use of unsupported borrowing using a prudent asset life (or a shorter period) on an annuity calculation. Where

possible the same asset life and borrowing interest rate will be used for both the charge to services and the calculation of the MRP.

- 9 To mitigate any negative impact from the changes in accounting for leases and PFI schemes the Council will include in the annual MRP charge an amount equal to the amount that has been taken to the balance sheet to reduce the balance sheet liability for a PFI scheme or a finance lease. The calculation will be based on the annuity method using the Internal Rate of Return (IRR) implicit in the PFI or lease agreement.
- 10 Where loans are given for capital purposes they come within the scope of the prudential controls established by the Local Government Act 2003 and the Local Authorities (Capital Finance and Accounting) (England) Regulations 2008.

If a loan agreement does not include contractual commitments that the funds be put towards capital expenditure no MRP will be made, if however capital contract commitments are included then an MRP will be made on a prudent basis using Asset Life Method linked to the life of the asset being funded.

The Capital Financing Requirement (CFR) will increase by the amount of the loan. Once the funds are returned to the local authority, the returned funds are classed as a capital receipt with those receipts being earmarked specifically to that loan, and the CFR and loan will reduce accordingly. If the expectation is that funds will be repaid in full at some point in the future, there is no requirement to set aside prudent provision to repay the debt liability in the interim period, so there is no MRP application. The position of each loan will be reviewed on an annual basis by Chief Finance Officer.

- 11 Where relevant, the suggested asset lives for certain types of capitalised expenditure as detailed in the MRP guidance issued by DCLG will be used.

Each asset life will be considered in relation the asset being constructed by the Chief Finance Officer; however as a guide the following are typical asset lives that will be used.

Asset Type	Asset Life
Freehold Land	50 years
Buildings	40 years
Investment Properties	40 years
Software	10 years
Vehicles & Equipment	7 years
Highway Network	40 years
Structural Enhancements	25 years
Infrastructure	40 years

For capital expenditure where land and buildings are not separately identified a blended asset life can be used. E.g an assumption that 30% of the value is land results in an asset life of 43 years.

Appendix 5

ANALYSIS OF TREASURY MANAGEMENT PRUDENTIAL INDICATORS AGAINST APPROVED 2016/17 TARGETS AT END JULY 2016

TREASURY MANAGEMENT PRUDENTIAL INDICATORS	2016/17 LIMIT	As at 31/07/16
	£M	£M
Authorised limit for external debt -		
borrowing	194	138
other long term liabilities	40	20
TOTAL	234	158
<p>This is the Statutory “affordable borrowing limit” required under section 3(1) of the Local Government Act 2003. Impending breach would require the Council to take avoiding action.</p> <p>Borrowing Levels are within the Authorised Limit – no action required</p>		
Operational boundary for external debt -		
borrowing	167	138
other long term liabilities	40	20
TOTAL	207	158
<p>This is the most likely, but not worst case scenario for day-to-day cash management purposes. This indicator provides an early warning for a potential breach in the Authorised Limit. Occasional breach of this limit is not serious but sustained breach would indicate that prudential boundaries the Council has set may be exceeded, requiring immediate Council action.</p> <p>Borrowing Levels are within the Operational Boundary – no action required</p>		
TREASURY MANAGEMENT PRUDENTIAL INDICATORS	2016/17 LIMIT	As at 31/07/16
Limit for fixed interest rate exposure	%	%
Debt	100	100
Investments	80	63
Limit for variable rate exposure		
Debt	30	0
Investments	75	37

The Code requires the Council to set ranges on its exposure to the effects of changes on interest rates. Fixed rate borrowing and investments can contribute to reducing the uncertainty surrounding future interest rates. However, a degree of use of variable interest rates on part of the treasury management portfolio may benefit performance. The limit for fixed rate exposure has been set to allow for the Council's entire debt to be locked in at low fixed rates. The actual proportion reflects a rising level of "locking out" funds at fixed rates prior to the anticipated fall in base rate.

The limit for variable rate exposure reflects the Council's use of notice accounts for liquidity of the investment portfolio and the external Fund manager holding

Rate exposures are within the approved limits – no action required.

	2016/17 LIMIT £M	As at 31/07/16 £M
Upper limit for total principal sums invested for over 364 days (per maturity date)	51	13

The purpose of this indicator is to contain the Council's exposure to the possibility of losses that might arise as a result of it having to seek early repayment or redemption of principal sums invested. The 2016/17 includes funds administered by the external fund manager. In practice this sum can be realised at short notice but is included within this Indicator as there would be a risk of negative impact on the fund yield.

The position above represents round 21% of the total portfolio held in longer term investments.

Maturity structure of fixed rate borrowing during 2016/17	Upper limit	lower limit	As at 31/07/16
Up to 10 years	50%	5%	17%
10 to 20 years	50%	5%	15%
20 to 30 years	60%	10%	28%
30 to 40 years	50%	10%	27%
Over 40 years	50%	0%	13%

The Prudential Code is designed to assist authorities avoid large concentrations of fixed rate debt that has the same maturity structure and would therefore need to be replaced at the same time.

