

19 February 2019

Dear Sir/Madam

**NOTICE IS HEREBY GIVEN** that a Meeting of the Council at which your attendance is requested, will be held in the **COUNCIL CHAMBER, FORDE HOUSE, BRUNEL ROAD, NEWTON ABBOT, TQ12 4XX** on **Thursday, 28th February, 2019** at **2.15 pm** in the **Council Chamber** to transact business specified in the Agenda as set out.



Phil Shears  
Head of Paid Service

***If Councillors have any questions relating to predetermination or interests in items on this Agenda, please contact the Monitoring Officer in advance of the meeting***

To: The Chairman and Members of Teignbridge District Council

## **A G E N D A**

### **Part I**

#### **(Open to the Public)**

1. Apologies for absence
2. Minutes (Pages 1 - 12)  
To approve as a correct record and sign the minutes of the previous Council meeting.
3. Chairman's announcements
4. Declarations of interest

Making a healthy and desirable place where people want to live, work and visit

5. Public questions session under Council Procedure Rule 4.5(j) (if any)
6. Councillor questions under Council Procedure Rule 4.5(k) (if any)

Question submitted by Councillor J Hook

*Council notes that Government introduced a revised NPPF in July 2018 outlining a new standard national methodology for assessing housing need that Councils will be required to use. The new methodology takes away any of the limited local control that Teignbridge District Council had over deciding how many houses were needed. From May this year when TDC's Local Plan reaches its 5<sup>th</sup> Birthday, Government tells us that the new methodology will be applied in Teignbridge. Our annual housing requirement will increase from 620 to 777 in May.*

*Council will also be aware of the recent independent assessment of housing need in Devon, commissioned by CPRE, and carried out by respected consultants ORS, who have identified significant flaws in the government methodology. ORS estimate that government have overestimated annual housing need in Devon by over 1000 houses, and in Teignbridge by over 200 per annum.*

*In light of this information, will the PH for Housing and Planning and the Managing Director write to the Secretary of State for Housing, Communities and Local Government and the LGA, on behalf of our Council, and the residents of Teignbridge, expressing our deep dissatisfaction with the imposition of their needs assessment and ask that they examine again their formula for calculating housing need, in the light of the CPRE evidence.*

7. Notices of motion under Council Procedure Rule 4.5(l) (if any)
8. Budget and Council Tax 2019/2020 (Pages 13 - 100)  
Budget and Council Tax 2019/2020.
9. Bakers Park improvements (Pages 101 - 106)  
To consider the Bakers Park improvements report.
10. Playing Pitch Improvements (Pages 107 - 110)  
To consider the Playing Pitch Improvements report.
11. Newton Abbot, Hotel Development (Pages 111 - 114)  
To consider the Newton Abbot, Hotel Development report.

**Part II (Private)**

**Items which may be taken in the absence of the Public and Press on the grounds that Exempt information may be disclosed.**

12. Newton Abbot, Hotel Development (Pages 115 - 132)

To consider the Newton Abbot, Hotel Development report.

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## **FULL COUNCIL**

**14 JANUARY 2019**

Present:

Councillors Austen, Barker, Bromell, Bullivant, Christophers, Clarence, Clemens, Colclough, Connett, Cook, Cox, Dennis, Dewhirst, Eden, Evans, Fusco, Golder, Goodey, Gribble, Haines, Hayes, Hocking, Hockin, J Hook (was Brodie), G Hook, Jeffery, Jones, Keeling (Vice-Chairman), Kerswell (Chairman), Lake, Mayne, Morgan, Nutley, Parker, Peart, Prowse, Rollason, Russell, Smith, Thorne and Wrigley

Apologies:

Councillors Matthews, Orme, Pilkington and Winsor

Officers in Attendance:

Phil Shears, Managing Director  
Martin Flitcroft, Chief Finance Officer  
Karen Trickey, Solicitor to the Council and Monitoring Officer  
David Eaton, Environmental Protection Manager  
Martin Flitcroft, Chief Finance Officer  
Tracey Hooper, Revenue, Benefits & Fraud Manager  
Fergus Pate, Principal Delivery Officer  
Sarah Selway, Democratic Services Manager (Exeter City Council)  
Simon Thornley, Business Manager - Spatial Planning

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### **1. MINUTES**

It was proposed by Councillor Jones seconded by Councillor Dennis that the minutes of the meeting held on 19 November 2018 were approved as a correct record and signed by the Chairman.

### **2. CHAIRMAN'S ANNOUNCEMENTS**

The Chairman offered condolences to Councillor Colclough on the death of her husband and wished Councillor Pilkington a speedy recovery.

She brought Members' attention to the Council's Civic Service which would take place on 19 February 2019 at 3pm at the Church of St Peter, St Paul and St Thomas of Canterbury in Bovey Tracey.

### **3. DECLARATIONS OF INTEREST**

There were no declarations of interest.

**4. PUBLIC QUESTIONS SESSION UNDER COUNCIL PROCEDURE RULE 4.5(J) (IF ANY)**

The Public Questions and Responses are attached to the minutes.

Members of the Public asked the following supplementary questions, the answer to which would be provided in writing later in the week. [*For ease of reference the answers are set out in square brackets below*]:-

Members of the Public asked the following supplementary questions:-

**Question 1:**

***In response to the supplementary question regarding the evidence that this restriction will do anything other than penalise responsible dog owners? Especially as the introduction of this PSPO's will apply to any dog walker regardless of whether they are walking 1 or 10 dogs? The following reply from Portfolio Holder for Health and Wellbeing was circulated:-***

[The evidence for the restriction is based on the public consultation and the views of Councillors that controlling the number of dogs one individual can walk will reduce dog fouling. The impact of the control will be monitoring through the implementation of the PSPO by the working group which is scheduled to have its first meeting on the 4<sup>th</sup> March 2019.]

**Question 2:**

***In response to the supplementary question regarding the implementation of a full Environmental Impact Report and what measures are being taken to reduce the current levels of pollution on Wolborough Road together with how these will not increase when there is further development and the real need for further housing in Devon. The following reply from Portfolio Holder for Planning & Housing was circulated:-***

[On 14 January Council resolved to prepare a new Development Plan Document for Wolborough. This will involve new ecological surveys and sustainability appraisal work. The development allocation at Wolborough includes a new main street, which will have the effect of diverting some existing town centre through traffic away from Wolborough Street.]

Housing need in Teignbridge is explained and evidenced here:  
[www.teignbridge.gov.uk/wolboroughfacts](http://www.teignbridge.gov.uk/wolboroughfacts)

**Question 3:**

***In response to the supplementary question regarding indicating to Government that if it funded the Kingskerswell by-pass it would open up the opportunity to build thousands of houses? The following reply from Portfolio Holder for Planning & Housing was circulated:-***

[Torbay and Devon led the engagement with Government and statements were made about the capacity of the existing highway network constraining development growth. The South Devon Highway and Kingskerswell Road improvements will help to support development at Wolborough. However, the main focus of the South Devon Highway project was on addressing the limitations of the old A380 (Torquay Road).]

**Question 4:**

***In response to the supplementary question regarding putting a Devon Covenant on 80 per cent of the new builds? The following reply from Portfolio Holder for Planning & Housing was circulated:-***

[Office of National Statistics data shows that in 2016/17 80 per cent of people moving to Teignbridge moved from Devon, Cornwall and the South West. This data covers both new and existing homes and reflects Teignbridge's own data on new home occupants, which is available at the following links:

2018 survey, page 4 - 75% from Devon

2017 survey, page 6 – 83% from Devon

2016 survey, page 5 – 82% from Devon

2015 survey, page 5 – 80% from Devon

Our local economy would not function effectively without people being able to move across Devon's border for a variety of reasons that include access to jobs and education. Whilst affordable housing is almost entirely occupied by families and individuals who have moved from within Teignbridge and Devon, the Council is required to plan for overall housing needs.]

**5. COUNCILLOR QUESTIONS UNDER COUNCIL PROCEDURE RULE 4.5(K)  
(IF ANY)**

**Questions submitted by Councillor Dewhirst.**

**Question 1**

***Will the Portfolio Holder for Planning and Housing please explain why the Community Infrastructure Levy Monitoring Report for 2017/18 was published by Teignbridge Council almost nine months after the report period ended in April last year.***

**Answer from Portfolio Holder for Planning and Housing**

The CIL regulations require Community Infrastructure Levy Monitoring Reports to be published by the end of December following the financial year to be reported. The Teignbridge CIL Monitoring Report for 2017/18 was published within this timescale on 19 December 2018.

**Question 2**

***Will the Portfolio Holder for Planning & Housing also confirm if all CIL payments arising from planning applications have been (1) made and (2) also spent on the relevant requirements stipulated in the planning consents?***

Answer from Portfolio Holder for Planning and Housing

There are currently five housing developments with overdue CIL payments totalling £185,504.76. One of these is for just 20 pence and therefore is likely to be written off, subject to the usual procedures. Three others, totalling £10,272.99 are subject to discussions on repayment and we expect to receive all of the outstanding amounts in due course. The remaining £175,231.77 relates to a single site where a technical commencement was made (contrary to our advice) but none of the houses have been started and are unlikely to be built. Instead, the applicant has submitted a new application on the site with 100% affordable homes, which has been approved subject to a Section 106 agreement. We are currently considering how to resolve the CIL situation in a way that does not prevent the much-needed affordable homes being built.

Planning permissions do not determine how CIL should be spent. This is the domain of the Council's Regulation 123 list of infrastructure to be funded through CIL, as well as the Capital Programme.

Supplementary question

***In response to Cllr Dewhirst's supplementary question regarding interest paid on late payments of CIL. The following reply was received:-***

Answer

Yes. The CIL regulations require that 'late payment interest' is paid at an annual rate of 2.5% above the Bank of England base rate starting on the day after the day that payment was due.

**Question 3**

***Will the Portfolio Holder also provide the value figure (in £) for CIL of planning applications that attract CIL (Item 2 of the Report) but have not been implemented within the time limit identified within the Planning consent?***

Answer from Portfolio Holder for Planning and Housing

The current calculated position is that planning permissions with a CIL liability value of £655,506 have not been implemented within the relevant time limit.

Government is consulting on the introduction of additional CIL reporting requirements. We will need to respond to new regulations when they are introduced.

Supplementary question

***In response to the Cllr Dewhirst supplementary question regarding payments to Parish and Town Councils, the following reply was received:-***

Answer

Teignbridge do not (and are not required to) pass CIL income to Town and Parish Councils until it has been received. As unpaid CIL has not

been passed to Town and Parish Councils, it will not be necessary to ask them to return it.

#### Question 4

***Will the Portfolio Holder for Planning and Housing commit to circulating a copy of the report by email link to all members and bringing this report to Scrutiny before the end of March 2019?***

Answer from Portfolio Holder for Planning and Housing

The 2017/18 CIL report is available at

<https://www.teignbridge.gov.uk/media/7694/cil-monitoring-report-17-18.pdf>

It will be reported to Scrutiny before the end of March 2019.

The following question had been submitted by Cllr Connett

***What evidence does Teignbridge Council hold that confirms the view expressed during a recent Planning Committee meeting that the Council of Mortgage Lenders along with banks and building societies will not provide mortgages if a property is on a development which also has allocated pitches for Gypsies and Travellers; and,***

***What steps has Teignbridge Council taken, or intends to take, to clarify the view of the Council of Mortgage Lenders with regard to this issue?"***

Answer from the Portfolio Holder for Planning and Housing

The predecessor of Teignbridge's current Business Manager for Strategic Place, attended a meeting in early 2017 with various mortgage company representatives also present as well were developers and local authority colleagues.

Having looked into this, the officer doesn't believe any notes of the meeting were produced. However, the informal reporting they received was that mortgage companies were very reluctant to provide mortgages for new homes particularly in close proximity to Gypsy and Traveller pitches as a consequence of the lack of information about effects this could have on market value – particularly resale value – and this was considered to be a whole market position, hence reference to overarching organisations.

The officer would like to apologise for any misspeakings of the bodies involved and any confusion caused.

The difficulties in following this through are highlighted by the fact that colleagues in Mid Devon are currently commissioning a piece of Local Government Association funded research to investigate in a more concrete way the extent to which lenders are unwilling to get involved in sites of this nature. Officers will assist with this research where necessary.

**6. CALL-IN OF EXECUTIVE DECISION PUBLIC SPACES PROTECTION ORDER FOR DOG CONTROL IN TEIGNBRIDGE**

Councillor Dewhirst, in presenting the call-in, stated that the decision to limit the number to four dogs was disproportionate and that six would be a fair number as recommended by Overview & Scrutiny Committee. He said that professional dog walkers have increased and this limit would have an adverse effect on their businesses and clients. He reported there had been no complaints about professional dog walkers, the limit should be six, the same as East Devon District Council, and then this should be monitored over the coming year.

The Portfolio Holder for Health & Wellbeing commented that the Scrutiny Review Group would support the better understanding of the impact of the number of dogs that could be walked. A consultation had been undertaken on the Public Space Protection Order (PSPO) and for the number of dogs that an individual should walk the results showed that 50% of responses stated three, 23% stated four and only 2% stated six.

During discussion some Members raised concerns regarding the negative effect the limit would have on viability of the businesses of professional dog walkers; there was no evidence to support that six dogs could not be walked; dog walkers and owners were responsible; the difficulties this would cause for older and working residents with dogs who rely on the professional dog walkers; and issue of budget for Dog Wardens and how the PSPO would be enforced.

Other Members felt that a limit of four dogs was supported by the consultation response and that the PSPO would ensure that the District was cleaner and safer without dog fouling or dog attacks and set one standard across the District.

It was proposed by Councillor Dewhirst, seconded by Councillor Eden and

**RESOLVED** that in relation to the Public Space Protection Order (PSPO) for Responsible Dog Ownership under ss59 to 75 of the Anti-Social Crime and Policing Act 2014 the number of dogs that any one individual can walk at any one time be a maximum of six.

In accordance with Procedural Rule 4 (O) (v) a recorded vote was called for:-

Voting for:-

Councillors

Colclough, Connett, Cook, Cox, Dewhirst, Eden, Evans, Haines, Hayes, Hocking, (G) Hook, (J) Hook, Jones, Morgan, Nutley, Parker, Rollason, Wrigley and Keeling

(19 Members)

Voting against:-

Councillors Austen, Peart and Thorne  
(3 Members)

Abstentions:-

Councillors Barker, Bromwell, Bullivant, Christophers, Clarence, Clemens, Dennis, Fusco, Golder, Goodey, Gribble, Hockin, Jefferey, the Chairman, Lake, Mayne, Prowse, Russell and Smith

(19 Members)

Absent:-

Councillors Matthews, Orme, Pilkington and Winsor

(4 Members)

## **7. WOLBOROUGH DEVELOPMENT PLAN DOCUMENT**

The Principal Delivery Officer summarised an email from Abbotskerwell and Wolborough Residents Association that supported preparation of the Development Plan Document (DPD). He also reported that he had received a letter on behalf of Abbotskerwell Parish Council and Wolborough Residents' Association. Concerns were raised regarding the ecological reasons for a legal challenge. Members were advised that Officers considered that the DPD would be fundamental in addressing the ecological aspects of the development of the site.

The Portfolio Holder for Planning and Housing stated that the Local Plan was approved in 2014 which agreed the principle of development at Wolborough NA3. This Development Plan Document (DPD) would control the planning process and support quality housing development across the site.

During discussion, Members raised the following points:-

- Concern that the plan would still not mitigate the impact of development in Wolborough and on the listed buildings
- Concerns that the Developers would still have the upper hand despite the DPD
- The need to protect the natural landscape of the area including the Fen, and Greater Horseshoe bats habitat
- Whether £210,000 as a good use of Council monies given the current budget constraints
- Whether the development would provide the Social Housing that the District required
- The plan would help support the development to help to protect the Grade I Listed Church and the Wolborough Fen SSSI
- The development would provide much needed Housing for the District
- The proposed DPD would support a cohesive approach to the development of the area

Full Council (14.1.2019)

- The DPD would help to support the refusal of planning applications if the brief was not met
- The DPD would help to effectively control and protect the development of the area

Officers advised that whilst it was recognised that development of the site was contentious, the housing target of which the site was key for the District was set by Central Government. The DPD had the support of the Council for Protection of Rural England (C.P.R.E) and it would help to ensure that any development was led by the Council.

In response to further questions raised, the Principal Delivery Officer advised that the Draft Masterplan did include provision for primary and secondary school facilities, additional surveys would be undertaken to understand any impact that development would have on the Fen and Greater Horseshoe Bats. A planning application for balance of the site (where an application had not already been received) was anticipated to be submitted shortly.

Proposed by Councillor Lake, seconded by Councillor Clemens and

**RESOLVED** that the following be approved:-

- (1) The preparation of a Wolborough Development Plan Document; and
- (2) A budget of up to £210,000 for preparation of the Development Plan Document

In accordance with Procedural Rule 4 (O) (v) a recorded vote was called for:-

Voting for:-

Councillors Austen, Barker, Bullivant, Christophers, Clarence, Clemens, Colclough, Dennis, Golder, Goodey, Gribble, Haines, Hocking, Jefferey, Jones, the Chairman, Lake, Mayne, Peart, Prowse, Russell, Smith and Thorne

(23 Members)

Voting against:-

Councillors Cook, Eden and Winsor

(3 Members)

Abstentions:-

Councillors Bromwell, Connett, Cox, Dewhirst, Evans, Hayes, (G) Hook, (J) Hook, Morgan, Nutley, Parker, Rollason and Keeling

(13 Members)

Absent:-

Councillors Fusco, Matthews, Orme, Pilkington and Winsor

(5 Members)

**8. HEART OF THE SOUTH WEST JOINT COMMITTEE**

The Managing Director presented the report on the Heart of the South West Joint Committee. Members were informed that this report was to be considered by all the authorities that make up the Heart of South West Joint Committee. The Council was asked to support the work programme of the Joint Committee with the sum of £1,400, all authorities would be contributing.

During discussion, some Members raised concerns regarding the funding requirements including the administration costs, the Joint Committees work programme and the unknown work of the Local Enterprise Partnership (LEP)

The Managing Director clarified that the work programme of the Joint Committee, whilst unknown at this stage, was vital to ensure that Central Government and LEP funding was accessed for Teignbridge.

The Leader stated that Overview and Scrutiny Committee could invite the LEP to address them to find out more about their work. It was important that the Council was part of the Joint Committee to help secure funding for the District and wider region to access funding streams from Central Government.

It was proposed by the Councillor Gribble and seconded by the Leader, Councillor Christophers. The proposal was carried by 26 votes for, 15 against with 3 abstentions.