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MRP Review 23 August 2016

			Current Method					Pre 2008 debt					Present / Discounted Value of Revenue adjustment of proposed method				
			i.e 4% deducted from MRP charge for Adjustment A					i.e. Repay supported borrowing (after allowing a adjustment for 'adjusted a') over 50 years. Repay 'adjustment a' by making VRP's over 50 years					Based on 3%	Based on 2%	Based on 1%		
			CFR	MRP	Adjust A	Net MRP	O/S	O/S	Adjust A	O/S	MRP	djustment a' VR	MRP Charge	Revenue	0.03		
				4%							Debt		Adjustment to				
										2% =1/50	at 2/8/16	including	current				
							pre Adi A		for calc			VRP	charge				
Year No.	Yr Start	Yr End	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
1	2015	2016	97,793	3,912	(1,417)	2,495	95,298										
2	2016	2017	95,298	3,812	(1,417)	2,395	92,903	95,298	(35,415)	59,883	1,198	407	1,605	(790)	(790)	(790)	(790)
3	2017	2018	92,903	3,716	(1,417)	2,299	90,604	94,100	(35,415)	58,685	1,198	394	1,592	(707)	(687)	(694)	(700)
4	2018	2019	90,604	3,624	(1,417)	2,207	88,397	92,903	(35,415)	57,488	1,198	394	1,592	(616)	(580)	(592)	(603)
5	2019	2020	88,397	3,536	(1,417)	2,119	86,278	91,705	(35,415)	56,290	1,198	394	1,592	(527)	(482)	(497)	(512)
6	2020	2021	86,278	3,451	(1,417)	2,034	84,244	90,507	(35,415)	55,092	1,198	394	1,592	(442)	(393)	(409)	(425)
7	2021	2022	84,244	3,370	(1,417)	1,953	82,291	89,310	(35,415)	53,895	1,198	394	1,592	(361)	(311)	(327)	(344)
8	2022	2023	82,291	3,292	(1,417)	1,875	80,417	88,112	(35,415)	52,697	1,198	394	1,592	(283)	(237)	(251)	(267)
9	2023	2024	80,417	3,217	(1,417)	1,800	78,617	86,914	(35,415)	51,499	1,198	394	1,592	(208)	(169)	(181)	(194)
10	2024	2025	78,617	3,145	(1,417)	1,728	76,889	85,717	(35,415)	50,302	1,198	394	1,592	(136)	(107)	(116)	(126)
11	2025	2026	76,889	3,076	(1,417)	1,659	75,231	84,519	(35,415)	49,104	1,198	394	1,592	(67)	(51)	(56)	(61)
12	2026	2027	75,231	3,009	(1,417)	1,592	73,638	83,321	(35,415)	47,906	1,198	394	1,592	(1)	(0)	(0)	(1)
13	2027	2028	73,638	2,946	(1,417)	1,529	72,110	82,124	(35,415)	46,709	1,198	394	1,592	63	46	51	57
14	2028	2029	72,110	2,884	(1,417)	1,467	70,643	80,926	(35,415)	45,511	1,198	394	1,592	124	87	98	110
15	2029	2030	70,643	2,826	(1,417)	1,409	69,234	79,728	(35,415)	44,313	1,198	394	1,592	183	125	141	161
16	2030	2031	69,234	2,769	(1,417)	1,352	67,881	78,531	(35,415)	43,116	1,198	394	1,592	239	158	181	208
17	2031	2032	67,881	2,715	(1,417)	1,298	66,583	77,333	(35,415)	41,918	1,198	394	1,592	293	188	218	253
18	2032	2033	66,583	2,663	(1,417)	1,246	65,337	76,135	(35,415)	40,720	1,198	394	1,592	345	215	252	295
19	2033	2034	65,337	2,613	(1,417)	1,196	64,140	74,938	(35,415)	39,523	1,198	394	1,592	395	232	277	330
20	2034	2035	64,140	2,566	(1,417)	1,149	62,992	73,740	(35,415)	38,325	1,198	394	1,592	443	260	310	370
21	2035	2036	62,992	2,520	(1,417)	1,103	61,889	72,542	(35,415)	37,127	1,198	394	1,592	489	279	336	405
22	2036	2037	61,889	2,476	(1,417)	1,059	60,831	71,345	(35,415)	35,930	1,198	394	1,592	533	295	359	437
23	2037	2038	60,831	2,433	(1,417)	1,016	59,814	70,147	(35,415)	34,732	1,198	394	1,592	575	309	380	467
24	2038	2039	59,814	2,393	(1,417)	976	58,839	68,949	(35,415)	33,534	1,198	394	1,592	616	322	399	495
25	2039	2040	58,839	2,354	(1,417)	937	57,902	67,752	(35,415)	32,337	1,198	394	1,592	655	332	415	521
26	2040	2041	57,902	2,316	(1,417)	899	57,003	66,554	(35,415)	31,139	1,198	394	1,592	693	341	431	545
27	2041	2042	57,003	2,280	(1,417)	863	56,140	65,356	(35,415)	29,941	1,198	394	1,592	729	348	444	568
28	2042	2043	56,140	2,246	(1,417)	829	55,311	64,159	(35,415)	28,744	1,198	394	1,592	763	354	456	589
29	2043	2044	55,311	2,212	(1,417)	795	54,516	62,961	(35,415)	27,546	1,198	394	1,592	796	358	466	609
30	2044	2045	54,516	2,181	(1,417)	764	53,752	61,764	(35,415)	26,349	1,198	394	1,592	828	362	476	627
31	2045	2046	53,752	2,150	(1,417)	733	53,019	60,566	(35,415)	25,151	1,198	394	1,592	859	364	483	643
32	2046	2047	53,019	2,121	(1,417)	704	52,315	59,368	(35,415)	23,953	1,198	394	1,592	888	366	490	659
33	2047	2048	52,315	2,093	(1,417)	676	51,640	58,171	(35,415)	22,756	1,198	394	1,592	916	366	496	673
34	2048	2049	51,640	2,066	(1,417)	649	50,991	56,973	(35,415)	21,558	1,198	394	1,592	943	366	500	686
35	2049	2050	50,991	2,040	(1,417)	623	50,369	55,775	(35,415)	20,360	1,198	394	1,592	969	365	504	698
36	2050	2051	50,369	2,015	(1,417)	598	49,771	54,578	(35,415)	19,163	1,198	394	1,592	994	364	507	709
37	2051	2052	49,771	1,991	(1,417)	574	49,197	53,380	(35,415)	17,965	1,198	394	1,592	1,018	362	509	718
38	2052	2053	49,197	1,968	(1,417)	551	48,646	52,182	(35,415)	16,767	1,198	394	1,592	1,041	359	510	727
39	2053	2054	48,646	1,946	(1,417)	529	48,117	50,985	(35,415)	15,570	1,198	394	1,592	1,063	356	511	735
40	2054	2055	48,117	1,925	(1,417)	508	47,610	49,787	(35,415)	14,372	1,198	394	1,592	1,084	353	511	743
41	2055	2056	47,610	1,904	(1,417)	487	47,122	48,589	(35,415)	13,174	1,198	394	1,592	1,104	349	510	749
42	2056	2057	47,122	1,885	(1,417)	468	46,654	47,392	(35,415)	11,977	1,198	394	1,592	1,124	344	509	755
43	2057	2058	46,654	1,866	(1,417)	449	46,205	46,194	(35,415)	10,779	1,198	394	1,592	1,142	340	507	760
44	2058	2059	46,205	1,848	(1,417)	431	45,774	44,996	(35,415)	9,581	1,198	394	1,592	1,160	335	505	764
45	2059	2060	45,774	1,831	(1,417)	414	45,360	43,799	(35,415)	8,384	1,198	394	1,592	1,178	330	503	768
46	2060	2061	45,360	1,814	(1,417)	397	44,963	42,601	(35,415)	7,186	1,198	394	1,592	1,194	325	500	771
47	2061	2062	44,963	1,799	(1,417)	382	44,581	41,403	(35,415)	5,988	1,198	394	1,592	1,210	320	496	773
48	2062	2063	44,581	1,783	(1,417)	366	44,215	40,206	(35,415)	4,791	1,198	394	1,592	1,225	315	493	775
49	2063	2064	44,215	1,769	(1,417)	352	43,863	39,008	(35,415)	3,593	1,198	394	1,592	1,240	309	489	777
50	2064	2065	43,863	1,755	(1,417)	338	43,526	37,810	(35,415)	2,395	1,198	394	1,592	1,254	303	485	778
	2065	2066	43,526	1,741	(1,417)	324	43,202	36,613	(35,415)	1,198	1,198	394	1,592	1,268	298	480	778
			122,947	(70,850)		52,097		3,297,767	(1,770,750)	1,527,017	59,883	19,713	79,596	27,499	7,992	12,274	18,463

ANALYSIS OF TREASURY MANAGEMENT PRUDENTIAL INDICATORS AGAINST APPROVED 2016/17 TARGETS AT END JULY 2016

TREASURY MANAGEMENT PRUDENTIAL INDICATORS	2016/17 LIMIT	As at 31/07/16
	£M	£M
Authorised limit for external debt -		
borrowing	194	138
other long term liabilities	40	20
TOTAL	234	158
<p>This is the Statutory “affordable borrowing limit” required under section 3(1) of the Local Government Act 2003. Impending breach would require the Council to take avoiding action.</p> <p>Borrowing Levels are within the Authorised Limit – no action required</p>		
Operational boundary for external debt -		
borrowing	167	138
other long term liabilities	40	20
TOTAL	207	158
<p>This is the most likely, but not worst case scenario for day-to-day cash management purposes. This indicator provides an early warning for a potential breach in the Authorised Limit. Occasional breach of this limit is not serious but sustained breach would indicate that prudential boundaries the Council has set may be exceeded, requiring immediate Council action.</p> <p>Borrowing Levels are within the Operational Boundary – no action required</p>		
TREASURY MANAGEMENT PRUDENTIAL INDICATORS	2016/17 LIMIT	As at 31/07/16
Limit for fixed interest rate exposure	%	%
Debt	100	100
Investments	80	63
Limit for variable rate exposure		
Debt	30	0
Investments	75	37

The Code requires the Council to set ranges on its exposure to the effects of changes on interest rates. Fixed rate borrowing and investments can contribute to reducing the uncertainty surrounding future interest rates. However, a degree of use of variable interest rates on part of the treasury management portfolio may benefit performance. The limit for fixed rate exposure has been set to allow for the Council's entire debt to be locked in at low fixed rates. The actual proportion reflects a rising level of "locking out" funds at fixed rates prior to the anticipated fall in base rate.

The limit for variable rate exposure reflects the Council's use of notice accounts for liquidity of the investment portfolio and the external Fund manager holding

Rate exposures are within the approved limits – no action required.

	2016/17 LIMIT £M	As at 31/07/16 £M
Upper limit for total principal sums invested for over 364 days (per maturity date)	51	13

The purpose of this indicator is to contain the Council's exposure to the possibility of losses that might arise as a result of it having to seek early repayment or redemption of principal sums invested. The 2016/17 includes funds administered by the external fund manager. In practice this sum can be realised at short notice but is included within this Indicator as there would be a risk of negative impact on the fund yield.

The position above represents round 21% of the total portfolio held in longer term investments.

Maturity structure of fixed rate borrowing during 2016/17	Upper limit	lower limit	As at 31/07/16
Up to 10 years	50%	5%	17%
10 to 20 years	50%	5%	15%
20 to 30 years	60%	10%	28%
30 to 40 years	50%	10%	27%
Over 40 years	50%	0%	13%

The Prudential Code is designed to assist authorities avoid large concentrations of fixed rate debt that has the same maturity structure and would therefore need to be replaced at the same time.

Agenda Item 21



Meeting: Council

Date: 22 September 2016

Wards Affected: All

Report Title: Capital Plan Update – 2016/17 Quarter 1

Is the decision a key decision? No

When does the decision need to be implemented? Immediately

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

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1. Proposal and Introduction

- 1.1 The Capital Plan budget totals £81.7 million for the 4 year programme, with £33.3 million currently scheduled to be spent in 2016/17, including £4.6m on the South Devon Highway and £4.6m on Claylands Regeneration, but still requires £1.6 million from capital receipts and capital contributions over the life of the Capital Plan.
- 1.2 The Council's Capital Plan is updated on a quarterly basis which includes any new funding announcements and allocations. It provides high-level information on capital expenditure and funding for the year compared with the last Plan update as reported to Council in February 2016.

2. Reason for Proposal

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

3. Recommendation(s) / Proposed Decision

- 3.1 That the latest position for the Council's Capital expenditure and funding for 2016/17 be noted.

3.2 That the allocation of the following grants to services be approved:

- (a) Department for Education: 2016/17 Condition Funding £0.448m to Children's Services;
- (b) Department for Transport: 2016/17 Highways Maintenance Incentive Fund £0.082m to Highways Services; and
- (c) Department for Transport 2016/17 Pothole Action Fund £0.071m to Highways Services.

4 Supporting Information and Impact Assessment

4.1 Members of the Overview and Scrutiny Board and Council receive regular budget monitoring reports on the Council's Capital Plan throughout the year. The Council's four year Capital Plan is updated each quarter through the year. This report is the monitoring report for the first quarter 2016/17 and includes variations arising in this quarter to the end June 2016.

4.2 The overall funding position of the 4-year Capital Plan Budget of £81.7 million, covering the period 2016/17 – 2019/20, is primarily fully funded but still relies upon the generation of £3 million of Capital income from capital receipts and capital contributions over the life of the Capital Plan.

4.3 Of this £3m funding requirement, Capital Receipts of £1.4 million have been received by the end of June 2016, leaving a balance of £1.6 million still to be realised from both capital receipts and capital contributions. It is only after this target has been reached that any capital receipts should be applied to new schemes.

4.4 As the target income for capital receipts and capital contributions are required to meet existing Council commitments, it is important that any capital income raised is allocated to existing commitments and not used to support additional expenditure on new schemes.

4.5 The movements in the estimate of expenditure in 2016/17 on the Capital Plan between the last monitoring report at February 2016 of £41.4m and the current approved budget for 2016/17 of £33.3m are shown below. Please note the format of this table shows schemes ordered by their service Directorate, as is Appendix 1.

Scheme	Variation in 2016/17	Change £m	Reason
Estimate as at Q3 2015/16		41.4	Capital Plan Update – 2015/16 Quarter 3 (Report 25 Feb 2016)
Budget changes since last report (Q3 2015/16)			
Paignton Academy - Secondary Places	Rephased budget	0.3	Transfer budget from New Pgn Primary to provide required secondary places
		41.7	

Scheme budgets brought forward from 2015/16 and year end adjustments.	Re profiled to 2016/17	6.4	For details see 2015/16 Capital Outturn report (Council 21 July 2016)
		48.1	
Adult Services			
Affordable Housing	Increase budget	0.2	Budget increased by Right To Buy receipts 2015/16
		0.2	
Childrens Services			
Devolved Formula Capital	New Govt grant allocation	0.1	2015/16 ringfenced grant allocation
New Paignton Primary School	Part budget transferred to separate scheme	(0.5)	Part budget required for relocation of existing school
Torbay School Relocation	Budget transfer from New Pgn Primary	0.5	
Torquay Secondary School places	Rephased part of budget	(1.5)	Scheme rescheduled and delayed pending review of resources
		(1.4)	
Community and Customer Services			
Clennon Valley Sport Improvement	New scheme	0.1	Drainage work mainly funded from Reserve
Transport – Integrated Transport projects	Additional budget	0.1	S106 funding to fund works
		0.2	
Corporate and Business Services			
Claylands Redevelopment	Budget rephased	(5.4)	Expenditure profile reviewed
Essential Capital Repairs	Part budget moved to 2017/18	(1.0)	Use of budget being determined
Flood Defence/Cliff works	Move part budget to 16/17	(0.1) (0.1)	Part to Hollicombe Cliffs scheme and rest moved to 2017/18
Hollicombe Cliffs Rock Armour	New scheme	0.9	Work to protect coastal defences and railway line
Investment Fund	Rephase budget	(4.0)	Profile reviewed
General Contingency	Budget to 2017/18	(0.6)	Not expected to be required in 2016/17
TEDC Capital Loan	Part to 2017/18	(0.6)	Part of Loan drawdown delayed.
Torbay Innovation Centre Phase 3 (EPIC)	Rephase budget	(2.9)	Review of expected work programme
		(13.8)	
Estimate – Quarter One 2016/17		33.3	

4.6 Expenditure

- 4.7 The Capital Plan Budget has been updated for any further revision to both projects and timing, resulting in the latest revision attached to Annex 1. The Plan now totals £81.7 million over the 4 year period of which £33 million relates to 2016/17 and £36 million relates to 2017/18.
- 4.8 The purpose of this report and the Monitoring statement attached is to highlight any existing or potential issues which may affect the delivery of the major projects included in the Plan and to consider any potential effect on corporate resources.
- 4.9 Expenditure to the end of this first quarter was £1 million with a further £1.4 million of commitments on the Council's finance system. The expenditure of £1 million is only 3% of the latest budget for 2016/17. This compares with £1 million (or 5% of outturn) for the first quarter last year.
- 4.10 The Chief Finance Officer has challenged service managers on a number of spending profiles and it is expected further re profiling will occur on a number of schemes.

	2011/12 £m (%)	2012/13 £m (%)	2013/14 £m (%)	2014/15 £m (%)	2015/16 £m (%)	2016/17 £m (%)
Quarter One	3 (14%)	2 (11%)	4 (23%)	2 (10%)	1 (4%)	1 (3%)
Quarter Two	7 (32%)	4 (21%)	4 (23%)	4 (20%)	4 (17%)	
Quarter Three	5 (22%)	5 (26%)	3 (18%)	4 (20%)	8 (35%)	
Quarter Four	7 (32%)	8 (42%)	6 (35%)	10 (50%)	10 (44%)	
Total In Year	22	19	17	20	23	33

4.11 **Updates to Capital Plan**

4.12 **Joint Commissioning Team**

- 4.13 Affordable Housing – in line with the Council's approved Capital Strategy, the budget to support affordable housing schemes has been increased by £0.153 m to reflect the 2015/16 Right to Buy Clawback receipt received from Sanctuary Housing Association under the terms of the original transfer agreement relating to the transfer of the Council's housing stock to (then) Riviera Housing. A further £0.2m of the 2015/16 clawback receipt has been used to fund the Empty Homes scheme.
- 4.14 The affordable housing budget now totals £1.9m and at present this is uncommitted.
- 4.15 Integrated Care Organisation (ICO). Council, at its July 2016 meeting, approved the Annual Strategic Agreement 2016/17 for the ICO. Part of the agreed funding package will be provided from capital resources as detailed in paragraphs 4.37 and 4.38 below. Whilst this decision falls outside the period of this monitoring report it is noted here for convenience.

4.16 Childrens Services:

4.17 There are a number of variations to budgets on various schemes as detailed below.

4.18 School Basic Need projects: In February 2015 Council approved a report from Childrens Services outlining proposals to provide additional school places based on assumed levels of future funding. At that time it was assumed that the 2018/19 Basic Need allocation would be £2m, however the Council has recently been informed that its Basic Need grant allocation for 2018/19 is zero. As a result of this drop in funding some of the proposed schemes have been delayed and/or suspended whilst a review of the projects and resources is undertaken. In additional funding options for these projects will be explored.

4.19 New Paignton Primary School – In July 2016 Council approved a report on the proposals for a new Paignton Primary School located on the Torbay School site. Part of the budget initially provided for this project included funds for the potential relocation of Torbay School. Following approval of the report the budget for relocation costs (£3m) has now been transferred to a separate scheme in the Capital Plan for the required relocation of Torbay School to My Place Parkfield (subject to consultation).

A number of multi Academy trusts are submitting bids to open the proposed new primary school. If one of these bids is taken forward the new primary school will then be funded by the Education Funding Agency with no cost to the authority.

4.20 Secondary School places - This project is currently on hold following reduced Government Basic Need funding (see para. 4.18).

4.21 The Devolved Formula Capital grant allocation for 2016/17 of £0.091m is a ring fenced grant and has been added to the Capital Plan.

4.22 **Joint Operations Team**

4.23 Community and Customer Services

4.24 Clennon Valley Sport Improvement – works estimated to cost £0.07m are required to improve the drainage of sports pitches at Clennon Valley. This will be funded from Reserves and revenue funds.