**RESOLVED to:-**

- (1) Note the progress report setting out the work of the Heart of the South West (HotSW) Joint Committee since its establishment in March 2018;
- (2) Agree to delegate the development and endorsement of the HotSW Local Industrial Strategy (LIS) to the HotSW Joint Committee (noting that final approval of the HotSW LIS rests with the HotSW Local Enterprise Partnership (LEP) and the Government);
- (3) Note the Budget statement for 2018/19 set out in Appendix B and that in accordance with the decisions taken at the time the Committee was established the Council will be asked to make an annual budgetary provision to meet the support costs of the Joint Committee in line with the 2018/19 contribution. Final clarification on any additional 2019/20 budget requirement will be provided following the completion of the review of the Joint Committee's role, function and management support arrangements and development of its work programme for 2019/20; and
- (4) To agree the Budget and Cost-sharing Agreement set out in Appendix B to this report.

**9. COUNCIL TAX BASE 2019/20**

The Portfolio Holder for Corporate Services presented the report detailing the proposed council tax base 2019/20 as recommended by the Executive at its meeting on the 8 January 2019.

It was proposed by Councillor Barker and seconded by Councillor Prowse and unanimously:-

**RESOLVED** that the council tax base of 49,219 for 2019/20 at Appendix A of the circulated report be approved.

**10. COUNCIL TAX REDUCTION SCHEME FOR 2019/20**

The Portfolio Holder for Corporate Services presented the report which sought approval of the Executive recommendation made on 4 December 2018 for the current Council Tax Scheme (CTR) to be continued unchanged into 2019/20.

In response to a Member's concern regarding the Government change in relation to the Universal Credit two children cap, the Revenue, Benefits and Fraud Manager stated that any impact of this change and central government guidance would be kept under review. The scheme did have an Exceptional Hardship Policy which provided extra protection for claimants.

The Portfolio Holder for Corporate Services stated that 29 awards had been made in 2017/18 under the Exceptional Hardship Policy.

It was proposed by Councillor Barker and seconded by Councillor Prowse and unanimously:-

**RESOLVED** that the current Council Tax Reduction (CTR) Scheme for the year 2019-20 be adopted.

**11. COUNCIL TAX PREMIUM FOR LONG TERM EMPTY**

The Portfolio Holder for Corporate Services presented the report seeking approval of the Executive recommendation made on 4 December 2018 for the current long term empty homes council tax premium to be increased from the current 50% levy to the relevant maximums set down in the Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018. He advised that this proposal would put direct pressure on people to bring empty homes back into use.

Members welcomed this report and acknowledged the support that was provided from the Council to encourage empty homes back into use.

It was proposed by Councillor Barker and seconded by Councillor Cox and unanimously:-

**RESOLVED** that in accordance with the Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018, to approve an increase in the premiums being charged on long term empty properties as follows:-

- (1) From 1<sup>st</sup> April 2019 onwards to increase the premium up to the maximum of 100% for properties that have been empty for 2 years or more;
- (2) From 1<sup>st</sup> April 2020 onwards to increase this to 200% for properties that have been empty for 5 years or more; and
- (3) From 1<sup>st</sup> April 2021 onwards to increase this to 300% for properties that have been empty for 10 years or more.

## **12. SCHEME OF MEMBERS' ALLOWANCES AND MEMBERS' IT**

The Chief Finance Officer presented the report on Scheme of Members' Allowances and Members' IT. The Local Authorities (Members' Allowances) (England) Regulations 2003 required Councils to establish an Independent Remuneration Panel (IRP) and to have regard to the recommendations made in relation to the Members' Allowances scheme. He advised of the IRP recommendations which included an uplift of £500 for the municipal year, the basic allowance to be linked to Local Government Pay Awards, changes to the Special Responsibility multipliers including the reduction of the multiplier for Vice-Chairman of the Council and Deputy Chairman of Overview and Scrutiny Committee, and the changes to the procedure for the payment of Special Responsibility Allowances (SRA) during maternity or sick leave. The recommendation with regards to the IT was that all Councillors be provided with devices for the purposes of carrying out Council duties and the sum of £400 to be taken from the basic allowance annually to cover support for the devices.

During discussion Members raised the following points:-

- Concerns regarding the effect the increase would have on Councillors national insurance contributions and any benefits impact if they then have to pay £400 from the allowance for IT devices
- Any roll out of IT devices should take place after the local election in May
- Concern that there was no accidental damage of the devices
- The maternity leave should cover shared parental leave
- Whether sick leave - was relevant as the Council already had procedures in place to cover these scenarios
- Councillors already had multi IT devices for work and personal use, and so could their existing devices not be used for Council business?
- Valued the input of the Vice-Chairman of the Council and Deputy Chairman of Overview and Scrutiny and did not think the SRA should be reduced
- Group Leaders should meet to discuss the IT devices options.

It was proposed by Councillor Haines and seconded by Councillor Colclough that the Members Allowance increase be reduced to £100 instead of the increase of £500 and then £400 taken back for IT devices. This was then withdrawn.

It was proposed by Councillor Barker, seconded by Councillor G Hook and unanimously:-

**RESOLVED :-**

- (1) With effect from 2<sup>nd</sup> May 2019 that:
  - (a) The Basic Allowance payable to all Councillors increases from £5,489 to £5,589 for the municipal year;
  - (b) As proposed by the IRP report CPI is removed and future increases in the Basic Allowance are linked to Local Government pay awards;
  - (c) The Special Responsibility multipliers remain as they are currently are;
  - (d) The Carers' Allowance is renamed the 'Dependants' Allowance' and updated as detailed in the IRP report;
  - (e) Rates and terms for travel and subsistence claims are updated as detailed in the IRP report;
  - (f) The scheme is amended for the payment of Special Responsibility Allowance during maternity or sick leave as outlined in the IRP report subject to a variation to include share parental leave; and
- (2) The Councillors IT provision be considered by the Group Leaders the associated capital budget for 2019/20 remain to enable the matter to be resolved in 2019/20; and
- (3) That the members of the Independent Remuneration Panel be thanked for their report.

**13. THE CHAIRMAN ANNOUNCED**

**RESOLVED**

That the Common Seal of the Council be affixed to any document(s) necessary to give effect to the resolutions passed by the Council at this meeting.

Chairman

TEIGNBRIDGE DISTRICT COUNCIL

**COUNCIL**

CHAIRMAN: Cllr Avril Kerswell

**DATE:** 28 February 2019

**REPORT OF:** MARTIN FLITCROFT – CHIEF FINANCE OFFICER  
CLLR STUART BARKER- PORTFOLIO HOLDER  
CORPORATE RESOURCES

**SUBJECT:** BUDGET AND COUNCIL TAX 2019/20

**PART I**

**RECOMMENDATIONS**

- a That the Teignbridge band D council tax for 2019/20 is increased by 3.03% or £5 to £170.17 per annum
- b That general reserves are increased to 12.2% of the net revenue budget for 2019/20 or just over £1.9 million
- c That £100,000 of the general reserve balance in any one year continues to be available to the Executive to meet unexpected expenditure in addition to the agreed revenue budget
- d All other decisions with regard to budgetary change will be approved by reference to virement rules in the financial instructions
- e That the summary revenue budget for 2019/20 is £16.0 million as shown at appendix 4. In particular the revenue budget includes:
  - The agreed two year pay deal including increases linked to the national living wage for 2018/19 and 2019/20 and a 2% increase for all other staff from 1 April 2018 and changes to the central spine from 1 April 2019
  - Revenue contributions to fund capital at £0.2 million in 2019/20 and increasing significantly thereafter
  - Rural aid continuing at £40,000
- f That fees and charges are approved as shown summarised at appendix 6. This includes an increase in parking income of £57,000

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- g** That the capital programme as shown at appendix 7 is approved. In particular this includes:
- **Increasing jobs and homes through continuing support for housing whilst backing business and encouraging community-led planning**
  - **Infrastructure delivery plan investment contributing to improving education, transport links, sports and open spaces**

**Indicative figures are shown for four major projects investing in town centres and employment sites over the three years. These would be funded through prudential borrowing but individual business cases (BC) will be brought to members for consideration as they are developed. They are not being approved in this budget and are described as Provisions with funding as BC: Prudential Borrowing.**

- h** That the prudential indicators are noted and the prudential limits approved all as set out in appendix 10
- i** That the updated treasury management strategy statement and authorised lending list as set out in appendix 11 is approved together with the capital strategy in appendix 11a
- j** That each scheme will be considered on its merits as explained at the end of appendix 11 to decide the calculation of minimum revenue provision for capital expenditure in 2019/20
- k** That the treasury management mid year review for 2018/19 as taken to Executive on 4 December and shown in appendix 12 is noted
- l** That the council tax resolutions as recommended in appendix 15 are approved

### **1. PURPOSE**

- 1.1** To consider a recommendation from the Executive in relation to the Final Financial Plan Proposals 2019/20 to 2021/22. The information set out below is intended to assist the Council in its consideration of the Executive's budget proposals. The Portfolio Holder for Corporate Resources will present the Executive's proposals.
- 1.2** The final financial plan proposals 2019/20 to 2021/22 as per agenda item 9 Overview and Scrutiny 4 February 2019 (pages 1 to 44) and agenda item 9 Executive 7 February 2019 (pages 3 to 46) have been issued. These include the detailed budget background; a complete budget pack will be issued to all Members once relevant information has been finalised.

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1.3.1 Appendices 1 to 7 were attached to both the Overview & Scrutiny and Executive agendas. The recommended figures are based on the provisional settlement as the final settlement had not been agreed. The final settlement has now been received and there have been no material changes.

1.3.2 A sensitivity and risk analysis is added at appendix 8. New mainly technical appendices 9 to 15 are being added to the website as they become available. The full council pack together with all appendices will be issued as soon as we have the final recommended precepts from county, fire and police.

1.3.3 Appendices are as follows:

- Appendix 1 budget timetable 2019/20 which shows the detailed timing for preparing the budget from November 2018 to February 2019
- Appendix 2 approved council tax base 2019/20
- Appendix 3 council tax calculator 2019/20 which shows the effects of different council tax increases with the recommended 3.03% highlighted
- Appendix 4 revenue budget summary 2018/19 onwards
- Appendix 5 revenue budget detail including service summary and glossary
- Appendix 6 fees and charges summary 2019/20 – detail provided separately
- Appendix 7 capital programme
- Appendix 8 financial plan sensitivity and risk analysis
- Appendix 9 business impact assessment
- Appendix 10 recommended prudential borrowing indicators
- Appendix 11 treasury management statement, authorised lending list and minimum revenue provision annual statement and 11a – capital strategy
- Appendix 12 treasury management 2018/19 mid year review
- Appendix 13 consultation report
- Appendix 14 draft minute of the Executive meeting held on 7 February 2019 relating to the final financial plan proposals 2019/20 to 2021/22
- Appendix 15 council tax resolutions 2019/20

## 2. FINANCIAL PLAN

In considering the recommendation from the Executive the Council may wish to have regard to the following points.

2.1 A financial background for 2019/20 of:

- Teignbridge is on the four year government settlement from 2016/17. 100% rates retention was due by 2020 but with the transfer in of some funding obligations. The government is now suggesting a 75% rates retention scheme in 2020/21. The baseline is likely to be reset. Revenue support grant goes down to be nil for Teignbridge in 2019/20 and new homes bonus reduces in line with the changes in previous years settlements.

## TEIGNBRIDGE DISTRICT COUNCIL

- We have benefitted from previous savings plans and restructuring efficiencies are still producing cost reductions. This budget also gains from the Strata partnership and the significant ongoing returns from Market Walk. We are in the fourth year of Business Efficiency Service Transition 2020 review following business challenge in earlier years.
  - We are in the third year of our ten year Strategy 2016-2025. This sets the tone for contributing to civic life and ensuring public services focus on 'place and person' while remaining accountable, fair and value for money. At the heart are the Teignbridge Ten overarching projects that guide our activities, where we focus our resources and how we shape services to deliver real progress for the district.
  - The economy continues to be buoyant however uncertainty continues about future demand and the outcome of the European Union negotiations. Teignbridge has seen some minor positive variations to income in the current year apart from planning application income, general rental income and market income which are down on the original budget.
  - The requirement to incorporate a two year pay deal linked to increases in the national living wage and 2% for all other staff from 1 April 2018.
  - No council tax freeze grants are offered over the period 2018/19 to 2021/22. A referendum would be triggered in 2019/20 if the band D council tax increase is equal to or above 3% AND is above £5
- 2.2 The budget detail in appendix 5 clearly shows the responsible portfolio holder as in recent years to provide transparent accountability.
- 2.3 The capital programme funding includes community infrastructure levy for local plan projects. Significant contributions from revenue at just over £1.4 million in the current year and £1.4 million over the next three years are enabled by new homes bonus receipts.
- 2.4 The chief finance officer is designated under section 151 of the Local Government Act 1972. He endorses the recommendations made in this report and discharges his duty under section 25 of the Local Government Act 2003 to report to the Council on the following matters:
- a) the robustness of the estimates made for the purposes of the council tax calculations; and
  - b) the adequacy of the proposed financial reserves.
- The relevant detailed sensitivity and risk analysis is shown at appendix 8.
- 2.5 A business impact assessment has been carried out on the financial plan 2019-22 and this is shown at appendix 9.

## TEIGNBRIDGE DISTRICT COUNCIL

- 2.6 Recommended updated prudential indicators are shown at appendix 10. An updated treasury management statement, incorporating policy statement, clauses to be adopted, investment strategy including authorised lending list and minimum revenue provision statement is at appendix 11. The capital strategy is at appendix 11a. Both the treasury management statement and capital strategy are linked to the proposed revenue and capital budgets and have regard to affordability, prudence and sustainability as required by the latest Chartered Institute of Public Finance and Accountancy Prudential Code 2017 and Treasury Management Code 2017.
- 2.6.1 Indicators 1 to 4 are calculated from the proposed revenue and capital budgets and have been changed accordingly.
- 2.6.2 The authorised lending list at appendix 11 takes account of the latest ratings for banks and building societies.
- 2.7 The budget proposals have been published and considered by Overview & Scrutiny and at a meeting of the Teignbridge Association of Local Councils. There are no changes to the council tax support scheme.
- 2.8 A budget survey was put on the website and publicised to encourage feedback. In particular it was brought to the attention of businesses, the residents' panel and hard-to-reach groups. Responses are included for member consideration as appendix 13 to the Council budget papers.
- 2.9 Also included is a recommendation to pass the formal council tax resolutions which are set out in appendix 15. These are technical resolutions which are required to be passed by law by the Council and take into account the requirements of our precepting bodies.
- 2.10 Final decisions are being made by police, county and fire on 8, 19 and 21 February respectively and members will be advised accordingly.

**Martin Flitcroft**  
**Chief Finance Officer**

**Cllr Stuart Barker**  
**Portfolio Holder Corporate Resources**

<b>Wards affected</b>	All
<b>Contact for more information</b>	Martin Flitcroft 01626 215246 Claire Moors 01626 215242 Stuart Barker 07779 647990
<b>Background Papers (For Part I reports only)</b>	Budget and Settlement files The Constitution
<b>Key Decision</b>	Yes
<b>In Forward Plan</b>	Yes
<b>In O&amp;S Work Programme</b>	Yes

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## Budget timetable 2019/20

	October	November	December	January	February	March
Government (Chancellor) Autumn Budget Statement	29th					
Provisional local government settlement			13th			
Executive papers sent out - initial budget proposals			20th			
Start of formal six weeks consultation period			20th			
Budget survey emailed to businesses			20th			
Executive 10am - agree initial financial plan proposals including council tax base				8th		
Overview & Scrutiny 10am - consider Executive's financial plan				14th		
Council after O & S - approve council tax support and council tax base				14th		
Teignbridge Association of Local Parishes meeting 7pm TDC Council Chamber				31st		
Final settlement expected				31st		
Deadline for business rates retention estimate to government, county and fire				31st		
Police and Crime Panel consider precept and approve					1st	
Overview & Scrutiny 10am - consider Executive's final financial proposals					4th	
Fire Authority Resources 10am budget meeting					7th	
Executive 10am - agree final financial plan proposals, including budget monitoring					7th	
County Cabinet 10.30am budget meeting					15th	
Fire Authority - set fire precept and council tax					19th	
Devon County Council 2.15pm - set county precept and council tax					21st	
Reserve county budget meeting 10am if required					25th	
<b>Council meeting 10am - consider financial proposals and council tax resolution</b>					28th	
Close council tax accounts and start bills print unless delayed if council tax not set						1st

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## Section 1

Council Tax Base adjustment for Council Tax Support (CTS) and estimated growth						
	Estimated 19/20 Band D Number	18/19 Council Tax £	Estimated Income £	Estimated Collection Rate %	Estimated Net Income £	Estimated 19/20 Base
Full band D at November 2018	54,041.1	1,834.97	99,163,800			
less CTS at November 2018	<u>-4,817.3</u>	1,834.97	<u>-8,839,600</u>			
Starting point based on November 2018	49,223.8		90,324,200			
Anticipated growth at 1%	492.4	1,834.97	903,540			
<b>Total (rounded)</b>	<b>49,716.2</b>	<b>1,834.97</b>	<b>91,227,740</b>	<b>99.0%</b>	<b>90,315,390</b>	<b>49,219</b>

## Section 2

2019/20 Expected Council Tax (CT) Income at Current Council Tax Levels compared with 2018/19				
Preceptor	Estimated CT Base Number	18/19 Council Tax £	Expected income £	
2019/20 expected income (rounded)				
Towns and parishes	49,219	66.32	3,264,200	
District	49,219	165.17	8,129,500	
County	49,219	1,331.19	65,519,840	
Fire	49,219	84.01	4,134,890	
Police	49,219	188.28	9,266,950	
<b>Total (rounded) shows a 1.3% increase in expected income</b>		<b>1,834.97</b>	<b>90,315,380</b>	
2018/19 expected income (rounded)				
Towns and parishes	48,577	66.32	3,221,554	
District	48,577	165.17	8,023,463	
County	48,577	1,331.19	64,665,217	
Fire	48,577	84.01	4,080,954	
Police	48,577	188.28	9,146,078	
<b>Total (rounded)</b>		<b>1,834.97</b>	<b>89,137,270</b>	

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To show the extra Council Tax in 2019/20 that would be collected for varying increases by percentage and value.