4.25 Transport – Edginswell Station. The Council is still awaiting details of the Government's New Stations Fund which, it is hoped, may provide some additional funding towards this scheme which currently has grant support from the Local Enterprise Partnership, however this grant allocation is insufficient to build the station.

4.26 Transport Structural Maintenance – The Government have announced additional grant allocations from their Incentive Fund (£0.082m) and Pothole Action Fund (£0.071m) for 2016/17. If agreed by Members these amounts will be added to the Highways Structural Maintenance budget to improve the condition of roads in Torbay.

- 4.27 In the Q3 2015/16 Monitoring report part of the Highways Structural Maintenance grant allocation was identified as 'at risk' since it was subject to Government assessment of the authority's efficiency performance. It now appears that this element of grant (the "Incentive Fund") takes the form of an additional payment where appropriate so the initial reduction made in Qtr 3 2015/16 has now been reinstated. The potential additional Incentive Fund allocations in future years will still be determined by Government assessment of performance.
- 4.28 Transport Integrated Transport Schemes – budget increased by £0.072m to reflect works required by, and funded from, Section 106 (Planning) agreements.
- 4.29 Transport – Western Corridor and Tweenaway Cross. There are increasing demands on these budgets both from ongoing construction costs and related compensation claims. These cannot easily be delivered within existing budgets and commitments so officers are considering options, but additional resources are required.
- 4.30 Disabled Facilities Grants (DFG) – The Council meeting in July 2016 approved £0.524m of the 2016/17 DFG allocation funding to support the ICO 2016/17 funding shortfall, leaving £1.0m to fund DFGs in the current year. The figures are not yet reflected in the Capital Plan at 30 June since the decision was taken after this date, but is noted here for reference.
- 4.31 In addition, the previously unused balance of DFG funding which was set aside last year for potential reallocation is also to be used to part fund the ICO shortfall in funding for 2016/17, as proposed and approved in Annual Strategic Agreement 2016/17 report to Council July 2016. Again this change is not yet reflected in the Capital Plan figures for Quarter 1 2016/17.
- 4.32 Corporate & Business Services
- 4.33 Claylands Redevelopment – the budget has been rephased in the light of revised expenditure plans, with £5.4m budget moved to future years.
- 4.34 Innovation Centre Phase 3 - Electronics & Photonics Innovation Centre – the likely expenditure profile for this project has been reviewed and consequently £2.9 m of the budget has been moved to reflect this. Potential ERDF funding of £1.5 million is still to be confirmed for this project, and could now be in doubt, but does not yet form part of the scheme budget.
- 4.35 Employment Site (Graphics Control) – In its July 2016 meeting Council approved this £6.7 million Prudential borrowing scheme to enable a business to relocate to Torbay. This decision is noted here for information however since the scheme was not part of the Capital Plan at 30 June (Q1) it is not included in figures shown.
- 4.36 Essential Capital Repairs – this budget is provided to enable urgent works to Council assets including Infrastructure. At present its use is being carefully considered but it is unlikely that all the current budget (£1.5m) will be required so £1m has been moved to 2017/18.
- 4.37 Flood Defence schemes – the Capital Plan currently includes a provision of £0.155m to support future Environment Agency schemes. The majority of this

funding is now needed to part fund Hollicombe Cliff works, which has recently received an Environment Agency grant allocation. The Torbay Council match funding requirement will leave little of this provision available for other Cliff / flood defence schemes.

- 4.38 Hollicombe Cliffs Rock Armour – Following a successful bid for grant aid from the Environment Agency for this scheme, work will begin to secure the sea defences and the railway line at Hollicombe. Torbay’s contribution to the scheme will come from the existing resources within Capital Plan (see para.4.42 above) with additional contributions expected from SW Water and/or Network Rail.
- 4.39 Haldon/Princess Piers Structural repair – some work is continuing on the structures of these piers and on completion of this work a further survey will be made to identify remaining works required and time scale.
- 4.40 Investment Fund – £4m of the 2016/17 budget has been rephased to 2017/18 following a review of likely expenditure.
- 4.41 Oldway Mansion – in August 2016 the developer and the Council agreed to terminate the development agreement. As a result the capital plan will be updated to reflect this position. The development agreement premium, in addition to the deposit, was paid in full to the Council by OML to be used for the benefit of the Mansion.
- 4.42 TEDC Capital Loan – the remaining loan facility given to support TEDC to enable development of specific schemes is not likely to be drawn down in this year so part of the budget has been moved to next financial year.
- 4.43 General Contingency - The Council has approved a capital contingency of £0.6 million. This contingency is still in place to provide for unforeseen emergencies or shortfall in projected income over the 4-year Plan period but represents less than 1% of the total Capital Plan budget. Currently it is not anticipated that the contingency will be required in this financial year.

5 Receipts & Funding

- 5.1 The funding identified for the latest Capital 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 Plan is shown in the Table below:

	2016/17	2017/18	2018/19	2019/20	Total @ Q1 16/17
	A	B	C	D	E
Funding	£m	£m	£m	£m	£m
Unsupported Borrowing	11	18	2	1	32
Grants	17	17	7	2	43
Contributions	1	0	0	0	1
Reserves	0	1	0	0	1
Revenue	1	0	0	0	1
Capital Receipts	3	0	0	0	3
Total	33	36	9	3	81

5.2 Grants

- 5.3 Capital Grants continue to be the major funding stream (over 60% in last 3 years) for the Council to progress its investment plans. An element of these grants result from “bid” processes from other public sector bodies. The Council used £11 million of grants in 2015/16 and is currently estimating to use £17m of grants in 2016/17.
- 5.4 As reported in the last Capital Plan update (Outturn 2015/16) reported to Council in July 2016, the Council has been notified of the following capital grant allocations:

Department for Education –

2016/17 Devolved Formula Capital	£0.091m
2016/17 Condition Funding	£0.448m

The Devolved Formula Capital grant is ring fenced for schools and has been added to the Capital Plan.

The £0.448m 2016/17 Condition funding will need to be allocated by Council as this is an un-ringfenced grant.

The 2016/17 Basic Need allocation has previously been notified and is already allocated to Childrens Services for their ongoing school expansion programmes.

Department for Transport –

2016/17 Highways Maintenance Incentive Fund £0.082m, following a successful efficiency and performance submission from the Council,

2016/17 Pothole Action Fund £0.071m to address deteriorating road surfaces. These un-ring fenced grants will need to be allocated by the Council.

Department of Health –

2016/17 Disabled Facilities Grants allocation £1.524m, This is higher than last year’s allocation (£1.020m) but now includes the value of Adult Social Care capital grant.(2015/16 = £0.461m). In July 2016, Council agreed to split this allocation between Disabled Facilities Grants (£1m) and the ICO funding (£0.524m).

Environment Agency –

The Council has also secured £1.279m grant to deal with cliff erosion at Hollicombe which threatens the nearby railway line. This scheme has been added to the Capital Plan. The £1.5 million scheme requires additional funds from the Council and other partners (e.g. Network Rail / SW Water).

5.5 Capital Receipts

- 5.6 The approved Plan relies upon the generation of a total of £3.0 million capital receipts from asset sales by the end of 2018/19 of which £1.4m has now been

received by the end of June 2016, leaving a target of £1.6m to be achieved. This target is expected to be achieved provided that -

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

5.7 Assets proposed for disposal are reported to Council for approval, with the last full report at Council in October 2014. The Mayor at Council in February 2016, approved the disposal of Lincombe Court. The disposal is expected to be completed in September and will be reported in the next capital monitoring report.

5.8 Capital Contributions – S106 & Community Infrastructure Levy

5.9 The Council’s Capital Strategy states that capital contributions are applied to support schemes already approved as part of Capital Plan and are not allocated to new schemes unless the agreement with the developer is specific to a particular scheme outside the Capital plan.

5.10 Income from Section106 capital contributions so far in 2016/17 only amount to £0.115 million.

5.11 Following the adoption of the Local Plan in late 2015, Council has now also approved a Community Infrastructure Levy (CIL) scheme which will provide funds for infrastructure improvements linked to and in the vicinity of proposed developments. The main capital project identified for CIL receipts is South Devon Highway.

5.12 Borrowing and Prudential Indicators

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

5.14 The Council’s capital expenditure has an overall positive impact on the Council’s Balance Sheet. Expenditure in the Capital Plan on the Council’s own assets will increase the value attached to the Council’s fixed assets. As at 31 March 2016 the Council’s “Non Current Assets” were valued at £335 million.