Teignbridge Band D Council Tax 2018/19 (excluding parish precepts) **£165.17**  
 Approved Council Tax Base 2019/20 (at 99% collection rate) **[a] 49,219**

Varying increases in Council Tax for 2019/20			Total Band D Council Tax 2019/20	Increase in Council Tax income for 2019/20	[b] Total Council Tax income 2019/20
%	Per Year £	Per Week £	Per Year £	Per Year £	Per Year £
<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>165.17</b>	<b>0</b>	8,129,500
				No council tax freeze grant	0
				Total income	<b>8,129,500</b>
0.34	0.55	0.01	165.72	<b>27,070</b>	8,156,570
0.61	<b>1.00</b>	0.02	166.17	<b>49,220</b>	8,178,720
<b>1.00</b>	1.65	0.03	166.82	<b>81,210</b>	8,210,710
1.21	<b>2.00</b>	0.04	167.17	<b>98,440</b>	8,227,940
1.57	2.60	<b>0.05</b>	167.77	<b>127,970</b>	8,257,470
1.82	<b>3.00</b>	0.06	168.17	<b>147,660</b>	8,277,160
<b>2.00</b>	3.30	0.06	168.47	<b>162,420</b>	8,291,920
2.42	<b>4.00</b>	0.08	169.17	<b>196,880</b>	8,326,380
<b>2.99</b>	4.94	0.10	170.11	<b>243,140</b>	8,372,640
<b>3.03</b>	<b>5.00</b>	<b>0.10</b>	<b>170.17</b>	<b>246,100</b>	8,375,600

Note:

- [a]** Council Tax Base of 49,219 for 2019/20 approved by Council on 14 January 2019
- [b]** Total Council Tax income is calculated by multiplying the Band D Council Tax by the recommended Council Tax Base of 49,219
- [c]** No council tax freeze grant. Referendum limit proposed by government as higher of 3% or above £5 for Band D.

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## Revenue Budget Summary

Appendix 4

Revenue Budget	2018-19 Budget	2018-19 Latest	2019-20 Forecast	2020-21 Forecast	2021-22 Forecast
	£	£	£	£	£
<b>EXPENDITURE</b>					
1 Employees	19,507,770	19,867,650	20,290,580	20,773,550	21,174,660
2 Property	4,441,670	4,415,660	4,525,970	4,591,530	4,661,650
3 Services & supplies	5,287,470	6,000,530	5,376,340	5,246,660	5,325,120
4 Grant payments	35,590,780	31,740,010	28,864,450	27,054,450	25,154,450
5 Transport	711,530	772,270	816,080	849,120	902,220
6 Leasing & capital charges	1,477,300	1,410,390	1,453,840	1,536,300	1,551,620
7 Contributions to capital	1,321,500	1,429,320	204,820	523,510	688,510
<b>8 Total expenditure</b>	<b>68,338,020</b>	<b>65,635,830</b>	<b>61,532,080</b>	<b>60,575,120</b>	<b>59,458,230</b>
<b>INCOME</b>					
9 Sales	-974,430	-844,770	-840,430	-857,240	-874,380
10 Fees & charges	-9,654,440	-9,619,850	-9,987,330	-10,286,950	-10,595,560
11 Grants - income	-35,503,890	-31,216,070	-29,023,730	-27,198,730	-25,273,730
12 Property income	-2,975,900	-2,975,470	-3,004,650	-3,094,790	-3,187,630
13 Other income & recharges	-2,615,880	-3,486,170	-3,017,600	-3,059,200	-3,157,880
14 Transfer from (-) / to earmarked reserves	0	-729,420	324,180	-1,367,580	-1,279,890
<b>15 Total income</b>	<b>-51,724,540</b>	<b>-48,871,750</b>	<b>-45,549,560</b>	<b>-45,864,490</b>	<b>-44,369,070</b>
<b>16 Total net service cost</b>	<b>16,613,480</b>	<b>16,764,080</b>	<b>15,982,520</b>	<b>14,710,630</b>	<b>15,089,160</b>
<b>Funding</b>					
17 Council tax	-8,023,460	-8,023,460	-8,375,600	-8,707,880	-9,045,980
18 Council tax/community charge surplus	-127,640	-127,640	-126,150	0	0
19 Revenue support grant	0	0	0	0	0
20 Rates baseline funding	-3,685,050	-3,685,050	-3,339,390	-3,694,800	-3,793,800
21 Estimated rates retention and pooling gain	-1,310,000	-1,461,000	-1,489,410	-50,000	-100,000
22 New homes bonus/housing funding	-2,917,460	-2,917,460	-2,604,640	-2,209,790	-2,100,620
23 Other grants	0	0	-48,200	-48,200	-48,200
24 Business rate pilot funding	-550,000	-550,000	0	0	0
<b>25 Total funding</b>	<b>-16,613,610</b>	<b>-16,764,610</b>	<b>-15,983,390</b>	<b>-14,710,670</b>	<b>-15,088,600</b>
<b>26 -Surplus/shortfall</b>	<b>-130</b>	<b>-530</b>	<b>-870</b>	<b>-40</b>	<b>560</b>
<b>27 General reserves at end of year</b>	<b>1,872,707</b>	<b>1,945,101</b>	<b>1,945,971</b>	<b>1,946,011</b>	<b>1,945,451</b>
<b>28 General reserves as % of net revenue budget</b>	<b>11.3%</b>	<b>11.6%</b>	<b>12.2%</b>	<b>13.2%</b>	<b>12.9%</b>

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**All Services**

		<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>
		<b>Actual</b>	<b>Outturn</b>	<b>Budget</b>
		<b>£</b>	<b>£</b>	<b>£</b>
<b>Managing Director/Interim Head of Service</b>				
<b>Corporate Services</b>				
P Shears	Business Improvement & Development	-442,849	498,750	575,650
P Shears	Communications	197,071	179,970	201,310
P Shears	Democratic Services	690,386	752,650	727,310
P Shears	Electoral Services	157,217	201,240	276,680
M Flitcroft	Finance	573,874	548,970	640,540
P Shears	Human Resources	391,436	476,290	406,530
M Flitcroft	Internal Audit & Governance	149,233	175,540	198,790
M Flitcroft	Legal	337,248	327,020	321,480
M Flitcroft	Procurement	44,798	43,940	33,870
P Shears	Strategic Leadership Team	577,287	575,120	431,970
		<b>2,675,701</b>	<b>3,779,490</b>	<b>3,814,130</b>
<b>Strategic Place</b>				
P Shears	Building Control	-379,315	28,540	40,220
A Pujol	Customer Services	309,908	414,510	419,940
P Shears	Development Management	394,698	448,960	523,030
T Watson	Economy & Assets	90,886	-222,220	-189,660
A Pujol	Housing	984,138	1,232,550	1,279,950
T Watson	Parking	-2,415,532	-2,601,100	-2,631,820
A Pujol	Revenues & Benefits	512,953	553,080	884,380
P Shears	Spatial Planning	706,012	600,330	572,930
		<b>203,748</b>	<b>454,650</b>	<b>898,970</b>
<b>Environment, Health &amp; Wellbeing</b>				
A Pujol	Community Safety	96,561	89,410	101,680
T Watson	Environmental Health	963,037	962,680	1,049,770
L Montgomery	Green Spaces & Active Leisure	1,171,179	1,231,090	1,203,590
L Montgomery	Leisure	373,432	483,050	489,070
T Watson	Licensing	-71,169	-41,600	-60,880
L Montgomery	Resorts	71,667	134,590	88,440
L Montgomery	Waste, Recycling & Cleansing	4,681,742	5,147,300	5,495,170
		<b>7,286,449</b>	<b>8,006,520</b>	<b>8,366,840</b>
<b>Total all services</b>		<b>10,165,898</b>	<b>12,240,660</b>	<b>13,079,940</b>
<b>Financing Items</b>		<b>1,857,554</b>	<b>3,094,100</b>	<b>2,697,760</b>
<b>Total including financing items</b>		<b>12,023,452</b>	<b>15,334,760</b>	<b>15,777,700</b>
<b>Contribution to capital</b>		<b>1,466,341</b>	<b>1,429,320</b>	<b>204,820</b>
<b>Totals per actual/budget papers</b>		<b>13,489,793</b>	<b>16,764,080</b>	<b>15,982,520</b>

**Notes:**

There is a glossary of terms at the end of this appendix

PH: Manager: Activity Area:	Humphrey Clemens Andrew Carpenter Building Control	2017-18		2018-19		2019-20	
		FTE	Actual £	FTE	Outturn £	FTE	Budget £
<b><u>EXPENDITURE</u></b>							
	Employees	22.0	891,486	22.0	911,930	21.5	907,650
	Property		48,065		32,350		31,230
	Services & Supplies		133,841		130,570		113,770
	Grant Payments		0		0		0
	Transport		62,476		67,920		69,630
	Leasing & capital charges		0		0		0
			<b>1,135,868</b>		<b>1,142,770</b>		<b>1,122,280</b>
<b><u>INCOME</u></b>							
	Sales		0		0		0
	Fees & Charges		-871,247		-857,060		-880,000
	Property Income		0		0		0
	Grants - income		-506		0		0
	Other income & recharges		-643,430		-203,000		-202,060
	Transfers from earmarked reserves		0		-54,170		0
			<b>(1,515,183)</b>		<b>(1,114,230)</b>		<b>(1,082,060)</b>
<b>Service Cost</b>			<b>(379,315)</b>		<b>28,540</b>		<b>40,220</b>
<b>Service cost - £'s per head of population</b>			<b>-2.89</b>		<b>0.21</b>		<b>0.30</b>

PH: Manager: Activity Area:	Stuart Barker Kay O'Flaherty Business Improvement & Development Team	2017-18		2018-19		2019-20	
		FTE	Actual £	FTE	Outturn £	FTE	Budget £
<b><u>EXPENDITURE</u></b>							
	Employees	7.5	242,942	7.5	243,760	7.5	287,340
	Property		34,549		13,360		12,760
	Services & Supplies		48,863		58,350		89,130
	Grant Payments		189,003		191,470		191,470
	Transport		1,169		780		520
	Leasing & capital charges		0		0		0
			<b>516,526</b>		<b>507,720</b>		<b>581,220</b>
<b><u>INCOME</u></b>							
	Sales		0		0		0
	Fees & Charges		0		0		0
	Property Income		-567		-570		-570
	Grants - income		0		0		0
	Other income & recharges		-958,808		-5,300		-5,000
	Transfers from earmarked reserves		0		-3,100		0
			<b>(959,375)</b>		<b>(8,970)</b>		<b>(5,570)</b>
<b>Service Cost</b>			<b>(442,849)</b>		<b>498,750</b>		<b>575,650</b>
<b>Service cost - £'s per head of population</b>			<b>-3.37</b>		<b>3.75</b>		<b>4.29</b>

PH: Manager: Activity Area:	Jeremy Christophers Emma Percy Communications	2017-18		2018-19		2019-20	
		FTE	Actual £	FTE	Outturn £	FTE	Budget £
<b><u>EXPENDITURE</u></b>							
	Employees	4.0	145,459	4.0	126,540	4.0	146,890
	Property		4,165		2,800		3,360
	Services & Supplies		46,800		50,170		50,250
	Grant Payments		0		0		0
	Transport		647		480		830
	Leasing & capital charges		0		0		0
			<b>197,071</b>		<b>179,990</b>		<b>201,330</b>
<b><u>INCOME</u></b>							
	Sales		0		0		0
	Fees & Charges		0		0		0
	Property Income		0		0		0
	Grants - income		0		0		0
	Other income & recharges		0		-20		-20
	Transfers from earmarked reserves		0		0		0
			<b>0</b>		<b>(20)</b>		<b>(20)</b>
<b>Service Cost</b>			<b>197,071</b>		<b>179,970</b>		<b>201,310</b>
<b>Service cost - £'s per head of population</b>			<b>1.50</b>		<b>1.35</b>		<b>1.50</b>

PH: Manager: Activity Area:	Sylvia Russell Rebecca Hewitt Community Safety	2017-18		2018-19		2019-20	
		FTE	Actual £	FTE	Outturn £	FTE	Budget £
<b><u>EXPENDITURE</u></b>							
	Employees	2.0	84,744	2.0	77,910	2.0	88,040
	Property		2,180		1,510		3,920
	Services & Supplies		52,302		9,210		7,620
	Grant Payments		31,761		44,250		0
	Transport		2,969		2,480		2,100
	Leasing & capital charges		0		0		0
			<b>173,956</b>		<b>135,360</b>		<b>101,680</b>
<b><u>INCOME</u></b>							
	Sales		0		0		0
	Fees & Charges		0		0		0
	Property Income		0		0		0
	Grants - income		0		-1,700		0
	Other income & recharges		-77,395		-44,250		0
	Transfers from earmarked reserves		0		0		0
			<b>(77,395)</b>		<b>(45,950)</b>		<b>0</b>
<b>Service Cost</b>			<b>96,561</b>		<b>89,410</b>		<b>101,680</b>
<b>Service cost - £'s per head of population</b>			<b>0.73</b>		<b>0.67</b>		<b>0.76</b>

PH:	John Goodey	2017-18		2018-19		2019-20
Manager:	Tracey Hooper	Actual		Outturn		Budget
Activity Area:	Customer Services	FTE	£	FTE	£	£
<b><u>EXPENDITURE</u></b>						
Employees		13.0	252,522	13.0	292,470	287,040
Property			21,281		14,940	12,130
Services & Supplies			36,105		107,100	120,770
Grant Payments			0		0	0
Transport			0		0	0
Leasing & capital charges			0		0	0
			<b>309,908</b>		<b>414,510</b>	<b>419,940</b>
<b><u>INCOME</u></b>						
Sales			0		0	0
Fees & Charges			0		0	0
Property Income			0		0	0
Grants - income			0		0	0
Other income & recharges			0		0	0
Transfers from earmarked reserves			0		0	0
			<b>0</b>		<b>0</b>	<b>0</b>
<b>Service Cost</b>			<b>309,908</b>		<b>414,510</b>	<b>419,940</b>
<b>Service cost - £'s per head of population</b>			<b>2.36</b>		<b>3.12</b>	<b>3.13</b>

PH:	Jeremy Christophers	2017-18		2018-19		2019-20
Manager:	Phil Shears	Actual		Outturn		Budget
Activity Area:	Democratic Services	FTE	£	FTE	£	£
<b><u>EXPENDITURE</u></b>						
Employees		4.0	551,391	4.0	571,810	557,030
Property			14,856		9,800	7,170
Services & Supplies			92,298		105,900	92,180
Grant Payments			134,737		165,290	69,000
Transport			1,665		1,840	1,620
Leasing & capital charges			312		390	310
			<b>795,259</b>		<b>855,030</b>	<b>727,310</b>
<b><u>INCOME</u></b>						
Sales			0		0	0
Fees & Charges			-80		-10	0
Property Income			0		0	0
Grants - income			-103,993		-39,410	0
Other income & recharges			-800		-340	0
Transfers from earmarked reserves			0		-62,620	0
			<b>(104,873)</b>		<b>(102,380)</b>	<b>0</b>
<b>Service Cost</b>			<b>690,386</b>		<b>752,650</b>	<b>727,310</b>
<b>Service cost - £'s per head of population</b>			<b>5.25</b>		<b>5.67</b>	<b>5.42</b>

PH: Manager: Activity Area:	Humphrey Clemens Ros Eastman Development Management	2017-18		2018-19		2019-20	
		FTE	Actual £	FTE	Outturn £	FTE	Budget £
<b><u>EXPENDITURE</u></b>							
	Employees	33.0	1,136,980	33.0	1,171,380	33.0	1,240,660
	Property		74,120		63,470		67,400
	Services & Supplies		351,266		362,140		301,230
	Grant Payments		0		0		0
	Transport		31,262		27,980		27,550
	Leasing & capital charges		0		0		0
			<b>1,593,628</b>		<b>1,624,970</b>		<b>1,636,840</b>
<b><u>INCOME</u></b>							
	Sales		-54		0		0
	Fees & Charges		-1,051,351		-1,097,920		-1,097,620
	Property Income		0		0		0
	Grants - income		0		0		0
	Other income & recharges		-147,525		-31,240		-16,190
	Transfers from earmarked reserves		0		-46,850		0
			<b>(1,198,930)</b>		<b>(1,176,010)</b>		<b>(1,113,810)</b>
<b>Service Cost</b>			<b>394,698</b>		<b>448,960</b>		<b>523,030</b>
<b>Service cost - £'s per head of population</b>			<b>3.00</b>		<b>3.38</b>		<b>3.90</b>

PH: Manager: Activity Area:	Timothy Golder Tony Watson Economy & Assets	2017-18		2018-19		2019-20	
		FTE	Actual £	FTE	Outturn £	FTE	Budget £
<b><u>EXPENDITURE</u></b>							
	Employees	42.5	1,213,924	42.0	1,169,110	42.0	1,285,580
	Property		616,669		622,510		583,800
	Services & Supplies		708,258		573,680		452,030
	Grant Payments		40,876		4,390		2,230
	Transport		11,985		13,690		13,720
	Leasing & capital charges		0		0		0
			<b>2,591,712</b>		<b>2,383,380</b>		<b>2,337,360</b>
<b><u>INCOME</u></b>							
	Sales		-47,360		-23,240		-20,580
	Fees & Charges		-219,747		-206,530		-207,760
	Property Income		-1,950,168		-2,062,200		-2,120,500
	Grants - income		0		0		0
	Other income & recharges		-283,551		-207,990		-178,180
	Transfers from earmarked reserves		0		-105,640		0
			<b>(2,500,826)</b>		<b>(2,605,600)</b>		<b>(2,527,020)</b>
<b>Service Cost</b>			<b>90,886</b>		<b>(222,220)</b>		<b>(189,660)</b>
<b>Service cost - £'s per head of population</b>			<b>0.69</b>		<b>-1.67</b>		<b>-1.41</b>

PH: Manager: Activity Area:	Jeremy Christophers Cathy Ruelens Electoral Services	2017-18 Actual		2018-19 Outturn		2019-20 Budget
		FTE	£	FTE	£	£
	<b><u>EXPENDITURE</u></b>					
	Employees	2.0	91,110	2.0	104,910	116,160
	Property		40,007		6,530	6,730
	Services & Supplies		419,854		131,320	275,080
	Grant Payments		0		0	0
	Transport		528		750	290
	Leasing & capital charges		0		0	0
			<b>551,499</b>		<b>243,510</b>	<b>398,260</b>
	<b><u>INCOME</u></b>					
	Sales		0		0	0
	Fees & Charges		-2,651		-2,160	-2,160
	Property Income		0		0	0
	Grants - income		-20,913		-16,730	0
	Other income & recharges		-370,718		-5,170	-30,100
	Transfers from earmarked reserves		0		-18,210	-89,320
			<b>(394,282)</b>		<b>(42,270)</b>	<b>(121,580)</b>
<b>Service Cost</b>			<b>157,217</b>		<b>201,240</b>	<b>276,680</b>
<b>Service cost - £'s per head of population</b>			<b>1.20</b>		<b>1.51</b>	<b>2.06</b>

PH: Manager: Activity Area:	Sylvia Russell David Eaton & Paul Nicholls Environmental Health	2017-18 Actual		2018-19 Outturn		2019-20 Budget
		FTE	£	FTE	£	£
	<b><u>EXPENDITURE</u></b>					
	Employees	23.0	729,450	23.0	726,160	817,020
	Property		48,290		38,370	49,160
	Services & Supplies		205,667		233,340	201,340
	Grant Payments		0		0	0
	Transport		35,451		32,290	32,730
	Leasing & capital charges		9,889		6,330	6,330
			<b>1,028,747</b>		<b>1,036,490</b>	<b>1,106,580</b>
	<b><u>INCOME</u></b>					
	Sales		-10,197		-6,000	-6,000
	Fees & Charges		-41,830		-39,210	-42,170
	Property Income		0		0	0
	Grants - income		-1,610		-920	0
	Other income & recharges		-12,073		-9,790	-8,640
	Transfers from earmarked reserves		0		-17,890	0
			<b>(65,710)</b>		<b>(73,810)</b>	<b>(56,810)</b>
<b>Service Cost</b>			<b>963,037</b>		<b>962,680</b>	<b>1,049,770</b>
<b>Service cost - £'s per head of population</b>			<b>7.33</b>		<b>7.25</b>	<b>7.82</b>

PH: Manager: Activity Area:	Stuart Barker Martin Flitcroft Finance	2017-18		2018-19		2019-20	
		FTE	Actual £	FTE	Outturn £	FTE	Budget £
<b><u>EXPENDITURE</u></b>							
	Employees	14.0	517,240	14.0	492,410	14.0	586,750
	Property		25,848		17,760		21,230
	Services & Supplies		40,301		42,910		36,670
	Grant Payments		0		0		0
	Transport		630		870		870
	Leasing & capital charges		0		0		0
			<b>584,019</b>		<b>553,950</b>		<b>645,520</b>
<b><u>INCOME</u></b>							
	Sales		0		0		0
	Fees & Charges		0		0		0
	Property Income		0		0		0
	Grants - income		0		0		0
	Other income & recharges		-10,145		-4,980		-4,980
	Transfers from earmarked reserves		0		0		0
			<b>(10,145)</b>		<b>(4,980)</b>		<b>(4,980)</b>
<b>Service Cost</b>			<b>573,874</b>		<b>548,970</b>		<b>640,540</b>
<b>Service cost - £'s per head of population</b>			<b>4.37</b>		<b>4.13</b>		<b>4.77</b>

PH: Manager: Activity Area:	Phil Bullivant Lorraine Montgomery Green Spaces & Active Leisure	2017-18		2018-19		2019-20	
		FTE	Actual £	FTE	Outturn £	FTE	Budget £
<b><u>EXPENDITURE</u></b>							
	Employees	14.5	461,774	14.0	455,540	13.5	444,500
	Property		1,012,433		952,070		968,470
	Services & Supplies		297,063		262,640		210,540
	Grant Payments		7,904		18,470		4,750
	Transport		11,992		11,960		11,870
	Leasing & capital charges		0		0		0
			<b>1,791,166</b>		<b>1,700,680</b>		<b>1,640,130</b>
<b><u>INCOME</u></b>							
	Sales		-4,320		-3,670		-5,020
	Fees & Charges		-223,924		-202,760		-250,900
	Property Income		-165,182		-164,730		-158,800
	Grants - income		-96,408		-43,500		0
	Other income & recharges		-130,153		-48,420		-21,820
	Transfers from earmarked reserves		0		-6,510		0
			<b>(619,987)</b>		<b>(469,590)</b>		<b>(436,540)</b>
<b>Service Cost</b>			<b>1,171,179</b>		<b>1,231,090</b>		<b>1,203,590</b>
<b>Service cost - £'s per head of population</b>			<b>8.91</b>		<b>9.27</b>		<b>8.97</b>

PH: Manager: Activity Area:	Humphrey Clemens Amanda Pujol Housing	2017-18		2018-19		2019-20	
		FTE	Actual £	FTE	Outturn £	FTE	Budget £
<b><u>EXPENDITURE</u></b>							
	Employees	31.0	1,152,377	31.0	1,283,590	30.5	1,100,680
	Property		279,526		274,410		265,500
	Services & Supplies		492,625		784,650		608,200
	Grant Payments		390,672		933,900		382,000
	Transport		23,973		28,890		24,580
	Leasing & capital charges		0		0		0
			<b>2,339,173</b>		<b>3,305,440</b>		<b>2,380,960</b>
<b><u>INCOME</u></b>							
	Sales		-1,200		-1,500		-1,200
	Fees & Charges		-1,975		-6,670		-3,220
	Property Income		-451,982		-485,980		-489,360
	Grants - income		-598,313		-523,770		-474,860
	Other income & recharges		-301,565		-387,700		-132,370
	Transfers from earmarked reserves		0		-667,270		0
			<b>(1,355,035)</b>		<b>(2,072,890)</b>		<b>(1,101,010)</b>
<b>Service Cost</b>			<b>984,138</b>		<b>1,232,550</b>		<b>1,279,950</b>
<b>Service cost - £'s per head of population</b>			<b>7.49</b>		<b>9.28</b>		<b>9.54</b>

PH: Manager: Activity Area:	Stuart Barker Tim Slater Human Resources	2017-18		2018-19		2019-20	
		FTE	Actual £	FTE	Outturn £	FTE	Budget £
<b><u>EXPENDITURE</u></b>							
	Employees	6.5	267,722	6.5	348,720	7.0	294,870
	Property		25,780		17,310		17,840
	Services & Supplies		112,797		109,960		93,300
	Grant Payments		0		0		0
	Transport		345		530		530
	Leasing & capital charges		0		0		0
			<b>406,644</b>		<b>476,520</b>		<b>406,540</b>
<b><u>INCOME</u></b>							
	Sales		0		0		0
	Fees & Charges		0		0		0
	Property Income		0		0		0
	Grants - income		0		0		0
	Other income & recharges		-15,208		-230		-10
	Transfers from earmarked reserves		0		0		0
			<b>(15,208)</b>		<b>(230)</b>		<b>(10)</b>
<b>Service Cost</b>			<b>391,436</b>		<b>476,290</b>		<b>406,530</b>
<b>Service cost - £'s per head of population</b>			<b>2.98</b>		<b>3.59</b>		<b>3.03</b>

PH: Manager: Activity Area:	Stuart Barker Sue Heath Internal Audit & Governance	2017-18		2018-19		2019-20	
		FTE	Actual £	FTE	Outturn £	FTE	Budget £
<b><u>EXPENDITURE</u></b>							
	Employees	2.5	132,262	2.5	169,450	3.5	180,740
	Property		8,095		5,450		8,390
	Services & Supplies		8,602		12,460		9,480
	Grant Payments		0		0		0
	Transport		279		180		180
	Leasing & capital charges		0		0		0
			<b>149,238</b>		<b>187,540</b>		<b>198,790</b>
<b><u>INCOME</u></b>							
	Sales		0		0		0
	Fees & Charges		0		0		0
	Property Income		0		0		0
	Grants - income		0		0		0
	Other income & recharges		-5		0		0
	Transfers from earmarked reserves		0		-12,000		0
			<b>(5)</b>		<b>(12,000)</b>		<b>0</b>
<b>Service Cost</b>			<b>149,233</b>		<b>175,540</b>		<b>198,790</b>
<b>Service cost - £'s per head of population</b>			<b>1.14</b>		<b>1.32</b>		<b>1.48</b>

PH: Manager: Activity Area:	Stuart Barker Karen Trickey Legal	2017-18		2018-19		2019-20	
		FTE	Actual £	FTE	Outturn £	FTE	Budget £
<b><u>EXPENDITURE</u></b>							
	Employees	7.0	314,777	6.0	351,130	6.0	292,430
	Property		15,760		11,510		16,950
	Services & Supplies		31,064		32,910		31,790
	Grant Payments		0		0		0
	Transport		525		290		440
	Leasing & capital charges		0		0		0
			<b>362,126</b>		<b>395,840</b>		<b>341,610</b>
<b><u>INCOME</u></b>							
	Sales		0		0		0
	Fees & Charges		-19,182		-16,130		-20,130
	Property Income		0		0		0
	Grants - income		0		0		0
	Other income & recharges		-5,696		-1,300		0
	Transfers from earmarked reserves		0		-51,390		0
			<b>(24,878)</b>		<b>(68,820)</b>		<b>(20,130)</b>
<b>Service Cost</b>			<b>337,248</b>		<b>327,020</b>		<b>321,480</b>
<b>Service cost - £'s per head of population</b>			<b>2.57</b>		<b>2.46</b>		<b>2.39</b>

PH:	Phil Bullivant	2017-18		2018-19		2019-20
Manager:	James Teed	Actual		Outturn		Budget
Activity Area:	Leisure	£	FTE	£	FTE	£
<b><u>EXPENDITURE</u></b>						
Employees	69.5	1,538,612	69.5	1,684,550	69.5	1,810,830
Property		943,276		897,770		876,860
Services & Supplies		310,497		324,710		345,330
Grant Payments		12,500		17,500		15,000
Transport		4,597		4,920		4,510
Leasing & capital charges		1,799		1,800		1,800
		<b>2,811,281</b>		<b>2,931,250</b>		<b>3,054,330</b>
<b><u>INCOME</u></b>						
Sales		-9,641		-4,900		-4,660
Fees & Charges		-2,240,784		-2,261,140		-2,379,060
Property Income		1,492		0		0
Grants - income		-1,132		0		0
Other income & recharges		-187,784		-182,160		-181,540
Transfers from earmarked reserves		0		0		0
		<b>(2,437,849)</b>		<b>(2,448,200)</b>		<b>(2,565,260)</b>
<b>Service Cost</b>		<b>373,432</b>		<b>483,050</b>		<b>489,070</b>
<b>Service cost - £'s per head of population</b>		<b>2.84</b>		<b>3.64</b>		<b>3.64</b>

PH:	Sylvia Russell	2017-18		2018-19		2019-20
Manager:	Andrea Furness	Actual		Outturn		Budget
Activity Area:	Licensing	£	FTE	£	FTE	£
<b><u>EXPENDITURE</u></b>						
Employees	3.0	100,935	3.0	111,390	3.0	91,990
Property		4,894		3,680		6,440
Services & Supplies		31,027		50,590		51,490
Grant Payments		0		0		0
Transport		136		220		270
Leasing & capital charges		0		0		0
		<b>136,992</b>		<b>165,880</b>		<b>150,190</b>
<b><u>INCOME</u></b>						
Sales		0		0		0
Fees & Charges		-208,161		-207,480		-211,070
Property Income		0		0		0
Grants - income		0		0		0
Other income & recharges		0		0		0
Transfers from earmarked reserves		0		0		0
		<b>(208,161)</b>		<b>(207,480)</b>		<b>(211,070)</b>
<b>Service Cost</b>		<b>(71,169)</b>		<b>(41,600)</b>		<b>(60,880)</b>
<b>Service cost - £'s per head of population</b>		<b>-0.54</b>		<b>-0.31</b>		<b>-0.45</b>

PH:	Timothy Golder	2017-18		2018-19		2019-20
Manager:	Tony Watson	Actual		Outturn		Budget
Activity Area:	Parking	£	FTE	£	FTE	£
<b><u>EXPENDITURE</u></b>						
Employees	9.0	230,446	9.0	217,760	9.0	240,210
Property		592,817		645,500		617,900
Services & Supplies		233,029		258,680		257,490
Grant Payments		3,038		1,530		0
Transport		2,232		2,770		3,590
Leasing & capital charges		9,164		9,160		9,160
		<b>1,070,726</b>		<b>1,135,400</b>		<b>1,128,350</b>
<b><u>INCOME</u></b>						
Sales		0		0		0
Fees & Charges		-3,416,898		-3,638,880		-3,695,900
Property Income		-21,825		-37,810		-19,370
Grants - income		0		0		0
Other income & recharges		-47,535		-46,290		-44,900
Transfers from earmarked reserves		0		-13,520		0
		<b>(3,486,258)</b>		<b>(3,736,500)</b>		<b>(3,760,170)</b>
<b>Service Cost</b>		<b>(2,415,532)</b>		<b>(2,601,100)</b>		<b>(2,631,820)</b>
<b>Service cost - £'s per head of population</b>		<b>-18.38</b>		<b>-19.58</b>		<b>-19.61</b>

PH:	Stuart Barker	2017-18		2018-19		2019-20
Manager:	Lucy Ford	Actual		Outturn		Budget
Activity Area:	Procurement & Commissioning	£	FTE	£	FTE	£
<b><u>EXPENDITURE</u></b>						
Employees	1.0	73,659	1.0	84,690	1.0	52,670
Property		0		0		1,440
Services & Supplies		3,673		3,870		3,950
Grant Payments		0		0		0
Transport		0		60		60
Leasing & capital charges		0		0		0
		<b>77,332</b>		<b>88,620</b>		<b>58,120</b>
<b><u>INCOME</u></b>						
Sales		0		0		0
Fees & Charges		0		0		0
Property Income		0		0		0
Grants - income		0		0		0
Other income & recharges		-32,534		-44,680		-24,250
Transfers from earmarked reserves		0		0		0
		<b>(32,534)</b>		<b>(44,680)</b>		<b>(24,250)</b>
<b>Service Cost</b>		<b>44,798</b>		<b>43,940</b>		<b>33,870</b>
<b>Service cost - £'s per head of population</b>		<b>0.34</b>		<b>0.33</b>		<b>0.25</b>

PH: Manager: Activity Area:	Phil Bullivant Sarah Holgate Resorts	2017-18		2018-19		2019-20	
		FTE	Actual £	FTE	Outturn £	FTE	Budget £
<b><u>EXPENDITURE</u></b>							
	Employees	8.0	182,459	8.0	190,480	8.5	202,070
	Property		88,028		106,400		48,890
	Services & Supplies		78,948		88,760		69,620
	Grant Payments		0		0		0
	Transport		3,857		3,280		4,130
	Leasing & capital charges		226		0		0
			<b>353,518</b>		<b>388,920</b>		<b>324,710</b>
<b><u>INCOME</u></b>							
	Sales		19		0		0
	Fees & Charges		-27,856		-20,300		-24,300
	Property Income		-218,485		-212,860		-208,650
	Grants - income		0		0		0
	Other income & recharges		-35,529		-4,450		-3,320
	Transfers from earmarked reserves		0		-16,720		0
			<b>(281,851)</b>		<b>(254,330)</b>		<b>(236,270)</b>
<b>Service Cost</b>			<b>71,667</b>		<b>134,590</b>		<b>88,440</b>
<b>Service cost - £'s per head of population</b>			<b>0.55</b>		<b>1.01</b>		<b>0.66</b>

PH: Manager: Activity Area:	Stuart Barker Tracey Hooper Revenues & Benefits	2017-18		2018-19		2019-20	
		FTE	Actual £	FTE	Outturn £	FTE	Budget £
<b><u>EXPENDITURE</u></b>							
	Employees	53.0	1,169,495	52.0	1,187,060	49.0	1,364,060
	Property		105,211		71,600		69,890
	Services & Supplies		597,310		678,010		692,240
	Grant Payments		32,753,607		30,115,450		28,200,000
	Transport		3,305		2,470		2,020
	Leasing & capital charges		0		0		0
			<b>34,628,928</b>		<b>32,054,590</b>		<b>30,328,210</b>
<b><u>INCOME</u></b>							
	Sales		0		0		0
	Fees & Charges		-168,116		-190,430		-190,430
	Property Income		0		0		0
	Grants - income		-33,404,353		-30,573,750		-28,540,770
	Other income & recharges		-543,506		-731,330		-712,630
	Transfers from earmarked reserves		0		-6,000		0
			<b>(34,115,975)</b>		<b>(31,501,510)</b>		<b>(29,443,830)</b>
<b>Service Cost</b>			<b>512,953</b>		<b>553,080</b>		<b>884,380</b>
<b>Service cost - £'s per head of population</b>			<b>3.90</b>		<b>4.16</b>		<b>6.59</b>

PH: Manager: Activity Area:	Humphrey Clemens Simon Thornley Spatial Planning	2017-18		2018-19		2019-20	
		FTE	Actual £	FTE	Outturn £	FTE	Budget £
<b><u>EXPENDITURE</u></b>							
	Employees	11.0	497,120	10.0	512,170	9.5	417,780
	Property		29,738		19,760		9,270
	Services & Supplies		252,490		264,430		141,200
	Grant Payments		17,583		4,970		0
	Transport		7,586		7,140		4,780
	Leasing & capital charges		0		0		0
			<b>804,517</b>		<b>808,470</b>		<b>573,030</b>
<b><u>INCOME</u></b>							
	Sales		0		0		0
	Fees & Charges		-127		-100		-100
	Property Income		0		0		0
	Grants - income		-65,485		0		0
	Other income & recharges		-32,893		-34,640		0
	Transfers from earmarked reserves		0		-173,400		0
			<b>(98,505)</b>		<b>(208,140)</b>		<b>(100)</b>
<b>Service Cost</b>			<b>706,012</b>		<b>600,330</b>		<b>572,930</b>
<b>Service cost - £'s per head of population</b>			<b>5.37</b>		<b>4.52</b>		<b>4.27</b>

PH: Manager: Activity Area:	Jeremy Christophers Phil Shears Strategic Leadership Team	2017-18		2018-19		2019-20	
		FTE	Actual £	FTE	Outturn £	FTE	Budget £
<b><u>EXPENDITURE</u></b>							
	Employees	6.0	496,262	6.0	527,910	5.0	396,780
	Property		28,440		19,150		13,680
	Services & Supplies		48,492		24,040		17,010
	Grant Payments		0		0		0
	Transport		4,254		4,300		4,780
	Leasing & capital charges		0		0		0
			<b>577,448</b>		<b>575,400</b>		<b>432,250</b>
<b><u>INCOME</u></b>							
	Sales		0		0		0
	Fees & Charges		0		0		0
	Property Income		0		0		0
	Grants - income		0		0		0
	Other income & recharges		-161		-280		-280
	Transfers from earmarked reserves		0		0		0
			<b>(161)</b>		<b>(280)</b>		<b>(280)</b>
<b>Service Cost</b>			<b>577,287</b>		<b>575,120</b>		<b>431,970</b>
<b>Service cost - £'s per head of population</b>			<b>4.39</b>		<b>4.33</b>		<b>3.22</b>