CAPITAL PLAN - QUARTER 1 2016/17 - EXPENDITURE

Appendix 1

	Latest Est Scheme Cost	Expend in Prev Years (active schemes only)	Actuals & Commitments 2016/17 Qtr 1	Original 2016/17 (@ Q3 15/16)	2015/16 Adjs and Slippage b/f	2016/17 Q1 Adjustments	New Schemes 2016/17	Revised 4-year Plan June 2016				Total for Plan Period
								Total 2016/17 Revised	2017/18	2018/19	2019/20	
PB = Approved Prudential Borrowing schemes	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
ADULT SERVICES												
Adult Care												
Adult Social Care	0	0						0				0
Autism Innovation - IT Enhancements	0	0	0					0				0
Mental Health Care Initiatives	704	704						0				0
Housing Strategy												
Affordable Housing	1,934			1,526	254	154		1,934				1,934
Sanctuary HA - Hayes Road Pgn	500	250			250			250				250
DCHA - Wall Park, Bxm	0							0				0
	3,138	954	0	1,526	504	154	0	2,184	0	0	0	2,184
CHILDRENS SERVICES												
2 Year Olds Provision	253	130	17	80	43			123	0			123
Asbestos Removal	79	73			6			6				6
Barton Primary Cap Project	4,405	4,402			3			3				3
Brookfield House Site	750	465	35	400	(115)			285				285
Capital Repairs & Maintenance 2012/13	469	438			31			31				31
Capital Repairs & Maintenance 2013/14	198	198						0				0
Capital Repairs & Maintenance 2014/15 (incl. Furzeham)	668	668	92					0				0
Capital Repairs & Maintenance 2015/16	490	21	119	320	149			469				469
Childrens Centres	232	230			2			2				2
Cockington Primary expansion	3,142	3,074	67		68			68				68
Devolved Formula Capital				100	59	91		250				250
Education Review Projects			73	150	49			199				199
Ellacombe Primary expansion	502	469	65	20	13			33				33
Key Stage 1 Free School Meals	121	121						0				0
New Paignton Primary school	1,500	2	7	750	(37)		(465)	248	250	1,000		1,498
Paignton Academy Places - mobiles	500	1	181		499			499				499
Roselands Primary expansion	667	667		0				0	0			0
Secondary School places	2,866	185	223	2,000	115	(1,500)		615	66	2,000		2,681

CAPITAL PLAN - QUARTER 1 2016/17 - EXPENDITURE

Appendix 1

	Latest Est Scheme Cost	Expend in Prev Years (active schemes only)	Actuals & Commitments 2016/17 Qtr 1	Original 2016/17 (@ Q3 15/16)	2015/16 Adjs and Slippage b/f	2016/17 Q1 Adjustments	New Schemes 2016/17	Revised 4-year Plan June 2016				
								Total 2016/17 Revised	2017/18	2018/19	2019/20	Total for Plan Period
St Margaret Clitherow Primary expansion	623	623						0				0
Torbay School PRU Hillside	120	101			19			19				19
Torbay School Relocation	3,000	35					465	465	1,500	1,000		2,965
Torre CoE Primary expansion	1,300	1,293			7			7				7
Warberry CoE Primary expansion	1,161	1,161						0				0
Whiterock Primary expansion	3,874	3,574	379	300				300				300
Youth Modular Projects	409	372		20	17			37				37
	45,632	18,303	1,258	4,140	928	(1,409)	0	3,659	1,816	4,000	0	9,475
COMMUNITY AND CUSTOMER SERVICES												
Babbacombe Beach Road	70	0		70				70				70
Barton Infrastructure	128	128						0				0
CCTV equipment	350	0		350				350				350
Clennon Valley Sport Improvements	70						70	70				70
DfT Better Bus Areas	462	263	85	0	199			199	0			199
DfT Local Sustainable Transport Fund (Ferry/Cycle)	1,642	1,639	0	0	3			3	0			3
Disabled Facilities Grants			278	0	73	21		94		0		94
Disabled Facilities Grants Reserve - Potential reallocation (e.g. to Infrastructure)	398	0			398			398				398
Empty Homes Scheme	500	39		250	211			461				461
NGP - Strategic Cycleway	478	432			46			46				46
NGP - Windy Corner Junction	11	10			1			1				1
Paignton Picture House	50	50						0				0
Private Sector Renewal				0	113			113		0		113
Public Toilets - Utilities saving measures	93	93		0				0	0			0
South Devon Highway - Council contribution	20,224	12,670		1,500	3,147			4,647	1,500	1,000	407	7,554
St Michael's Chapel, Torre	95	95	17					0				0
Street Lighting - Energy reduction	515	496			19			19				19
Street Lighting - Energy reduction Ph2	1,112	0		1,112				1,112				1,112
SWIM Torquay - Improve facilities	594	594						0				0
TCCT - Grant re Green Heart Project	100	100						0				0
Torbay Enterprise Project	747	747						0				0
Torbay Leisure Centre - structural repairs	545	535	11	0	10			10	0			10
Torre Abbey Pathway	50	50						0				0

CAPITAL PLAN - QUARTER 1 2016/17 - EXPENDITURE

Appendix 1

	Latest Est Scheme Cost	Expend in Prev Years (active schemes only)	Actuals & Commitments 2016/17 Qtr 1	Original 2016/17 (@ Q3 15/16)	2015/16 Adjs and Slippage b/f	2016/17 Q1 Adjustments	New Schemes 2016/17	Revised 4-year Plan June 2016				
								Total 2016/17 Revised	2017/18	2018/19	2019/20	Total for Plan Period
Torre Abbey Renovation - Phase 2	5,010	4,992	11	15	3			18				18
Torre Valley North Enhancements	127	3	19	124				124				124
Transport - Edginswell Station	4,511	511	30	0				0	4,000			4,000
Transport Integrated Transport Schemes			57	1,184	100	72		1,356	931	931	799	4,017
Transport Structural Maintenance			247	1,256	(85)	81		1,252	1,297	1,174	1,174	4,897
Transport Structural Maintenance - Incentive Fund (funds at risk)	0			81		(81)		0	0	0		0
Transport - Torquay Gateway Road Improvements	3,875	604	14	1,200	(254)			946	2,325			3,271
Transport - Torquay Town Centre Access	625	208	(39)	176	241			417				417
Transport - Western Corridor	7,405	1,571	(101)	3,900	334			4,234	1,600			5,834
	49,787	25,830	629	11,218	4,559	93	70	15,940	11,653	3,105	2,380	33,078
CORPORATE AND BUSINESS SERVICES (INCL. CONTINGENCY)												
Corporate Services												
Corporate IT Developments	1,000	0		250				250	250	250	250	1,000
Essential Capital repair works	3,000	0		1,500		(1,000)		500	1,500	500	500	3,000
Enhancement of Development sites	278	75	24	173	12	18		203				203
Office Rationalisation Project Ph 3 - Project Remainder	8,737	8,737						0				0
Oldway Estate works	400				400			400				400
Payroll Project	370	346	(10)		24			24				24
Riviera Centre renewal	1,140	1,131			9			9				9
General Capital Contingency	631	0		631		(631)		0	631	0		631
Business Services												
Beach Hut Acquisition/Renewal (Broadsands, Meadfoot)	2,622	2,622	(12)					0				0
Brixham Harbour - Major repairs	90	0	58	90				90				90
Brixham Harbour - Victoria Breakwater	40	40		0				0	0			0
Claylands Redevelopment	10,000	0	0	10,000		(5,400)		4,600	3,900	1,500		10,000
Council Fleet Vehicles	463	322		140	1			141				141
Flood Defence schemes (with Env Agency)	689	625	21	155	9	(155)		9	55			64
Haldon Pier - Structural repair Phase 1&2	3,072	3,012	(138)		60			60				60
Harbour Workboat	45	0		45				45				45
Hollicombe Cliffs Rock Armour	1,544	0	4				930	930	614			1,544
Investment Fund	10,000	0		5,000		(4,000)		1,000	9,000			10,000