PH: Manager: Activity Area:	Kevin Lake Chris Braines Waste, Recycling & Cleansing	2017-18 Actual		2018-19 Outturn		2019-20 Budget
		FTE	£	FTE	£	FTE
	<b><u>EXPENDITURE</u></b>					
	Employees	170.0	4,236,932	170.0	4,732,370	177.0
	Property		553,236		559,970	
	Services & Supplies		1,055,461		1,123,070	
	Grant Payments		0		8,000	
	Transport		475,952		554,410	
	Leasing & capital charges		1,271,649		1,275,510	
			<b><u>7,593,230</u></b>		<b><u>8,253,330</u></b>	
	<b><u>INCOME</u></b>					
	Sales		-863,882		-805,460	
	Fees & Charges		-851,457		-873,070	
	Property Income		-5,783		-11,240	
	Grants - income		-8,000		-8,190	
	Other income & recharges		-1,182,366		-1,386,940	
	Transfers from earmarked reserves		0		-21,130	
			<b><u>(2,911,488)</u></b>		<b><u>(3,106,030)</u></b>	
			<b><u>4,681,742</u></b>		<b><u>5,147,300</u></b>	
<b>Service Cost</b>			<b><u>4,681,742</u></b>		<b><u>5,147,300</u></b>	<b><u>5,495,170</u></b>
<b>Service cost - £'s per head of population</b>			<b>35.62</b>		<b>38.75</b>	<b>40.94</b>

**Glossary**Column Headings

2017-18 Actual – the actual cost of the service for last year

2018-19 Outturn – the likely cost of the service for this year

2019-20 Budget – the budget proposed for the service for next year

FTE – the budgeted full time equivalent average staff numbers for the year  
The numbers ignore spend on agency staff and Members allowances

Expenditure

Employees – includes staff related costs such as salaries, training, recruitment and employee insurance

Property – all property related costs including rent, rates, utilities, repairs, maintenance, cleaning and property insurance (including central offices and depot costs)

Services and Supplies – covers the purchase of goods and services including items such as printing, stationery, contractors, postage, telephones, specialist fees & Strata

Grant Payments – specific payments for grants and rent subsidies including rent allowances, council tax benefit, councillors' community fund and rural aid

Transport – includes fuel, vehicle repairs and maintenance, travel and subsistence costs

Leasing - includes cost of vehicles and equipment subject to lease and/or rental agreement

Income

Sales – income from the sale of items including recycled materials

Fees & Charges – income generated from services where we charge a fee, including car parks, land charges, leisure, planning and building regulation

Grant Income – this identifies grants mainly toward specific costs such as rent allowances

Property Income – income related to property such as rent, rights and lettings

Other Income – income not covered by any of the above including contributions to costs

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## Final Proposed Fees and Charges Income 2019/20

## Appendix 6

Service	Actual 2017/18 £	Probable 2018/19 £	Proposed 2019/20 £	Dept total 2019/20 £	Department
Building Control	- 871,247	- 857,060	- 880,000	- 880,000	Building Control
Misc	- 80	- 10	-	-	Democratic Services
Land Charges	- 216,262	- 211,000	- 211,000		
Planning	- 825,415	- 879,300	- 879,300		
Planning Admin	- 1,733	- 400	- 100		
Street Naming	- 7,941	- 7,220	- 7,220	- 1,097,620	Development Management
Livestock Market	- 20,485	- 14,500	- 14,500		
Old Forde house	- 17,324	- 14,370	- 15,600		
Retail Market	- 181,938	- 177,660	- 177,660	- 207,760	Economy & Assets
Electoral Registration	- 2,651	- 2,160	- 2,160	- 2,160	Electoral Services
Dog Control	- 2,335	- 1,790	- 2,790		
Health & Food Safety	- 7,557	- 4,320	- 8,040		
Health Licence Fees	- 25,239	- 27,400	- 25,850		
Litter Clearance	- 4,712	- 3,950	- 3,550		
Nuisance Parking	- 50	- 50	- 50		
Private Water Supply Sampling	- 1,937	- 1,700	- 1,890	- 42,170	Environmental Health
Amenity & Conservation Sites	- 1,889	- 2,430	- 1,840		
Cemetery Fees	- 144,122	- 124,690	- 173,290		
Shaldon Golf	- 66,689	- 63,220	- 63,260		
Sports Pitches	- 11,225	- 12,420	- 12,510	- 250,900	Green Spaces & Active Leisure
Housing	- 1,975	- 6,670	- 3,220	- 3,220	Housing
Legal Fees	- 19,182	- 16,130	- 20,130	- 20,130	Legal
Broadmeadow Sports Centre	- 89,754	- 92,300	- 94,420		
Dawlish Leisure Centre	- 217,206	- 212,800	- 225,570		
Leisure Childcare	- 105,102	- 90,460	- 105,090		
Leisure Memberships	- 1,317,544	- 1,374,000	- 1,418,560		
Newton Abbot Leisure Centre	- 467,093	- 450,580	- 487,660		
Outdoor Pools	- 44,084	- 41,000	- 47,760	- 2,379,060	Leisure
Gambling Act 2005	- 24,678	- 25,560	- 25,560		
Hackney Carriage	- 53,157	- 53,820	- 57,410		
Licensing Act 2003	- 130,326	- 128,100	- 128,100	- 211,070	Licensing
Car Parks	- 3,416,898	- 3,638,880	- 3,695,900	- 3,695,900	Parking
Beach huts	- 6,240	- 9,380	- 6,460		
Boat Storage	- 8,417	- 10,870	- 17,780		
Leisure Events	-	- 50	- 60		
Polly Steps	- 13,200	-	-	- 24,300	Resorts
Council Tax	- 168,116	- 190,430	- 190,430	- 190,430	Revenues & Benefits
Local Development Framework	- 127	- 100	- 100	- 100	Spatial Planning
Abandoned Vehicles	- 1,920	- 760	- 760		
Commercial Waste / Household Refuse	- 832,103	- 861,960	- 964,210		
Composting	- 1,744	- 1,660	- 1,920		
Toilets for Disabled	- 167	- 170	- 210		
Vehicle Workshop	- 15,523	- 8,520	- 15,410	- 982,510	Waste, Recycling & Cleansing
<b>Grand Totals</b>	<b>- 9,345,386</b>	<b>- 9,619,850</b>	<b>- 9,987,330</b>	<b>- 9,987,330</b>	

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			35,142	14,356	27,849	22,601	8,550	Totals (£'000)
Code /bid no.	Asset/Service Area	Description	ORIGINAL	LATEST	LATEST	LATEST	LATEST	Teignbridge 10
			BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	
			2018-19	2018-19	2019-20	2020-21	2021-22	
			£'000	£'000	£'000	£'000	£'000	
			(Inc Fees)	(Inc Fees)	(Inc Fees)	(Inc Fees)		
Bid 52	* Bakers Park	Provision for Bakers Park development (S106)	489		489			8. Out and about and active
KW4	Bishopsteignton	Bishops Avenue improvements (RS)	-	20				9. Strong communities
KL1	Broadband	Contribution to Superfast Broadband (RS)	-	-	250			6. Investing in prosperity
Bid 28	* Broadmeadow Sports Centre	Provision for Broadmeadow Sports Centre Asbestos (RS)	-		101			8. Out and about and active
Bid 31	* Broadmeadow Sports Centre	Provision for Broadmeadow Sports Centre central boiler installation (CR)	45		45			8. Out and about and active
Bid 4	* Broadmeadow Sports Centre	Provision for Broadmeadow Sports Centre Improvement Plan (S106/BC).	1,545		1,545			8. Out and about and active
K1	Broadmeadow Sports Centre	Broadmeadow Sports Centre Roof (CR)	68		68			8. Out and about and active
KM8	Car parks	Multi-storey office facilities (RS)	-	33				3. Going to town
KM9	Car parks	Point Car Park Machinery (RS)	-	20				3. Going to town
Bid 229e	* Carbon Management	Provision for Carbon Management Programme (CR)	340	-	340			10. Zero heroes
KY5	Carbon Management	Energy/Utility Reduction (CR)	75	308				10. Zero heroes
Bid 245	* Churchyards	Provision for Churchyards (RS)	-	-	45			4. Great places to live & work
KD4	Churchyards	Closed Churchyards (RS,CR)		57				4. Great places to live & work
KR3	Coastal Monitoring	SW Regional Coastal Monitoring Programme. (GG,EC)	732	1,123	798	724		9. Strong communities
KR5	Coastal Monitoring	Coastal asset review: project management support (GG)	-	176				9. Strong communities
KR6	Coastal Monitoring	Coastal asset review (GG)	200	327				9. Strong communities
KW2	Collett Way	Collett Way - re-lay to adoption standard (CR)	-	52				6. Investing in prosperity
K18	Combeinteignhead	Combeinteignhead (Env.Agency)	155	-				9. Strong communities
KW3	Cricketfield	UTC Cricketfield Footpath (CR)	-	-	45			3. Going to town
Bid 211	* Cycle paths	Provision for Other cycling (CIL)	50	-	280	100		7. Moving up a gear
Bid 211	* Cycle paths	Provision for Dawlish/Teignmouth Cycle Schemes (later years) (CIL)	-			65	100	7. Moving up a gear
Bid 211	* Cycle paths	Provision for Heart of Teignbridge cycling (later years) (CIL)	-			115	100	7. Moving up a gear
KG8	Cycle paths	(Updated) Dawlish/Teignmouth Cycle Schemes (CIL)	30	60	180	140		7. Moving up a gear
KG8	Cycle paths	(Updated) Heart of Teignbridge Cycle Provision (CIL)	120	-	180	50		7. Moving up a gear
Bid 2	* Dawlish Leisure Centre	Provision for Dawlish Leisure Centre Improvement Plan (CIL).	-			435		8. Out and about and active
Bid 7	* Dawlish Leisure Centre	Provision for Dawlish Leisure Centre Drainage Overhall & Improve (CR)	40		40			8. Out and about and active
KR7	Dawlish Warren	Contribution to Dawlish Warren Beach Management Scheme (EC)		20				9. Strong communities

**TEIGNBRIDGE DISTRICT COUNCIL  
CAPITAL PROGRAMME 2018-19 TO 2021-22**

**Appendix 7**

			35,142	14,356	27,849	22,601	8,550	Totals (£'000)
Code /bid no.	Asset/Service Area	Description	ORIGINAL	LATEST	LATEST	LATEST	LATEST	Teignbridge 10
			BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	
			2018-19	2018-19	2019-20	2020-21	2021-22	
			£'000 (Inc Fees)	£'000 (Inc Fees)	£'000 (Inc Fees)	£'000 (Inc Fees)	£'000	
KM1	Dawlish Warren	Dawlish Warren Car Park Renovations (RS,CR)	200	220				3. Going to town
KS5	Dawlish Warren	Dawlish Warren Toilets (CR)	-	12				4. Great places to live & work
Bid 78	* Dawlish Warren Visitor Centre	Provision for Dawlish Warren Visitor Centre (HRA/S106/CIL,EA,HLF,EC)	-		-	1,464		4. Great places to live & work
KB8	Dawlish Warren	Dawlish Warren Boardwalk (S106)		100				4. Great places to live & work
KB4	Dawlish Warren	Fencing (EC)	-	11				4. Great places to live & work
KP2	Dawlish Water	Wall Repair (RS)	-	25				4. Great places to live & work
Bid 46	* Play area equipment/refurb	Provision for Decoy refurb (S106/CIL)	-	-	150			8. Out and about and active
KL4	Employment Land	Purchase of Minerva Building (GG,PB)	-	2,829	1,136			6. Investing in prosperity
KL5b	* Employment Land	Provision for other employment land purchase and infrastructure (BC: Prudential Borrowing)	-	-	2,000			6. Investing in prosperity
K34	Energy Company	Energy Company (CIL)	177	-	177			9. Strong communities
Bid 125a	* Forde Road Depot	Provision for Forde Road depot concrete repairs (CR)	-	46				5. Health at the heart
Bid 297	* Heart of Teignbridge	Provision for Heart of Teignbridge Employment Sites (BC: Prudential Borrowing; CR)	-		5,350			6. Investing in prosperity
Bid 297	* Heart of Teignbridge	Provision for Heart of Teignbridge Employment Sites (BC: Prudential Borrowing; CR)	-		200			6. Investing in prosperity
Bid 87	* Heart of Teignbridge	Provision for A382 Improvements (CIL) (2022-27)	-			1,000	1,500	7. Moving up a gear
KW6	Heart of Teignbridge	Kingsteignton/Kingskerswell Education Provision (CIL)	1,250	1,250				4. Great places to live & work
KW8	Heart of Teignbridge	Houghton Barton land (EC)	-	23	134			4. Great places to live & work
J1	Housing	Discretionary - Disrepair Loans & Grants (GG/CR)	105	50	50	50	50	1. A roof over our heads
JW4a	Housing	Statutory - Disabled Facilities (GG)	1,000	1,706	1,000	1,000	1,000	1. A roof over our heads
JY3	Housing	Broadhempston Community Land Trust (CR)	-	60				1. A roof over our heads
JY3	Housing	Exception site Starcross (CR)	-	65				1. A roof over our heads
JY3	Housing	Exception site Denbury (CR)	-	50				1. A roof over our heads
JY3	Housing	Downsizer initiative Shutterton Dawlish Warren (CR)	-	180				1. A roof over our heads
JY3	Housing	Surplus TDC sites in Newton Abbot (East St) (CR)	-		115			1. A roof over our heads
JY3	Housing	Longstone Cross Ashburton (CR)	-	-	100			1. A roof over our heads
JY3	Housing	Compulsory purchase/Empty Homes Projects (CR)	314	-		300		1. A roof over our heads
JY3	Housing	Shared Equity Scheme (CR)	-	105				1. A roof over our heads
JY3	Housing	Glebelands, Buckfastleigh (S106)		43				1. A roof over our heads
JY3	Housing	Affordable Housing unallocated (CR)	86	-	-	91	200	1. A roof over our heads
JY5	Housing	Additional plots Haldon (S106,CR)	-	278				1. A roof over our heads
Bid 80	* HRA contribution	Provision for HRA (CIL)	35		118	61	70	4. Great places to live & work
KV1	IT - Committee	Replacement IT Equipment/ Committee Mgt (RS)	<b>46</b>	21	10			What else we will do
KV3	IT - provision for Mobile Working	Mobile Working (RS,CR)	-	55	68			What else we will do

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Code /bid no.	Asset/Service Area	Description	ORIGINAL	LATEST	LATEST	LATEST	LATEST	Teignbridge 10
			BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	
			2018-19	2018-19	2019-20	2020-21	2021-22	
			£'000 (Inc Fees)	£'000 (Inc Fees)	£'000 (Inc Fees)	£'000 (Inc Fees)	£'000	
KV4	IT - Customer Services	Customer Portal (RS)	-	189				What else we will do
KV5	IT - Finance	Cash and Income Management (RS)			22			What else we will do
KV6	IT - Convergence	Strata projects: Convergence Projects (RS)	-	40				What else we will do
KV6	IT 17-18 Strata projects	Strata business plan (RS)	-	81				What else we will do
KV6	IT - Car parks	(Updated) Car Park systems upgrade (CR)	-	11				3. Going to town
KV7	IT - Planning	Strata projects: Uniform Implementation (RS)	-	58				What else we will do
KV8	IT - Capital contribution	Ongoing contributions towards Strata (RS)	41	41	41	41	41	What else we will do
KV9	IT - HR	Strata projects: Human Resources (RS)	-	31				What else we will do
KW1	IT - Customer Services	Reception Management (RS)	-	28				What else we will do
KW7	IT - Customer Services	Open channel/open access (RS)	-	11				What else we will do
KW9	IT - Customer Services	ECM (RS)			14			What else we will do
KX1	IT - Legal Services	Legal Case Management (RS)			18			What else we will do
KP3	Kenton	Kenton Watercourse (Env.Agency)	-	100				4. Great places to live & work
Bid 300	* Kingsteignton	Provision for Kingsteignton Open Space (S106)	60	60				8. Out and about and active
Bid 1	* Leisure	Provision for Playing Pitch Improvement Plan (S106)	175		300			8. Out and about and active
KG9	Leisure	CCTV (RS,S106)	-	40				8. Out and about and active
K11	Marsh Barton	Marsh Barton Station (CIL)	-			1,300		7. Moving up a gear
Bid 43	* Michaels Field	Provision for Michaels Field Phase 2 (S106/grant)	-		136			8. Out and about and active
Bid 23	* Newton Abbot Leisure Centre	Provision for Newton Abbot Leisure Centre fire alarm control panel (CR)	30				30	8. Out and about and active
Bid 236a/b & 237	* Newton Abbot Leisure Centre	Provision for Newton Abbot Leisure Centre AC Unit , Accoustic main sports hall & sports hall cooling system. (CR)	90				90	5. Health at the heart
Bid 3	* Newton Abbot Leisure Centre	Provision for Newton Abbot Leisure Centre Improvement Plan (S106;RS;CR)	350				350	8. Out and about and active
KG6	Newton Abbot Leisure Centre	Newton Abbot Leisure Centre lift refurbishment (S106)	-	41				8. Out and about and active
KF1	Newton Abbot Leisure Centre	Newton Abbot Leisure Centre gym floor covering (S106)		15				8. Out and about and active
KF5	Newton Abbot Leisure Centre	Newton Abbot Leisure Centre Gym Equipment (RS,S106)	40	109	40	40	40	8. Out and about and active
Bid 299	* Newton Abbot Town Centre	Provision for Newton Abbot Town Centre Improvements (BC: Prudential Borrowing;CR)	18,000	-	2,100	10,800	2,300	3. Going to town
KL6	Newton Abbot Town Centre	Market Walk improvement works (CR, RS)	-	1,950				3. Going to town
KL9	Newton Abbot Town Centre	Cattle Market Enabling Works (CR)	-	200				3. Going to town
KL7	Newton Abbot Town Centre	Bradley Lane Enabling Works (RS,CR)	-	153				3. Going to town
KW5	Open Spaces	Cirl bunting land (S106)	-	134				4. Great places to live & work
KB3	Open Spaces	Purchase of Gator (EC)	-	13				4. Great places to live & work
KS4	Pavilions Teignmouth	Pavilions, Teignmouth (CR)	-	64				3. Going to town
K7	Penns Mount Park	Penns Mount Hilltop Park (CIL)	-			400		4. Great places to live & work