CAPITAL PLAN - QUARTER 1 2016/17 - EXPENDITURE

Appendix 1

							Revised 4-year Plan June 2016					
	Latest Est Scheme Cost	Expend in Prev Years (active schemes only)	Actuals & Commitments 2016/17 Qtr 1	Original 2016/17 (@ Q3 15/16)	2015/16 Adjs and Slippage b/f	2016/17 Q1 Adjustments	New Schemes 2016/17	Total 2016/17 Revised	2017/18	2018/19	2019/20	Total for Plan Period
	267	267						0				0
PB Meadfoot Sea Wall structural repair	267	267						0				0
PB NGP - Torbay Innovation Centre Ph 3 (EPIC)	7,221	696	10	3,431	94	(2,905)		620	5,905			6,525
Oddicombe Beach Chalets	192	192						0				0
Old Toll House, Torquay	150	4		71	75			146				146
PB On Street Parking meters - move to Business Servs	856	856						0				0
Princess Pier Decking - move to Business Servs	360	235	129	106	19			125				125
Princess Pier - Structural repair (with Env Agency)	1,744	0		1,744				1,744				1,744
Riviera Renaissance (Coastal Communities Fund)	649	649		0				0	0			0
Sea Change - Cockington Court	3,284	3,284						0				0
Small Ports Recovery Fund - Winter 13/14	291	291						0				0
PB TEDC Capital Loans/Grant	2,474	1,327	0	1,190	(43)	(600)		547	600			1,147
Torquay Harbour - Inner Harbour Pontoons	48	0			48			48				48
	61,657	24,711	86	24,526	708	(14,673)	930	11,491	22,455	2,250	750	36,946
TOTALS	160,214	69,798	1,973	41,410	6,699	(15,835)	1,000	33,274	35,924	9,355	3,130	81,683
CAPITAL PLAN - QUARTER 1 2016/17 - FUNDING												
Unsupported Borrowing				19,322	1,916	(9,500)		11,738	17,671	2,671	1,118	33,198
Grants				18,679	3,385	(5,814)	930	17,180	16,971	6,737	2,237	43,125
Contributions				252	275			527	164			691
Reserves				1,167	(140)	(774)	50	303	1,120	(132)	(264)	1,027
Revenue				229	150		20	399	79	118		596
Capital Receipts				1,761	1,113	253		3,127	(81)	(39)	39	3,046
Total				41,410	6,699	(15,835)	1,000	33,274	35,924	9,355	3,130	81,683



Meeting: Council

Date: 22 September 2016

Wards Affected: All Wards

Report Title: Revenue Budget Monitoring 2016/17 – Quarter 1

Is the decision a key decision? No

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

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

1. Purpose and Introduction

- 1.1 The quarterly revenue monitoring report provides a summary of the Council's revenue income and expenditure for the financial year 2016/17.
- 1.2 As at quarter one the Council's revenue budget is predicting an overspend of £2.1m primarily as a result of expenditure pressures in both children's and adults social care.

2. Recommendation (s) / Proposed Decision

- 2.1 That the forecast revenue budget position for 2016/2017 be noted.

3. Reason for Recommendation/ Proposed Decision

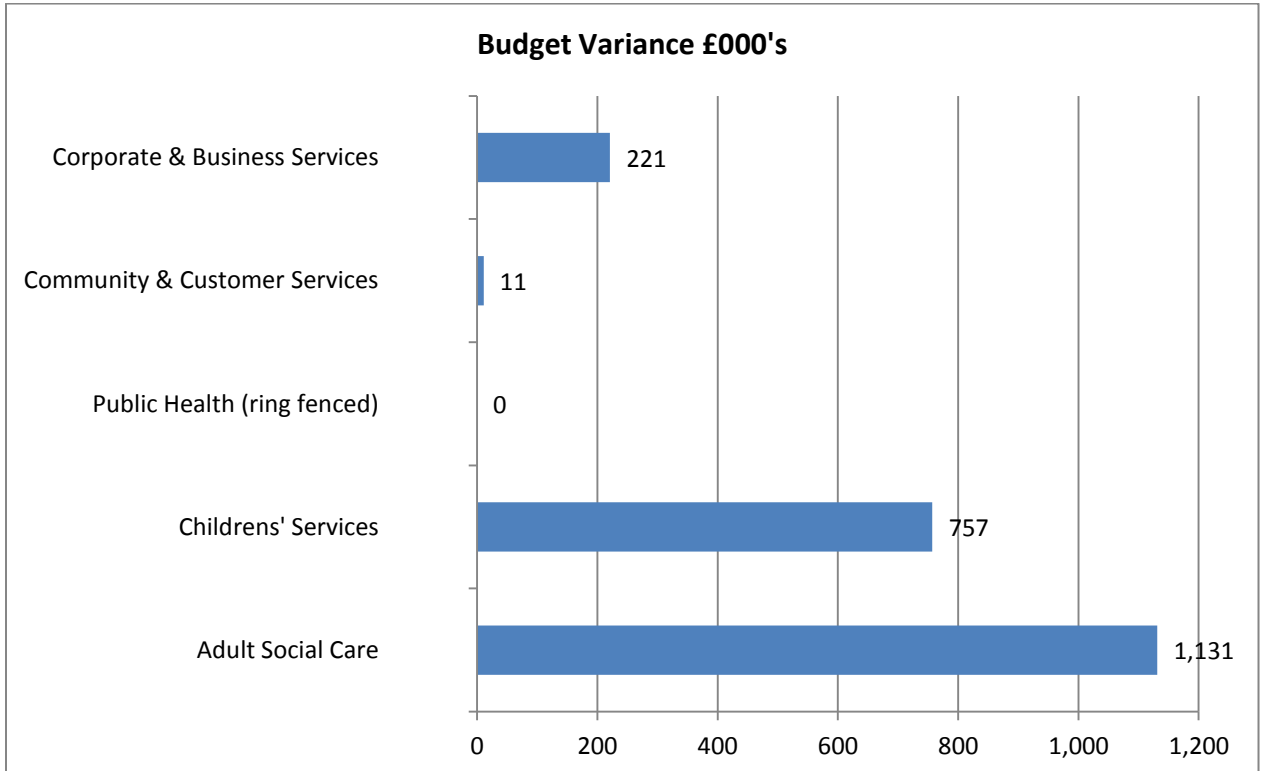
- 3.1 Report for review and information.
-

Supporting Information

4. Position

4.1 Summary Position

- 4.2 As at quarter one the Council's revenue budget is predicting an overspend of £2.1m primarily as a result of issues in both children's and adults social care.
- 4.3 From October 2015, with the start of the Integrated Care Organisation (ICO), the Council now has a 9% risk share of the total financial performance of the ICO. The ICO is predicting an overspend in 2016/17. Torbay's share of the estimated forecast position is £0.9m which is part of an overall net forecast overspend of £1.1m for the year in all adult social care budgets.
- 4.4 The predicted overspend on children's social care of £0.8m is primarily the non achievement of the anticipated placement reductions in spend linked to the children's services cost recovery plan and the staffing costs, including agency staff, are above budgeted levels. These costs have been offset, in part, by in year recovery action.
- 4.5 This level of overspend is a cause for concern. In the absence of any compensating savings in other services Council will need to identify options to fund the over spend.
- 4.6 A bar chart summarising the projected budget variance by service for 2016/17 is as follows.



4.7 Detailed Position

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

Service	2016/17 Budget- revised as at June 2016			Forecast Full Year Variance as at Qtr 1 £000's	Direction of Travel
	Expenditure £000s	Income £000's	Net £000's		
Adult Social Care	37,250	-1,338	35,912	1,131	R
Children's Services	77,446	-48,490	28,956	757	R
Public Health	11,169	-11079	90	0	G
Joint Commissioning	125,865	-60,907	64,958	1,888	R
Community Services	30,168	-6,402	23,766	11	R
Customer Services	73,272	-69,455	3,817	0	
AD Community & Customer Services	103,440	-75,857	27,583	11	R
Commercial Services	6,494	-1,663	4,831	10	R
Finance	19,840	-8,819	11,021	185	R
Business Services	7,826	-11,864	-4,038	26	R
Regeneration & assets	6,686	-1,985	4,701	0	
AD Corporate & Business Services	40,846	-24,331	16,515	221	R
Total Expenditure	270,151	-161,095	109,056	2,120	
Sources of Funding	-	-109,056	-109,056	-37	G
Net Expenditure	270,151	-270,151	0	2,083	R

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

Service	Variance to Budget £m	Main Variances in 2016/17
Adult Social Care	1.1	<p>From 1st October 2015 the Integrated Care Organisation started. The Council has a 9% risk share agreement from that date based on the total financial position of the Torbay and South Devon Healthcare Foundation Trust (SDH) – a share of a total budget of approximately £379m. Financial performance of SDH is reported to its board – minutes are available on the link below:</p> <p>http://www.torbayandsouthdevon.nhs.uk/about-us/board-meetings/</p>