**TEIGNBRIDGE DISTRICT COUNCIL  
CAPITAL PROGRAMME 2018-19 TO 2021-22**

**Appendix 7**

			35,142	14,356	27,849	22,601	8,550	Totals (£'000)
Code /bid no.	Asset/Service Area	Description	ORIGINAL	LATEST	LATEST	LATEST	LATEST	Teignbridge 10
			BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	
			2018-19	2018-19	2019-20	2020-21	2021-22	
			£'000 (Inc Fees)	£'000 (Inc Fees)	£'000 (Inc Fees)	£'000 (Inc Fees)	£'000	
Bid 44	* Play area equipment/refurb	Provision for Dawlish play space flagship provision (S106)	-	-	75			8. Out and about and active
Bid 45	* Play area equipment/refurb	Provision for Powderham Newton Abbot play space equipment (S106)	30	30				8. Out and about and active
Bid 47	* Play area equipment/refurb	Provision for Newton Abbot Play Area (S106)	74	74				8. Out and about and active
KJ1	* Play area equipment/refurb	Coombe Valley Play Area (S106)	-	50				8. Out and about and active
Bid 49	* Play area equipment/refurb	Provision for Den, Teignmouth play area overhaul (S106/CIL)	200		200			8. Out and about and active
Bid 50	* Play area equipment/refurb	Provision for Higher Woodway, Teignmouth play area refurb (S106)	30	30				8. Out and about and active
Bid 51	* Play area equipment/refurb	Provision for Meadow Centre Teignmouth play area major refurb (S106)	30	30				8. Out and about and active
Bid 58	* Play area equipment/refurb	Provision for Palace Meadow, Chudleigh play space overhaul (S106)	-			15		8. Out and about and active
Bid 67	* Play area equipment/refurb	Provision for Teignbridge-funded play area refurb/equipment (CR)	114		114			8. Out and about and active
KJ2	Play area equipment/refurb	Ogwell play area (S106)	-	43				8. Out and about and active
KS1	* Public Conveniences	Wallgate Replacements (RS)	75	82				2. Clean scene
KP1	Sandygate	Sandygate, Kingsteignton (Env.Agency 2022-27)	-	-				9. Strong communities
KB1	SANGS/Open Spaces	SANGS land purchase (GG; CIL)	700	190	475		435	4. Great places to live & work
KB1	SANGS/Open Spaces	SANGS instatement (GG; CIL)			298		95	4. Great places to live & work
KB7	SANGS/Open Spaces	SANGS: Dawlish (CIL)	-	177	-			4. Great places to live & work
Bid 95	* South West Exeter	Provision for South West Exeter Transport (2022-27) (CIL)	-					7. Moving up a gear
K13	South West Exeter	(Updated) SW Exeter Education Provision (CIL)	-	-	1,000	1,950		4. Great places to live & work
Bid 5	* Sport & Leisure	Provision for Sports Provision (CIL)	-		65	311		8. Out and about and active
Bid 72	* Sport & Leisure	Provision for Outdoor sport facility to serve Newton Abbot area (S106)	460	230	230			8. Out and about and active
K6	Sport & Leisure	Sports allocation (CIL)	358	-	358			8. Out and about and active
Bid 90	* Teignbridge	Provision for Education (CIL)	-			2,050	2,050	4. Great places to live & work
Bid 40	* Teignmouth Lido	Provision for Teignmouth Lido boiler replacement (CR)	100	100				8. Out and about and active
KM7	* Teignmouth Point	Point Upper, Teignmouth Resurface (RS)	-	62				3. Going to town
Bid 227	* Sport & Leisure	Provision for Water Users' Facility (CR)	30	-	-			8. Out and about and active
Bid 228	Teignmouth Town Centre	Provision for Teignmouth Town Centre Improvements (BC: Prudential Borrowing)	6,900	-	6,900			6. Investing in prosperity
KL5	Teignmouth	Beachcomber café (RS)		130				3. Going to town
Bid 77	* Teignmouth	Provision for Teignmouth open space (S106)	50		50			4. Great places to live & work
Bid 116	* Waste Management	Provision for Bulking Station - replace telehandlers (2022-27) (CR)	-					2. Clean scene
KS8	Waste Management	Bulking Station - baler (RS)	-	205				2. Clean scene
Bid 118	* Waste Management	Provision for Bulking Station - replace Sortline (2022-27) (CR)	-					2. Clean scene
Bid 120	* Waste Management	Provision for Waste vehicles - additional recycling (RS)	-		200			2. Clean scene
Bid 121	* Waste Management	Provision for: Replace kerbsider (CR)	48	50	100			2. Clean scene
KS0	Waste Management	Purchase of Wheeled Bins (RS)	99	109	99	99	99	2. Clean scene

**TEIGNBRIDGE DISTRICT COUNCIL  
CAPITAL PROGRAMME 2018-19 TO 2021-22**

**Appendix 7**

			35,142	14,356	27,849	22,601	8,550	Totals (£'000)
Code /bid no.	Asset/Service Area	Description	ORIGINAL	LATEST	LATEST	LATEST	LATEST	Teignbridge 10
			BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	
			2018-19	2018-19	2019-20	2020-21	2021-22	
			£'000 (Inc Fees)					
KT6	Waste Management	Bulking Station Expansion or Relocation & Vehicle Space (CR)	-	70				2. Clean scene
			35,142	14,356	27,849	22,601	8,550	

Code /bid no.	Asset/Service Area	Description	35,142	14,356	27,849	22,601	8,550	Totals (£'000)
			ORIGINAL	LATEST	LATEST	LATEST	LATEST	Teignbridge 10
			BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	
			2018-19	2018-19	2019-20	2020-21	2021-22	
			£'000	£'000	£'000	£'000	£'000	
			(Inc Fees)	(Inc Fees)	(Inc Fees)	(Inc Fees)	(Inc Fees)	
<b>FUNDING GENERAL</b>								
Revenue contributions applied to existing expenditure					(77)	(343)	(468)	
Capital Receipts Unapplied - Brought forward			(3,494)	(3,275)	(2,493)	(2,013)	(2,013)	
Capital Receipts - Anticipated			(100)	(311)	(650)	-	-	
Budgeted Revenue Contribution plus additional for specific schemes			(550)	(1,429)	(128)	(180)	(220)	
Use of Revenue Contributions Reserve				(1,809)	-	-	(166)	
Government Grants			(987)	(2,727)	(1,899)	(1,505)	-	
S106			(1,780)	(961)	(1,459)	(187)	(130)	
Other External Contributions			(1,400)	(245)	(134)	(510)	-	
Community Infrastructure Levy			(2,909)	(1,500)	(3,461)	(7,978)	(4,351)	
Internal Borrowing			-	(227)	(662)	-	-	
Capital Receipts Unapplied - Carried forward			1,183	2,493	2,013	2,013	1,880	
Business cases: Prudential borrowing			(23,600)	(1,829)	(17,711)	(10,800)	(2,300)	
<b>HOUSING</b>								
Capital Receipts Unapplied - Brought forward			(758)	(1,296)	(1,526)	(2,011)	(2,320)	
Capital Receipts - Anticipated			(50)	(60)	(50)	(50)	(50)	
Capital Receipts - Right to Buy			(700)	(700)	(700)	(700)	(700)	
Better Care Funding and other government grants.			(1,000)	(1,706)	(1,000)	(1,000)	(1,000)	
Other External Contributions				(300)	-	-	-	
Internal Borrowing								
Budgeted Revenue Contribution plus additional for specific schemes.				-	-	-	-	
Capital Receipts Unapplied - Carried forward			1,003	1,526	2,011	2,320	2,820	
<b>TOTAL FUNDING</b>			<b>(35,142)</b>	<b>(14,356)</b>	<b>(27,849)</b>	<b>(22,601)</b>	<b>(8,550)</b>	
Revenue contribution re: previous years' expenditure			(771)	-	(77)	(343)	(468)	
<b>Programme Funding</b>								
Budgeted Revenue Contribution			(550)	(1,429)	(128)	(180)	(220)	
Additional Revenue Contributions towards specific schemes.				-				
Revenue Contributions earmarked reserve.				(1,809)	-	-	(166)	
Capital Receipts			(2,916)	(1,623)	(1,395)	(441)	(384)	
Section 106			(1,780)	(1,261)	(1,459)	(187)	(130)	
Other External Contribution			(1,400)	(245)	(134)	(510)	-	
Grant			(1,987)	(4,433)	(2,899)	(2,505)	(1,000)	
Community Infrastructure Levy			(2,909)	(1,500)	(3,461)	(7,978)	(4,350)	
Internal borrowing				(227)	(662)	-		
Business cases: Prudential borrowing			(23,600)	(1,829)	(17,711)	(10,800)	(2,300)	
<b>Total</b>			<b>(35,142)</b>	<b>(14,356)</b>	<b>(27,849)</b>	<b>(22,601)</b>	<b>(8,550)</b>	
Balance of capital receipts			(2,186)	(4,019)	(4,024)	(4,333)	(4,699)	

**Key:** EC - External Contributions  
GG - Government Grant  
CR - Capital Receipt  
RS - Revenue Savings  
BC - Business Case  
\* - Provisional scheme, pending full approval  
**Denotes a change in the programme**

## Financial plan sensitivity and risk analysis

1. The budget assumes £13.8 million of income from fees and charges, recycling, property and investments. Whilst this assumption is realistic it includes significant rental income from Market Walk and there is always the risk that income could fall or be less than anticipated. **A drop in income as compared to budget of around 10% would result in a loss of £1,383,000.**
2. A small provision of 1% has been made for potential losses in council tax collection which is likely to be more difficult next year with the estimated overall increase of 4.8% in council tax.
3. Inflation on costs is being managed through energy reduction measures and cost effective procurement. An allowance of £188,000 for inflation (excluding pay award provision) is included in the budget which is considered reasonable.
4. Known liabilities have been provided for and there are no significant outstanding claims.
5. The final settlement confirmed significantly reducing figures for revenue support grant going down to NIL for 2019/20.
6. Business rates retention income from rates growth above the baseline and some pooling gain has been assumed for the four plan years. This is reasonable being largely based on the special grants we are due to get to cover the cost to Teignbridge of government schemes to help businesses. 75% retention is included for 2020/21. A realistic provision of £600,000 has been made for business rates appeals next year. We are only protected against any rates downturn or further rates appeals by a relatively low safety net and **a 10% reduction in funding would be £483,000.**
7. New homes bonus was estimated on 620 extra homes per year as in the local plan and a 4 year payment. In addition a 0.4% baseline deduction reduces the figure year on year. The reducing figure of £2.6 million has been used in the budget and continuing baseline reductions of 0.4% have been assumed for 2020/21 and 2021/22. The Government has intimated eliminating New Homes Bonus and replacing with an alternative form of housing funding. No details of what the changes might be are available at present or whether this will actually take place.
8. The capital programme is financed over the next three years using realistic estimates of contributions from revenue, receipts, grants, and other funding including community infrastructure levy. Provisions are shown for major town centre and employment site investment to be funded through prudential borrowing. However these are indicative projects only and not being approved in this budget with individual business cases to be brought to members for consideration as they are developed.

### Summary & conclusion

Significant risks are identified above with a potential total adverse revenue effect for 2019/20 of £1.9 million. However, revenue reserves are planned to be 11.6% of the net revenue budget or £1.9 million. Cash flow is forecast to be positive over the next twelve months apart from some minor temporary borrowing. I therefore confirm the robustness of the budget and the adequacy of the reserves.

Martin Flitcroft, Chief Finance Officer

28 February 2019

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## Proposal: Budget 2019/2020

Conducted by: Martin Flitcroft  
Date: 06 February 2019

### Aims of the Proposal

The budget proposes to make the best use of diminishing funds in a way that reflects the priorities of the council in the ten year Strategy 2016-25 and the Teignbridge Ten overarching projects.

With no council tax freeze, and reduced grant from government, this budget includes a council tax increase of £5 equivalent to 3.03%, a review of fees and charges, the agreed two year pay deal of a wage increase of 2% with higher increases of up to 9.2% in 2018/19 and 5.9% in 2019/20 for lower grades linked to increases in the statutory national living wage to staff, whilst continuing to maintain services.

### Environment impacts

The proposal indicates the following impacts on the environment.

	<i>Please score</i>
	<div style="border: 1px solid black; padding: 5px; display: inline-block;"> <span style="color: green; font-weight: bold;">+3</span> ← <span style="font-weight: bold;">0</span> → <span style="color: red; font-weight: bold;">-3</span> </div>
Natural environment (wildlife, landscape, trees).	+2
Built environment (townscape, design, archaeology, conservation).	+1
Climate change (adaptation, mitigation).	+1
Resource use (land, energy, water, minerals).	+1

- The budget anticipates continued funding of the ongoing Local Plan process, development management and green spaces. All of which can help preserve and enhance the natural environment and mitigate the effect of new development.
- The capital programme contains provision for investment which will reduce our use of, and spend on, energy. It also includes a significant contribution towards Suitable Alternative Natural Green Spaces (SANGS) at South West Exeter plus provisions for a contribution towards the Penns Mount Hilltop Park and investment at Bakers Park Development.
- Working with the Environment Agency the programme also includes substantial investment in South West regional coastal monitoring and coastal asset review.

### Value and financial impacts

The proposal indicates the following financial impacts.

	<i>Please score</i>
	<div style="border: 1px solid black; padding: 5px; display: inline-block;"> <span style="color: green; font-weight: bold;">+3</span> ← <span style="font-weight: bold;">0</span> → <span style="color: red; font-weight: bold;">-3</span> </div>
<b>Jobs or training opportunities</b>	+2

<p>The capital programme continues the provision for employment land purchase and development with the aim of improving the economy and jobs in the area.</p>	
<p><b>Business investment within the area</b> Continuing with free Sunday parking may assist local businesses Investment in superfast broadband, with provisions for employment sites and town centre improvements in the capital programme.</p>	+1
<p><b>The supply or quality of housing</b> Housing investment continues with the majority going into the improvement of private sector housing. Affordable housing provision is mainly facilitated in rural and/or small sites with the majority of the remainder being achieved through the Local Plan.</p>	+2
<p><b>Access to services and benefits</b> Continued provision of housing benefit and council tax support (where the most vulnerable receive 100% council tax support) along with improved 24/7 interactions for customers, and the website with easily accessible information</p> <p>Extra council tax income should help avoid the need for service cuts as main government funding reduces.</p> <p>The increased car park revenue will be partly invested in replacement car parking machines and improving payment options for car park users improving access for customers.</p>	+1
<p><b>Reduce cost or increase income</b> The car parks review of fees and charges and estimates of income increasing by £57,000 which will be used to assist with inflationary costs.</p> <p>Continuing reductions in management costs and increasing savings from the Strata partnership</p> <p>Market Walk rentals continue with reinvestment into the area including shop frontal improvements and a covered walkway.</p> <p>Forde House accommodation rentals with the Department for Works &amp; Pensions continue to make more efficient use of the building and reduce net costs. This is generating additional rental income and sharing of costs.</p>	+1
<p><b>Increase capital receipts/funding</b> The capital programme is funded by sales of assets and realistic assumptions about future receipts upon which it is dependent have been made. Community infrastructure levy funding continues and is increasing.</p>	+2

There are significant contributions from revenue at just over £1.4 million in the current year and £1.4 million over the next three years enabled by new homes bonus receipts but these are assumed to reduce in later years.	
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## Social impacts and duties

The proposal indicates the following social impacts.

	<i>Please score</i>
	+3 ← 0 → -3
<b>Age</b>	
<b>Children</b> (Under 16) – 17%	+1
<b>Young</b> (16-24) – 9%	+1
<b>Working age</b> (25-59) – 43%	+1
<b>Older</b> (60+) – 31%	+1
<b>Men</b> – 48%	0
<b>Women</b> – 52%	+1
<b>Transgender</b> – c. 1%	0
<b>BAME (Black, Asian, minority ethnic)</b> – 4%	0
<b>LGB (lesbian, gay, bisexual)</b> – c. 5%	0
<b>Marriage and Civil Partnership</b> – 52%	0
<b>Religion and belief</b> – 72%	0
<b>Disability</b> – 21%	+1
<b>Pregnancy and Maternity</b>	0
Rural – 27%	+1
Economic Deprivation – 22%	+1

\* **Bold** = 'Protected characteristics'

Have representatives of those likely to be affected by the proposal been **consulted**?    Yes

These specific budget proposals have been publicised and a survey added to the website which has been drawn to the attention of the Residents' Panel and Teignbridge relationship groups. Overview and scrutiny considered the initial proposals on 14 January and met to look at the final proposals on 4 February. In particular the survey was brought to the attention of businesses. Towns and parishes have been advised of the main budget proposals. Responses are generally supportive.

The proposals are based on the provisional settlement. The final settlement has now been received by government and there are no significant adjustments however we continue to deal with the impact of previous decisions to reduce new homes bonus and eliminate revenue support grant.

Whilst a council tax increase is proposed Teignbridge has an approved council tax support scheme where it is possible to receive 100% reduction in the council tax charge. The most recently

approved changes from 1 April 2017 ensure the district schemes continue to align across Devon as far as possible and mirror work incentives in Universal Credit. The changes were consulted upon and 100% reduction in the council tax charge will still be possible. No further changes were proposed in 2018/19 or for 2019/20.

There is provision for sports including leisure centre improvements, and provision for the playing pitch improvement plan.

Capital projects are identified to the relevant Teignbridge Ten strategy projects.

Are there ongoing plans to **monitor** the impact of the proposals?  Yes

Are there any relevant **Human Rights** considerations?  No

### Summary of impacts and planned mitigations:

#### Age

- Children and Young People

Potential beneficial impacts include:

- Access to training, work placements and employment
- Affordable housing options and increased supply of housing
- Sports and other activities targeted at the young
- Contributions to education provision proposed for South West Exeter and the wider Teignbridge area.
- Provisions for play area improvements.

- Working Age People

Potential beneficial impacts include:

- Access to training, work placements and employment opportunities, predominantly in the urban areas
- Provision of a range of affordable housing choices and increased supply supported by adequate infrastructure
- A proposed new railway station at Marsh Barton to provide residents access to employment

- Older People

Potential beneficial impacts include:

- Enhanced opportunities for participation in community life
- Support for vulnerable older people to live in their own homes
- Sports and activities aimed at older people
- New accessible green spaces

#### Gender

- Women

Potential beneficial impacts include:

- Parents with young children, predominantly young women, are often socially isolated. Targeted actions in deprived areas and the provision of specific sporting / leisure activities may provide a benefit for this population
- Demographically women form the greater part of our population of older people. Actions targeted at older groups may particularly benefit women

## Disabilities

Potential beneficial impacts include:

- Improved access to services through 24/7 online/automated web interactions without leaving home
- Continued support to adaptations and lifetime design principles in housing

## Rural

Potential beneficial impacts include:

- Support for business may benefit the rural economy
- Improved access to services through 24/7 online/automated web interactions without leaving home
- Support for the protection and enhancement of the natural and built characteristics of the environment may support the rural economy
- Provision of affordable housing is mainly facilitated in rural and/or small sites
- Supporting community transport initiatives
- An approved contribution is included towards the Connecting Devon & Somerset partnership project to enhance the Phase 2 Superfast Broadband programme.