		<p>The projected overspend for the Council's share of the forecast ICO overspend is £0.9m. This is in addition to the additional funds the Council provided as part of the Annual Strategic Agreement agreed by Council in July 2016.</p> <p>In other adult social care budgets there is a continuation of the prior year pressures on the Joint Equipment Store £0.2m</p>
Children's Services	0.8	<p>As a result of early monitoring within Childrens services recovery action on a projected overspend has been initiated. However the service is still forecast to overspend by £0.8m in 2016/17.</p> <p>The overspend is a combination of delays in the planned reduction in staffing levels and higher than forecast placement expenditure.</p> <p>It should be noted that given the value of placement costs there is a risk to the predicted overspend increasing over the remainder of the year.</p>
Public Health	0	Ring fenced budget
Community and Customer Services	0	<p>Community Services:</p> <p>Projected overspends on CCTV, Public Toilets, Housing Prevention Fund, Torre Abbey, Theatres and Sport offset by a projected saving from the 'Energy from Waste' plant.</p> <p>As per Council in July the costs of the Air Show have been met from reserves and contingency.</p>
Corporate and Business Services	0.2	Projected savings on audit fees and "corporate" pension payments, offset by a budget pressure on treasury management arising from lower rates on investments.
Sources of Funding	0	Grant higher than budget
Total	2.1	Projected overspend

4.10 2016/17 Savings

4.11 The 2016/17 budget relies on the achievement of £11.6m of approved savings. The Council's senior leadership team have been monitoring the achievement of these savings as part of the current year budget monitoring. The majority of savings are

being achieved; however the main areas of variance in the financial year are, as identified above, additional pressures within social care.

4.12 Risks & Sensitivity

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

4.14 Historically the Council's overall position improves in the last quarter of the year as actual expenditure and income for the year is finalised and impact of some future year savings are realised in year.

4.15 There are a number of financial risks facing the Council. Key risks are shown below:

Risk	Impact	Mitigation
Achievement of £11.6m of approved savings for 2016/17	High	16/17 Budget monitoring and "saving tracker" monitored by senior staff.
Potential cost impact of the Council's 9% risk share of total ICO performance	High	Monthly information is being provided by the ICO to Council supported by "contract" meetings
Potential impact and costs of judicial review for care home fees	High	Balance of CSR reserve and 2016/17 social care contingency to fund if required.
Achievement of Childrens' Services cost reduction plan	High	Regular monitoring of performance and recovery plan.
Identification, and achievement, of £18.5m of savings for 2017/18 to 2019/20	High	Issue identified in Medium Term Resource Plan. Draft four year Efficiency Plan now available with the final version to be presented to Council in September. Transformation Team set up to coordinate the implementation of potential transformation savings.
Additional demand for services particularly in childrens' social care	High	16/17 Budget monitoring, use of service performance data and recovery plan.
Ability of ICO to deliver a balanced budget in 2016/17 and to prevent further increases in expenditure in year.	High	Regular monitoring of performance and financial performance with challenge to ICO on cost improvements.

4.16 Implications on 2017/18 Budget

- 4.17 A number of 2016/17 budget monitoring issues link directly to the 2017/18 budget proposals. Where a saving has been achieved in 2016/17, if applicable, this will be reflected in 2017/18 budget proposals.
- 4.18 The areas of higher risk are in social care. In adult social care the impact of the total ICO current year position will be reflected in the ICO's financial planning and Cost Improvement Plans for 2017/18.
- 4.19 The new Director of Childrens services is reviewing the financial performance of children's services with a view to presenting to Council a revised financial plan supported by a level of detail to enable performance monitoring and challenge. The impact of this plan will form part of the Council's budget and reserve planning for 2017/18 and future years.

4.20 2017/18 Budget Process

- 4.21 The Mayor is expected to present his budget proposals for 2017/18 in November 2016 for consultation. The 2017/18 Budget is being presented to Council in February 2017.
- 4.21 Council at its meeting on the 22nd September will be asked to approve an Efficiency Plan that will be submitted to DCLG to enable the Council to accept the Revenue Support Grant funding "offer" for the next three financial years.
- 4.22 If the Council accepts the future year funding offer then the local government financial settlement due in December 2016 after the Autumn Statement (usually November 2016) may be less uncertain for the Council. The new Chancellor has been quoted as using the Autumn Statement to "reset fiscal policy", however the impact of this, if any, on local government is unknown.

4.23 Balance Sheet issues

- 4.24 No long term borrowing was taken or repaid so the Council's long term borrowing remained at £138m which was within the Council's approved Operational Boundary and Authorised Limit (for debt and long term liabilities as set by Council In February 2016).
- 4.25 The Council has interests in a number of companies. The financial performance for 2015/16 of these companies is included in the Council's statement of accounts (link below).
- 4.26 The total value of debtor write offs in the first quarter of 2016/17 was:

Service	Number of records written off	Value of write offs £000's	Number over £5,000
Council Tax	610	167	3
NNDR	67	184	14
Housing Benefit	323	114	3

4.27 Any write offs in the quarter over £5,000 were reported to the Overview and Scrutiny Board at its meeting on 14 September 2016.

Background Documents

2016/17 Budget digest & supporting reports, including 2016/17 Review of Reserves and the Medium Term Resource Plan.

<http://www.torbay.gov.uk/council/finance/budget/budget-201617/>

2015/16 Statement of Accounts

<http://www.torbay.gov.uk/council/finance/statement-of-accounts/>

Agenda Item 23

Torbay Council – Constitution

Schedule 5 – Delegation of Executive Functions

Schedule 5 - Scheme of Delegation of Executive Functions to the Executive, Committees of the Executive and Officers

This report is presented to the meeting of Council on 22 September 2016 in accordance with Standing Order C4.2(a) for inclusion in the Council's Scheme of Delegation (Schedule 5 of Part 3) of the Constitution of Torbay Council.

1. The names, addresses and wards of the people appointed to the Executive by the elected Mayor are set out below:

Name	Address	Electoral Ward
Deputy Mayor and Executive Lead for Health and Wellbeing and Corporate Services - Councillor Derek Mills	5 Bascombe Close Churston Brixham TQ5 0JR	Churston with Galmpton
Executive Lead for Tourism, Culture and Harbours - Councillor Amil	Flat 6 22 Polsham Park Paignton TQ3 2AD	Cockington with Chelston
Executive Lead for Community Services - Councillor Robert Excell	Excell Studio 203 Union Street Torre Torquay TQ1 4BY	Tormohun
Executive Lead for Planning, Transport and Housing – Councillor Mark King	5B Coburg Place Torquay TQ2 5SU	Cockington with Chelston
Executive Lead for Business – Councillor Richard Haddock	Churston Farm Shop Dartmouth Road Brixham TQ5 0LL	St Marys with Summercombe
Executive Lead for Adults and Children– Councillor Julien Parrott	51 Princes Road Torquay TQ1 1NW	Ellacombe
Executive Lead for Environment – Councillor Terry Manning	36 Summerlands Close Summercombe Brixham TQ5 0EA	St Marys with Summercombe

2. The elected Mayor is responsible for the discharge of all executive functions (except as specified in paragraph 3. below). Executive Leads will have an advisory role in relation to the areas of responsibility set out below.

Executive Lead	Portfolio:	Main Director/Assistant Director/Executive Head/Lead Officer
<p>Elected Mayor Gordon Oliver</p> <p>Executive Lead for Finance and Regeneration</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 201</p>	<p>Torbay Development Agency:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Built Environment <input type="checkbox"/> Employment and Skills <input type="checkbox"/> Business support <input type="checkbox"/> Regeneration <input type="checkbox"/> Business Relocation, Creation and Growth (inc. social enterprise/apprenticeships) <input type="checkbox"/> Inward Investment <input type="checkbox"/> Property (assets) <input type="checkbox"/> Estates <p>Finance:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Financial Services (including Capital and Revenue Budget and Budget Monitoring) <input type="checkbox"/> Events 	<ul style="list-style-type: none"> <input type="checkbox"/> Chief Executive/Chief Executive Torbay Development Agency <input type="checkbox"/> Chief Finance Officer <input type="checkbox"/> Assistant Director of Community and Customer Services

Executive Lead	Portfolio:	Main Director/Assistant Director/Executive Head/Lead Officer
<p>Deputy Mayor and Executive Lead for Health and Wellbeing and Corporate Services</p> <p>Councillor Derek Mills</p>	<p>Public Health</p> <ul style="list-style-type: none"> <input type="checkbox"/> Public Health Commissioning Team <input type="checkbox"/> Community Development Trust <p>Special Projects</p> <ul style="list-style-type: none"> <input type="checkbox"/> Special projects and innovation <p>Corporate and Business Services:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Business Development <input type="checkbox"/> Governance Support <input type="checkbox"/> Mayor’s Support Unit <input type="checkbox"/> Human Resources and Payroll <input type="checkbox"/> Legal and procurement 	<ul style="list-style-type: none"> <input type="checkbox"/> Director of Public Health <input type="checkbox"/> Director of Children’s Services <input type="checkbox"/> Assistant Director of Corporate and Business Services
<p>Executive Lead for Planning, Transport and Housing</p> <p>Councillor Mark King</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Building Control <input type="checkbox"/> Planning and Strategic Transport <input type="checkbox"/> Strategic Housing <input type="checkbox"/> Operational Housing <input type="checkbox"/> Waste <input type="checkbox"/> TOR2 Commissioning (Design Review Champion) <p>Customer Services:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Customer Services <input type="checkbox"/> Revenue and Benefits 	<ul style="list-style-type: none"> <input type="checkbox"/> Assistant Director of Community and Customer Services <input type="checkbox"/> Assistant Director of Corporate and Business Services <input type="checkbox"/> Director of Adults Services <input type="checkbox"/> Executive Head of Business Services <input type="checkbox"/> Executive Head of Customer Services

Executive Lead	Portfolio:	Main Director/Assistant Director/Executive Head/Lead Officer
Executive Lead for Tourism, Culture and Harbours Councillor Nicole Amil	<input type="checkbox"/> Culture <input type="checkbox"/> Heritage <input type="checkbox"/> Museums <input type="checkbox"/> Resort Services <input type="checkbox"/> Tourism <input type="checkbox"/> Harbours <input type="checkbox"/> (Armed Forces Champion) <input type="checkbox"/> (Heritage Champion)	<input type="checkbox"/> Assistant Director of Community and Customer Services <input type="checkbox"/> Executive Head of Business Services
Executive Lead for Community Services Councillor Robert Excell	<p>Community and Customer Services:</p> <input type="checkbox"/> Community Safety (Crime and Disorder) <input type="checkbox"/> Highways and Street Scene <input type="checkbox"/> Sport <p>Business Services:</p> <input type="checkbox"/> Car Parking	<input type="checkbox"/> Assistant Director of Community and Customer Services <input type="checkbox"/> Executive Head of Business Services

Executive Lead	Portfolio:	Main Director/Assistant Director/Executive Head/Lead Officer
<p>Executive Lead for Adults and Children</p> <p>Councillor Julien Parrott</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 204</p>	<p>Adult Social Care:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Children and Adults Commissioning <input type="checkbox"/> Adult Partnership <input type="checkbox"/> Adult Social Care <input type="checkbox"/> NHS Advisory Service <input type="checkbox"/> Healthwatch <p>Children:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Torbay Youth Trust <input type="checkbox"/> Torbay Public Service Trust <input type="checkbox"/> Improvement and Performance <input type="checkbox"/> Schools <input type="checkbox"/> Children’s and Young People <p>Safeguarding</p> <ul style="list-style-type: none"> <input type="checkbox"/> Children’s Safeguarding and Wellbeing 	<ul style="list-style-type: none"> <input type="checkbox"/> Director of Adult Services <input type="checkbox"/> Director of Children’s Services <input type="checkbox"/> Assistant Director of Safeguarding
<p>Executive Lead for Business</p> <p>Councillor Richard Haddock</p>	<p>Business Services:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Environment and Flooding <input type="checkbox"/> Joint Ventures and Arms Length Companies <input type="checkbox"/> Town Centres <input type="checkbox"/> Business Improvement Districts <p>Customer Services:</p> <ul style="list-style-type: none"> <input type="checkbox"/> ICT <input type="checkbox"/> Corporate debt and creditor payments <input type="checkbox"/> Business Rates <input type="checkbox"/> Libraries 	<ul style="list-style-type: none"> <input type="checkbox"/> Assistant Director of Community and Customer Services <input type="checkbox"/> Assistant Director of Corporate and Business Services <input type="checkbox"/> Executive Head of Business Services <input type="checkbox"/> Executive Head of Customer Services

Executive Lead	Portfolio:	Main Director/Assistant Director/Executive Head/Lead Officer
Executive Lead for Environment Councillor Terry Manning	<input type="checkbox"/> Environmental Health and Regulatory Services <input type="checkbox"/> Natural Environment	<input type="checkbox"/> Assistant Director of Community and Customer Services

3.
 - (i) The Deputy Mayor (Councillor Derek Mills) will be responsible for the discharge of all executive functions relating to the regeneration of the Castle Circus area of Torquay as the elected Mayor owns properties in this area and has a pecuniary interest;
 - (ii) The Executive Lead for Business (Councillor Richard Haddock) will be responsible for the discharge of all executive functions relating to Connections as the elected Mayor owns properties in the area of the Torquay Connections Office and has a pecuniary interest;
 - (iii) The Executive Lead for Business (Councillor Richard Haddock) , in consultation with the Executive Lead for Adults (Councillor Julien Parrott) and Executive Lead for Planning, Transport and Housing (Councillor Mark King), will be responsible for the discharge of all executive functions relating to the contract for housing pathway for single vulnerable adults;
 - (iv) The Executive Lead for Tourism, Culture and Harbours will be responsible for the discharge of all executive functions relating to tourism due to the perceived concerns of the public in respect of the Mayor’s interests in the tourism sector.
 - (v) the Deputy Mayor will be responsible for the discharge of executive functions if the elected Mayor:
 - (a) is absent (e.g. on holiday) for a period of time or in cases of urgency where the Chief Executive is satisfied that the elected Mayor cannot be reasonably contacted;
 - (b) is incapacitated through illness; or
 - (c) has a pecuniary interest in any matter requiring determination.
 - (vi) If the elected Mayor or the Deputy Mayor (Councillor Derek Mills) are unable to act on a matter requiring a decision then the Chief Executive shall have the power to determine any matter requiring a decision.
4. No executive committees have been appointed at the present time.
5. No executive functions have been delegated to area committees, any other authority or any joint arrangements at the present time.
6. The elected Mayor has also (so far as lawful) delegated to officers the discharge of those functions that are referred to in Schedule 7 and are executive functions in the manner set out in that Schedule, in accordance with (and subject to) the Council’s Standing Orders in relation to the Executive.
7. So far as the Constitution requires officers to consult with “the relevant member”, the areas of responsibility of the Executive Leads are as set out paragraph 2 above.

**Officer Scheme of Delegation
Urgent decision taken by the Executive Director of Operations and Finance**

Paragraph 1.19 of Schedule 6 to Part 3 (Responsibility of Functions) of the Council's Constitution

Report to the Meeting of the Council to be held on 22 September 2016

The Officer Scheme of Delegation states that the Chief Executive may take an urgent decision in relation to a Council function (in consultation with the relevant member) if he/she considers it to be in the best interests of the Council or the inhabitants of the Borough and where he/she does not consider it reasonably practicable to convene a meeting of the Council.

A report detailing the action taken in accordance with the Officer Scheme of Delegation must be submitted to the Council. The table below sets out the details of the action taken:

Matter for decision	Decision taken by	Decision and Alternative Options Considered	Reasons for urgency	Date of decision
Page 207 Capital Plan 2016/17 - 2019/20 Prioritisation Matrix	Chief Executive	<p>Decision:</p> <p>That, following the decision of the Council on 7 April 2016, (Minute 165.4/16 refers), Capital Plan 2016/17 - 2019/20 Prioritisation Matrix be presented to Council on 22 September 2016.</p> <p>Alternative Options Considered:</p> <p>None</p>	<p>Any delay likely to be caused by convening a meeting of the Council would prejudice the Council's interests.</p> <p>The decision needed to be taken urgently as the report was not ready to be presented to the Council meeting on 11 May.</p>	28 June 2016

Matter for decision	Decision taken by	Decision and Alternative Options Considered	Reasons for urgency	Date of decision
Bolton Cross, Brixham	Chief Executive	<p>Decision:</p> <p>That the site known as Bolton Cross, Brixham be Appropriated under Section 122 of the Local Government Act 1972.</p> <p>Alternative Options Considered:</p> <p>The alternative option is to allow Brixham YES to proceed with the construction phase of development risking a possible court injunction which would not only delay the scheme, but could cause complications between the developer (Brixham YES) and their funders who require the £400,000 development sum to be spent by November 2016.</p>	<p>Any delay likely to be caused by convening a meeting of the Council would prejudice the Council's and the public's interests.</p> <p>The decision needed to be taken urgently in order to allow development to progress on the site.</p>	20 July 2016