## Economic Deprivation

Potential beneficial impacts include:

- Actions to improve access to training and jobs
- Providing in excess of the statutory national living wage to lower paid Teignbridge staff with increases of up to 5.9% from 1 April 2019
- Council tax support for the most vulnerable residents
- Improved quality and availability of housing

## Duties

Under the Equality Act 2010 s.149 the Council must annually publish what actions we have taken in response to our 3 equality duties. **This proposal contributes to the duties in the following ways:**

- 1) **The elimination of discrimination, harassment, victimisation and other prohibited conduct by....** Working to eliminate anti-social behaviour and improve feelings of community safety
- 2) **The advancement of equality of opportunity by.....**
  - providing decent places to live, work and play that are accessible for all
  - Improving access to services
  - helping people of all ages to get healthy

- helping the homeless and providing benefit support/debt advice
- supporting training and skills education, investing in prosperity to make jobs available for all

### 3) The fostering of good relations between people by.....

- supporting communities to identify what they need, and how to get it; bring together communities with voluntary groups and assist in finding funding streams for making their places safer, healthier and more vibrant

### Managers' evaluation

- No major change required.
- Adjustments have been made to better advance equality.
- Continue despite having identified some potential for adverse impacts.  
(Please detail your justification here.)
- Cease the proposal. It shows actual or potential unlawful discrimination.

### Recommended Actions

No further action is required, (pending results of the consultation exercise).

Sign Off	
Service Manager	Signed: Martin Flitcroft _____ Date: 06 February 2019
BID	Signed: Kay O'Flaherty _____ Date: 06 February 2019
	Date the BIA should be reviewed _____ N/A

**PRUDENTIAL INDICATORS**

Indicator Number	Code Page	Para No.	Indicator	Actual 2017-18	Estimate 2018-19	Budget 2019-20	Forecast 2020-21	Forecast 2021-22
1	22	73	<b>AFFORDABILITY</b> Estimates of the ratio of financing costs to net revenue stream		(.48%)	0.27%	0.54%	0.36%
2	22	74	Actual ratio of financing costs to net revenue stream	(0.15%)	-	-	-	-
3	20	62	<b>PRUDENCE</b> Gross debt and the capital financing requirement.	Will not exceed	CFR		----- >	----- >
4	18	48	<b>CAPITAL EXPENDITURE</b> Estimates of capital expenditure		£14.36 M	£27.85 M	£22.6 M	£8.55 M
5	18	50	Actual capital expenditure	£6.01 M				
6	18	51	Estimates of CFR		£17.34 M	£40.63 M	£52.92 M	£54.49 M
7	18	54	Actual capital financing requirement	£15.56 M				
8	19	55	<b>EXTERNAL DEBT</b> Authorised limit			£30 M	£48 M	£53 M
9	19	56	Operational boundary			£25 M	£41 M	£47 M
10	20	60	Actual external debt at 31/3/18 (Borrowing plus long-term liabilities).	£6.638 M				
11			<b>TREASURY INDICATORS</b> Adoption of the CIPFA Treasury Management in the Public Services: Code of practice and cross-sectoral guidance notes 2017 Edition.	YES	YES	YES	YES	YES
12			<u>Maturity structure of borrowing:</u> <u>Fixed rate borrowing</u> under 12 months 12 months and within 24 months 24 months and within five years five years and within 10 years 10 years and above	Upper/lower 0%/0%	Upper/lower 100%/0%	Upper/lower 100%/0%	Upper/lower 100%/0%	Upper/lower 100%/0%
				0%/0%	0%/0%	40%/0%	40%/0%	40%/0%
				0%/0%	0%/0%	40%/0%	40%/0%	40%/0%
				0%/0%	0%/0%	40%/0%	40%/0%	40%/0%
				0%/0%	0%/0%	60%/0%	60%/0%	60%/0%
13			<u>Variable rate borrowing</u> NB: no more than 10% of overall external borrowing under 12 months 12 months and within 24 months 24 months and within five years five years and within 10 years 10 years and above	0%/0%	100%/0%	100%/0%	100%/0%	100%/0%
				0%/0%	0%/0%	60%/0%	60%/0%	60%/0%
				0%/0%	0%/0%	40%/0%	40%/0%	40%/0%
				0%/0%	0%/0%	0%/0%	0%/0%	0%/0%
				0%/0%	0%/0%	0%/0%	0%/0%	0%/0%
14			Total principal sums invested for periods longer than 365 days	£0 M	£0 M	£0 M	£0 M	£0 M

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**TEIGNBRIDGE DISTRICT COUNCIL TREASURY MANAGEMENT: POLICY STATEMENT, CLAUSES TO BE ADOPTED, STRATEGY STATEMENT AND AUTHORISED LENDING LIST FROM 28 FEBRUARY 2019**  
**MINIMUM REVENUE PROVISION ANNUAL STATEMENT**

**Background**

The Local Government Act 2003 requires local authorities to “have regard” to the Chartered Institute of Public Finance & Accountancy (CIPFA) Treasury Management (TM) Code and Prudential Code. Teignbridge District Council is guided by the CIPFA *Treasury Management in the Public Services Code of Practice and Cross-Sectoral Guidance Notes 2017*, which requires that local authorities report annually on their treasury strategy and plan before the start of the year. The *Prudential Code* requires local authorities to set and revise prudential indicators, while the Ministry of Housing, Communities and Local Government (MHCLG)’s 2018 *Statutory Guidance on Local Government Investments (3<sup>rd</sup> Edition)* requires authorities to produce a publicly available investment strategy setting out policies for managing investments.

**Review of Treasury Management Policy Statement**

The CIPFA *Treasury Management in the Public Services Code of Practice and Cross-Sectoral Guidance Notes 2017* recommends in Section 6 that an organisation’s treasury management policy statement adopts the following form of words to define the policies and objectives of its treasury management activities. There has been no change since February 2018, however the statement is shown in full below:

1. Teignbridge District Council defines its treasury management activities as:  
The management of its investments and cash flows, its banking, money market and capital transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.
2. Teignbridge District Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.
3. Teignbridge District Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance management techniques, within the context of effective risk management.

Please see Strategy below for more information about policies for borrowing and investments.

The Code also recommends that all public service organisations adopt the following four clauses, which Teignbridge District Council did in February 2018. There has been no change since then.

**Clauses adopted**

1. Teignbridge District Council will create and maintain, as the cornerstones for effective treasury management:
  - A treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities

**TEIGNBRIDGE DISTRICT COUNCIL TREASURY MANAGEMENT: POLICY STATEMENT, CLAUSES TO BE ADOPTED, STRATEGY STATEMENT AND AUTHORISED LENDING LIST FROM 28 FEBRUARY 2019**  
**MINIMUM REVENUE PROVISION ANNUAL STATEMENT**

- Suitable treasury management practices (TMPs), setting out the manner in which Teignbridge District Council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.
- 2. Full Council will receive reports on its treasury management policies, practices and activities, including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close, in the form prescribed by its TMPs.
- 3. Teignbridge District Council delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to the Executive Committee, and for the execution and administration of treasury management decisions to the Chief Finance Officer, who will act in accordance with Teignbridge District Council's policy statement and TMPs and, if he/she is a CIPFA member, CIPFA's Standard of Professional Practice on Treasury Management.
- 4. Teignbridge District Council nominates the Audit Scrutiny Committee to be responsible for ensuring the effective scrutiny of the treasury management strategy and policies.

## **Treasury Management Strategy**

### **Managing Risk**

It is CIPFA's view that the overriding aim of the treasury management function should be the effective identification, monitoring and control of risk. The TM Code identifies the main treasury management risks. These are considered in detail within Teignbridge District Council's TM Practices, which are available within Finance. This strategy sets out the council's approach to investments and borrowing and in particular, credit and counterparty risk, liquidity risk, interest rate risk and refinancing risk.

### **Interest rate risk**

This is the risk that fluctuations in the levels of interest rates create an unexpected or unbudgeted burden on an organisation's finances, against which it has failed to protect itself adequately.

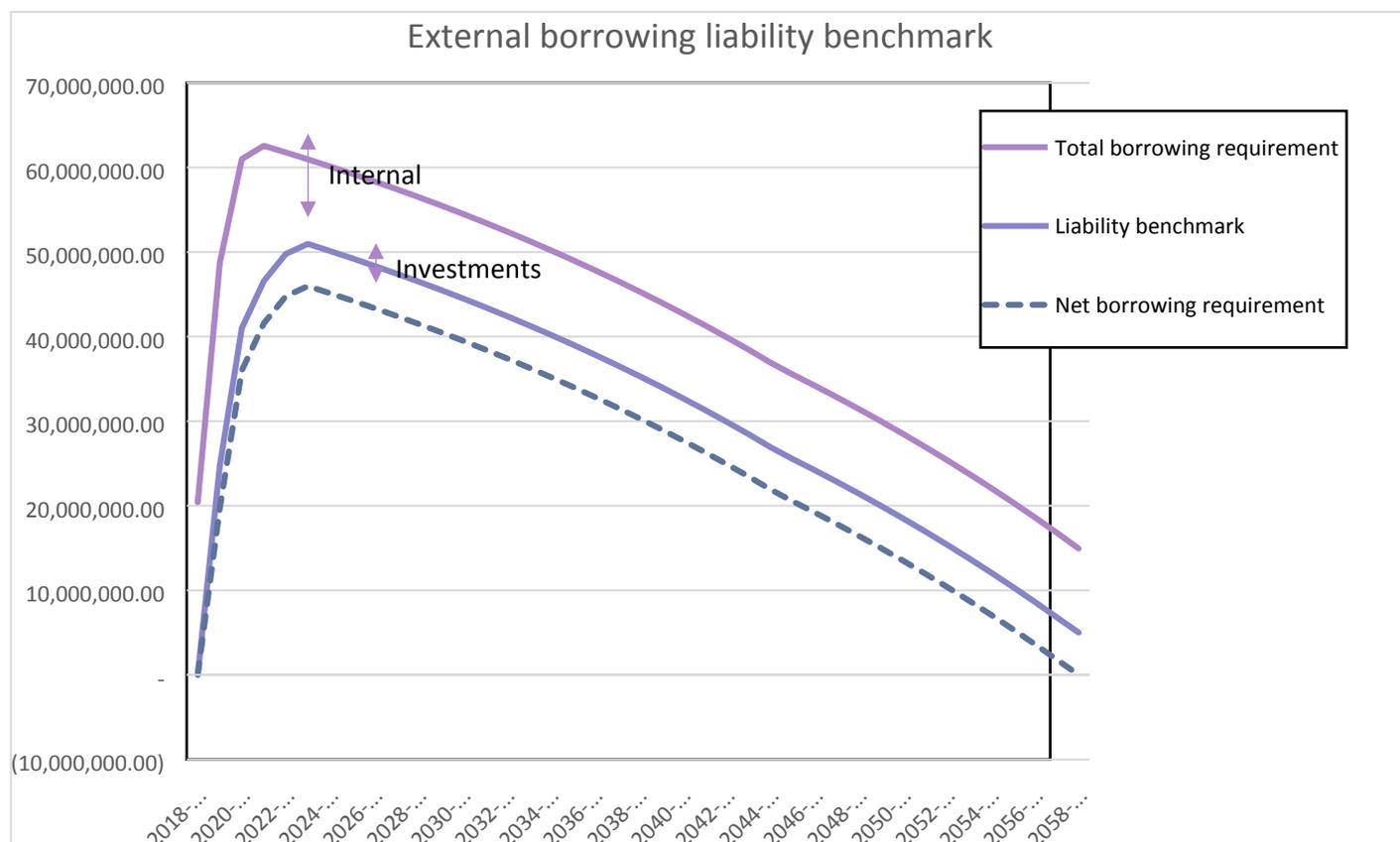
The treasury management team actively monitors interest rates and provides a monthly interest forecast report in order to regularly assess the impact of interest rate changes on the council's budgets.

The council does not currently have any long-term external borrowing. However there are policies in place through the Prudential Indicators to ensure a planned and well-balanced spread of maturity dates. This is in order to reduce the prospect of having to negotiate refinancing at an unfavourable time.

The review of the Treasury Management Code has removed the requirement for an interest rate exposure indicator. However, the councils are encouraged to define their own "liability benchmark". This has been calculated by working out the total borrowing requirement should the provisional capital programme expenditure occur, then adjusting for sums which could be funded by internal borrowing. A liquidity allowance is factored in to ensure that funds are available for regular outgoings (see Liquidity below). This is currently assumed to be a minimum £5 million average daily lending.

The liability benchmark is a tool which allows measured borrowing decisions to be made in relation to the amount and maturity profile of loans, which manages interest rate exposure.

**TEIGNBRIDGE DISTRICT COUNCIL TREASURY MANAGEMENT: POLICY STATEMENT, CLAUSES TO BE ADOPTED, STRATEGY STATEMENT AND AUTHORISED LENDING LIST FROM 28 FEBRUARY 2019**  
**MINIMUM REVENUE PROVISION ANNUAL STATEMENT**



The council does not use financial instruments based on derivatives for interest rate risk management.

**Investments**

The Ministry of Housing, Communities and Local Government updated their investment guidance in 2018. In conjunction with the updated TM Code, the definition of “investments” covers all financial assets including those which are held primarily for financial return such as investment property portfolios. It is recognised that this may include investments which are not managed as part of normal treasury management.

Investments can fall into one of the following four categories:

**Specified investments** (short term, sterling investments made with a body of high quality, the UK government or local authorities). Teignbridge District Council’s treasury management transactions fall into this category. They contribute to the objectives stated above in the policy statement. The principles of the TM Code to prioritise security, liquidity and yield, in that order of importance, applies to these investments.

**Loans** (for local enterprises as part of a wider strategy for economic growth)

**Non-specified investments** (any financial investment that is not a loan and does not meet the criteria of specified investments).

**TEIGNBRIDGE DISTRICT COUNCIL TREASURY MANAGEMENT: POLICY STATEMENT, CLAUSES TO BE ADOPTED, STRATEGY STATEMENT AND AUTHORISED LENDING LIST FROM 28 FEBRUARY 2019**  
**MINIMUM REVENUE PROVISION ANNUAL STATEMENT**

**Non-financial investments** (generally involving a physical asset that can be realised to recoup the capital investment). Teignbridge District Council does not hold any such investments purely for financial gain. However, the council recently invested in Newton Abbot town centre (Market Walk) for regeneration and local economic benefit purposes. Provisions in the capital programme are for projects which are for a combination of service delivery, regeneration and local economic benefits.

The Council's capital strategy sets out its approach to potential future non-financial investments resulting from commercial activity.

**Security**

As stated in the MHCLG investment guidance, the council's investment priorities are security of the principal sums and liquidity, keeping money readily available for expenditure when needed. Yield becomes a consideration after the priorities have been satisfied.

All investments made for treasury management purposes are "specified" investments as defined in the MHCLG investment guidance; in sterling, with a maturity of no more than one year, placed with the UK government, other local authorities or bodies and investment schemes of high credit quality, determined by the lending list.

In relation to treasury management, the maximum value and period of investment with any one organisation will be dependent on a score based on credit ratings. Institutions are graded to allow larger sums and longer investments with the strongest banks and building societies, capitalising on the better terms available while actively maintaining a breadth of counterparties, allowing us to spread our investments and achieve effective risk management.

One organisation is defined as a banking group or other institution, including any subsidiaries. If the maximum amount is invested with one subsidiary, no more will be invested within that group.

For non-financial investments, there is a requirement for proposed business cases to demonstrate rigorous due diligence checks prior to investment, followed by regular monitoring of the value and performance of the asset. While Teignbridge District Council's investment in Market Walk was primarily for regeneration and local economic benefit purposes, specialist consultants were involved in the extensive due diligence phase of this investment.

Annual assessments of fair value are carried out and monitored against the original capital investment, to take account of changes in the market and other conditions. In the case of Market Walk, the underlying assets continue to provide sufficient security for the capital investment to date. Minimum revenue provision is being set aside in relation to this investment, mitigating against the possibility of adverse valuation changes and also, ongoing refurbishment or replacements.

The revenue budgets arising from this investment are monitored as part of the budget monitoring which feeds into the regular reports provided by the Chief Finance Officer to SLT, CMT and Executive. In addition, the estates team track rent receipts and market conditions for early indications of potential problems.

**Credit and counterparty risk**

This is the risk of failure by a counterparty to meet its contractual obligations, particularly as a result of diminished creditworthiness.

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Teignbridge District Council regularly monitors the standing of counterparties it does or may deal with and maintains an authorised lending list, which is updated quarterly.

**Use of ratings**

The MHCLG investment guidance requires that the annual strategy statement details the authority's use of ratings and external treasury advisors.

There are three main ratings agencies: Fitch, Moody's and Standard and Poor. These agencies provide an opinion on the ability of the institutions to repay short and long-term investments, whether there is likelihood of them receiving state support should they run into difficulties and their general financial strength.

The council's TM schedules require that institutions meet the following minimum ratings:

Ratings Agency	Long Term	Short Term	Baseline Credit Assessment/ Bank viability
Fitch	BBB	F2	bbb
Moody's	Baa2	P2	baa2

While ratings from all agencies are considered, our scoring system is based on those of Moody's and Fitch. Standard and Poor do not cover some of the institutions on our list. Ratings are reviewed quarterly. In addition, they are monitored if there is any news of changes in the press and before any investment. If ratings have fallen below the minimum acceptable level, an alternative would be sought.

In addition to considering ratings from agencies, use is made of market indicators, such as share prices where available. Financial news is monitored in sector journals and the quality press. Daily relevant financial news updates and market commentaries are received by email from brokers and the Council's bank. These enable assessment of future treasury risks and scenarios in order to develop suitable risk management strategies. Teignbridge District Council does not currently use external treasury management advisors.

**Liquidity**

Length of treasury management investments will take into consideration that monies are available to meet large regular outgoings such as BACS payments for creditors, benefits and salaries and other regular commitments such as precepts and non-domestic rates contributions. A cash flow planner is maintained with details of regular payments and receipts. Other information is recorded as it becomes available, for example payments in relation to capital projects. This is in order to identify whether Teignbridge District Council may be exposed to the effects of potential cash flow variations and shortfalls. The maximum length of an investment will depend both on when funds will be required and on the ratings of the institution with which the investment is placed.

Treasury management practices have been adopted in accordance with Teignbridge District Council's policy statement, whilst adhering to the approved borrowing limits and lending list.

These activities are carried out daily to ensure the current account bank balance is near to zero in order to maximise investment returns whilst minimising risk and protecting capital.

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In the case of non-financial investments, it is recognised that it may not be possible to give priority to security and liquidity over yield due to the nature of the assets. It is expected that the risks associated with non-financial investments are clearly set out as part of the reporting required in line with the capital approval process. This would include market assessments, the nature and level of competition, how market/customer needs will evolve over time and barriers to entry and exit. In the case of Market Walk, specialist consultants were appointed to provide detailed analysis.

**Staff training**

The MHCLG investment guidance requires that the annual strategy gives details of procedures for reviewing and addressing the training needs of the authority's treasury management staff and members.

All new members are offered a Budget and Financial Management Seminar, which includes an overview of Treasury Management.

Treasury staff receive internal training from experienced staff and managers. Staffing is arranged so that a bank signatory (all experienced managers), is always available for consultation on decisions. Procedure and system notes, together with official guidance from CIPFA and the MHCLG are maintained for consultation within the section. These are updated for any changes, which are also communicated to the relevant staff. Bank signatories are professionally qualified accountants, with the officers carrying out daily procedures either studying with or AAT-qualified. Cover staff have regular experience of carrying out the procedures.

In relation to non-financial investments, the Council's Estates team has the experience of RICS-qualified staff. The Council has working relationships with a range of specialist consultants whose areas of expertise include property management, development and infrastructure, investment and valuation.

**Lending list**

The current authorised lending list has been updated to take account of changes in ratings and banks and is shown below for approval.

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Type of Lender	Details	
1. Current Banker	Lloyds Bank	£3,000,000 limit
2. Local Authorities	All	£5,000,000 limit
3. UK Debt Management Office Deposit Facility (UK government AA/Aa2/AA rated) no limit.		
4. UK Treasury Bills (UK government AA/Aa2/AA rated) no limit.		
5. Public Sector Deposit Fund	AAAmmf	£3,000,000 limit
6. Aberdeen Liquidity Fund	AAAmmf	£3,000,000 limit
7. Top UK-registered Banks and Building Societies, subject to satisfactory ratings.		

Institution	Tier	90 day limit	180 day limit	364 day limit	Overall limit
		£	£	£	£
Close Brothers Ltd	1	3,000,000	2,000,000	1,000,000	3,000,000
Santander UK plc	1	3,000,000	2,000,000	1,000,000	3,000,000
Nationwide Building Society	1	3,000,000	2,000,000	1,000,000	3,000,000
NatWest Bank	1	3,000,000	2,000,000	1,000,000	3,000,000
Lloyds Bank plc and Bank of Scotland plc	1	3,000,000	2,000,000	1,000,000	3,000,000
Coventry Building Society	2	2,000,000	1,000,000		2,000,000
Clydesdale Bank	3	1,000,000			1,000,000
Nottingham Building Society	3	1,000,000			1,000,000
Skipton Building Society	3	1,000,000			1,000,000
Yorkshire Building Society	3	1,000,000			1,000,000
Leeds Building Society	3	1,000,000			1,000,000
Principality	3	1,000,000			1,000,000
Royal Bank of Scotland	3	1,000,000			1,000,000

Officers will continue to seek the best rate, balanced against risk, at the time of investment. Use of call and notice accounts with Santander, Lloyds, Clydesdale and Close Brothers continue. These accounts provide access to flexible deposits, with a range of access options and interest rates. Treasury Bills, an AA/Aa2/AA (very securely) rated, short dated form of Government debt which are issued by the Debt Management Office via a weekly tender are also included on the lending list, offering the Council an additional secure investment option.

Bank regulations force banks to maintain “capital buffers”, classifying their deposits according to duration. Instant access accounts and short deposits are not attractive to banks as they cannot be counted towards those buffers. For this reason, interest rates on most “call” accounts remain low. Due to the internal financing of the Market Walk purchase, the daily

average available for lending has been reduced. However, analysts anticipate that the Bank of England will raise base rate by a further 0.25% to 1.00% around the third quarter of 2019.

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**Borrowing**

Section 33 of the Local Government Finance Act 1992 requires each council to set a balanced budget. The treasury management function will comply with this requirement. This means that increases in capital expenditure must be limited to a level at which increases in financing charges from increased borrowing, such as interest and minimum revenue provision, and increases in running costs are affordable for the foreseeable future. Teignbridge District Council adheres to the Prudential Code, which underpins “prudential” borrowing by ensuring that the Council takes into account the following factors:

- Strategic service objectives (in line with the Teignbridge 10)
- Stewardship of assets
- Value for money (project appraisal as required by the capital approval process)
- Prudence and sustainability (factors such as the implications of external debt; looking at whole life costing and the impact on revenue budgets)
- Affordability
- Practicality (achievability of the capital programme and staff resource requirements)

Teignbridge District Council adheres to the MHCLG investment guidance which states that money may not be borrowed in advance of need in order to invest at a profit. Any decision to borrow in advance for capital projects or debt maturities would only occur if there was a clear business case to do so. Borrowing may occur to cover temporary shortfalls in cash balances.

The liability benchmark set out in the Interest Rate Risk section above allows management of interest rate exposure while ensuring that funds are kept available for cash flow requirements.

The Council will adopt a flexible approach to borrowing, making use of internal resources and keeping shorter term borrowing under review in comparison to longer term borrowing costs. This approach has minimised financing costs for capital projects where appropriate. Acceptable sources of loans as stated in the TM schedules are the PWLB, local authorities, public bodies and UK banks and building societies. Officers will also review alternative sources of borrowing and select those offering the best value for money to the Council at the time the funding is required.

**Prudential indicators**

The Prudential Code requires local authorities to set prudential indicators for capital finance for the forthcoming and following years, monitoring actual figures from previous years where required. This is done before the beginning of the forthcoming year, through the processes established for the setting and revising of the budget. The prudential indicators may be revised at any time, following due process and taking into account their affordability. The prudential and treasury indicators in appendix 10 take into account the affordability of the Council’s capital finance plans, ensuring that borrowing remains within prudent and sustainable levels and that treasury management decisions are taken in accordance with good practice.

The Council’s capital strategy takes a long-term view of proposed borrowing to fund capital expenditure, together with the financing costs (interest and Minimum Revenue Provision).

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Regulation 28 of The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 states that 'A local authority shall determine for the current financial year an amount of minimum revenue provision which it considers to be prudent'. The provision is made from revenue in respect of capital expenditure financed by borrowing or credit arrangements. These amounts make up the Council's capital financing requirement (CFR).

With all options MRP should normally commence in the financial year following the one in which expenditure was incurred. Regulation 28 does not define 'prudent'. However statutory guidance, which authorities must "have regard" to, has been issued by MHCLG. It makes recommendations to authorities on the interpretation of that term. The broad aim is to put aside revenue over time to cover the CFR. The MHCLG guidance was updated in 2018 (applicable from 1 April 2019) to include a number of clarifications on determining a prudent level of provision. MRP can only be nil if a local authority's capital financing requirement is nil or negative on the last day of the preceding year, or a previous year's overpayment is being offset. The Council has a positive capital financing requirement, mainly due to the purchase of Market Walk.

The first recommendation given by the guidance is to prepare, before the start of each financial year, an annual statement of the policy on making MRP in respect of that financial year and submit this to Full Council for approval. The guidance recommends that 'prudent' provision should be made in accordance to the following:

- That the provision should ensure that debt is repaid over a period similar to one over which the capital expenditure provides the benefit, or if it is government-supported borrowing, over the period in the grant determination.
- That the provision should be calculated by one of the four methods that the Secretary of State considers appropriate to making prudent provision although it is recognised that other approaches are not ruled out.

From 2019-20 it is proposed to adopt option 3, the asset life (annuity) method. The annuity method differs from the equal instalment method in that the amounts payable start low and increase over time. This is because it is a method often used to calculate loan repayments, where it is required that the total amount of principal and interest repaid each year is a common amount. It is therefore suited to investments where revenues will increase over time. It also takes into account the time value of money.

Investment assets may also be sold to repay any outstanding debt liabilities.

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## Teignbridge District Council Capital Strategy

### Background

Local authorities are required by regulation to have regard for the Chartered Institute of Public Finance & Accountancy (CIPFA) Prudential Code 2017 edition and Treasury Management Code 2017 edition. The updated 2017 Prudential Code requires that local authorities have in place a capital strategy. This is in order to demonstrate that the authority takes capital expenditure and investment decisions in line with service objectives and overall organisational strategy and resources. The aim is to ensure decisions are being made with sufficient regard to the long run financing implications and potential risks to the authority. Local authorities must also have regard to the Statutory Guidance on Local Government Investments, the updated 3<sup>rd</sup> edition of which applies from 1 April 2018. This requires the production of at least one investment strategy. For Teignbridge District Council, this is the Treasury Management Strategy Statement.

### Purpose

The Teignbridge Medium Term Financial Plan shows how the council prepared for grant reductions and reduced central government funding by making savings, benefiting from restructuring efficiencies and income generation. The proposals within it allow for capital investment over the next 3 years, including infrastructure delivery, affordable homes and provisions for investments in town centres and employment land. The capital strategy sits alongside the Medium Term Financial Plan and Capital Programme. It is intended to give an overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services, along with an overview of how associated risk is managed.

## 1. Capital Expenditure

### 1.1 Strategic factors

The capital programme is included at Appendix 7 of the budget papers. The capital strategy which underpins it is driven by a number of factors:

**The Teignbridge District Council ten year strategy**, or “Teignbridge Ten”. These overarching projects aim to focus our resources to shape services to withstand future technological, economic and social changes, championing the district, our people, environment, business and heritage. Projects within the capital programme which reflect this include provisions for significant investment in town centres and employment land, flood alleviation, housing grants and affordable housing.

**The Local Plan**, which guides development in the district, setting out policies, proposals and actions to meet the environmental, social and economic challenges facing the area. This includes supporting infrastructure for proposed developments. The capital programme shows contributions to a new railway station at Marsh Barton and provisions for improvements to the A382, education in South West Exeter and the wider Teignbridge area, green spaces, sports and leisure facilities and cycle routes.

**The council’s asset management plan**, which sets out the council’s approach to the strategic management of its land and building assets. It aims to ensure the

## Teignbridge District Council Capital Strategy

council maximises use and efficiency of its property portfolio, making a long term positive contribution to service delivery. The capital programme includes items which invest in council buildings, such as the provision for heating improvement at Forde House. The capital programme is supported by any capital receipts arising from the disposal of assets.

**The council's Medium Term Financial Plan** – the programme must be affordable within the council's overall budget plans. This means that business cases for projects funded by borrowing must demonstrate that they will cover the revenue costs associated with borrowing over the life of the asset.

**Strategic Service Planning** – The council is in the fourth year of Business Efficiency Service Transition 2020. This process incorporates service business plans. In addition to identifying potential savings, the focus is on defining strategic direction in the context of the Teignbridge 10. As part of this, future projects and asset management options are considered, which will determine the future shape of the capital programme.

**CIPFA and Government guidance** – the council must have regard to both CIPFA's Prudential Code (capital expenditure and financing) and its Treasury Management Code (the management of borrowing, investments and cash flow). Both of these Codes were recently updated at the end of 2017. In addition the Ministry of Housing, Communities and Local Government (MHCLG) issued updated statutory guidance on investments and minimum revenue provision in February 2018.

### 1.2 Governance

Responsibility for decision-making and ongoing monitoring in respect of capital expenditure, investment and borrowing, including prudential indicators remains with Full Council. Each year, the budget process reports to Full Council across a range of strategies and information which is relevant to capital expenditure, investment plans and financing implications, to ensure that decisions are taken in accordance with good professional practice and in full understanding of the risks involved.

**The capital programme** is considered annually by Full Council. Updates are reported to CMT and Executive throughout the year, with any budgetary changes approved by reference to the virement rules in the financial instructions. Separate reports are brought back to Full Council for approval for any larger projects (over £250k).

**The Treasury Management strategy**, which sets out policies relating to the management of investments, balancing security, liquidity and yield. This is approved annually by Full Council and includes the approved lending list and the council's approach to borrowing. Updates are brought to Executive throughout the year as necessary.

**The Minimum Revenue Provision Statement** sets out the council's method of making prudent provision from revenue in respect of capital expenditure financed by borrowing or credit arrangements. Any changes are required to be approved by Full Council.

## Teignbridge District Council Capital Strategy

**The Prudential Indicators** aim to demonstrate whether the Council has fulfilled the objectives of an affordable, prudent and sustainable approach to capital expenditure, investment and debt. Any revisions are required to be approved by Full Council.

### Role of the Capital Review Group

Teignbridge District Council operates a Capital Review Group (CRG), with members including senior officers across a range of services. Its role is to consider and prioritise capital proposals, ensuring that proper option appraisals are carried out and that they have considered in sufficient detail those matters which are required to be taken into account by the Prudential Code:

- Strategic service objectives
- Stewardship of assets
- Value for money (option appraisals)
- Prudence and sustainability (including external debt implications and impact on revenue budgets)
- Affordability
- Practicality (including staff resource requirements)

Proposals must follow the Capital project reporting flow chart as per the Financial Instructions. An initial Outline Proposal Form is followed up by a financial appraisal and Project Initiation Document (PID) as required. The CRG ensures early wide consideration, including the Corporate Management Team (CMT). Stage 2 of the flow chart ensures the correct level of approval as per the Council's constitution.

Basis of cost estimates – Council project managers are experienced in providing cost estimates in line with best practice, to include surveys, preliminaries, project and design team fees, risk allowances, contingency and other development and project costs. Previous similar schemes can be reviewed on SPAR.net (the council's performance and risk management system). For certain projects, external quantity surveyors may be appointed either on a one-off basis or as part of a multi-disciplinary project management team. Financial appraisals look at the whole life cost of projects including both capital and long term revenue costs, with inflation factored in.

The CRG also monitors the existing capital programme to ensure its continued relevance, consider the progress of schemes including variations and re-phasing and to identify or reallocate unused resources. SPAR.net is used to identify potential risks and to highlight causes for concern, whether budgetary or progress-related. In addition, it provides a reference resource of historical information which can help to inform current decisions and allows lessons to be learned from past experience.

The role of the CRG is crucial to ensuring that the risks associated with capital investments are mitigated. It ensures that projects demonstrate affordability, that there is wide consultation to ensure proper procedures are followed, for example tender processes, legal and financial matters. It also considers whether there are sufficient resources for effective project management and delivery.

## Teignbridge District Council Capital Strategy

### Commercial Activity

The council is investigating investment options, the aim of which would be to increase revenue streams to contribute to the financial sustainability of the Council, enabling it to continue to deliver and/or improve frontline services in line with the ten-year “Teignbridge 10” strategy. Any such investments are likely to be funded through borrowing. Business cases would need to demonstrate an agreed minimum investment yield. Rigorous due diligence procedure would show how the risks of investment are mitigated in order to protect the Council against loss. The Council use a mixture of internal expertise and external advice as described in section 3. Work is ongoing to identify categories of investment which are suitable for use. Actual yields and market values would be monitored to identify any loss of value or revenue consequences of yields not performing as anticipated.

While Teignbridge District Council’s investment in Market Walk is primarily for regeneration and local economic benefit purposes, annual assessments of fair value are carried out and monitored against the original capital investment, to take account of changes in the market and other conditions. To date, the underlying assets continue to provide sufficient security for the capital investment.

In addition, the estates team monitor the condition of the various property markets for early indications of potential problems, such as uncertainty around European trade post Brexit.

Minimum revenue provision is set aside in relation to expenditure at Market Walk and would be set aside in relation to all commercial investments funded by borrowing. This mitigates against the possibility of adverse valuation changes and also, ongoing refurbishment or replacement of asset components.

The revenue budgets arising from investments are monitored as part of the budget monitoring which feeds into the regular reports provided by the Chief Finance Officer to SLT, CMT and Executive. The Medium Term Financial Plan explains that revenue budgets benefit significantly from the ongoing returns from Market Walk, where they form part of the Property Income budget lines.

### 1.3 Policies on Capitalisation

The Council’s accounts are required to be prepared in accordance with proper accounting practices. For capital, these practices are governed by the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 (SI 2003 No 3146, as amended) supported by International Financial Reporting Standards (IFRS). Local authorities must also have regard to CIPFA’s Prudential Code.

The Council’s Statement of Accounts includes detailed policies on the treatment of different asset classes. Capital documentation such as the outline proposal form is considered by the Capital Review Group to ensure that projects meet the requirements for capital expenditure. There are three routes by which expenditure might qualify as capital:

The expenditure results in the acquisition of, or the addition of subsequent costs to non-current assets in accordance with proper practices.

## Teignbridge District Council Capital Strategy

REFCUS expenditure (Revenue Expenditure Funded from Capital Under Statute): These are arrangements which recognise that some expenditure incurred by local authorities has a wider, lasting public benefit than is reflected in the accounting rules for non-current assets, for example grants and loans and expenditure on non-Council assets.

The Secretary of State makes a direction that the expenditure can be treated as capital expenditure.

The Council's de minimus for capital is £10,000.

The Council has not used the capitalisation flexibilities issued by the Secretary of State for the Ministry of Housing, Communities and Local Government. These give authorities the continued freedom to use capital receipts to help fund the revenue costs of transformation projects and release savings. These flexibilities are due to continue until 2021-22.

### 1.4 Capital Expenditure Plans and Financing Strategies

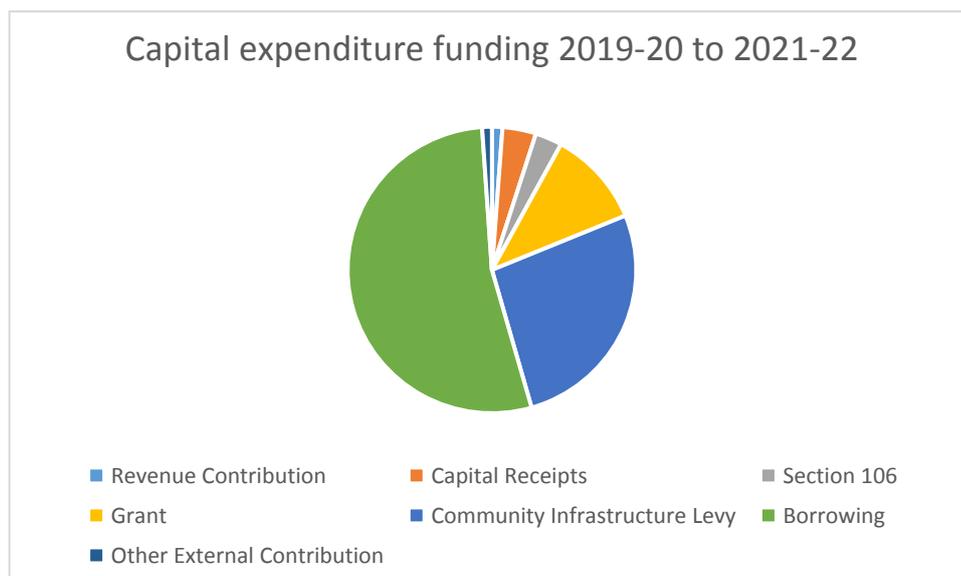
The Council's capital expenditure plans for the 3 years of the Medium Term Financial Plan and capital programme amount to £59.0 million, summarised in the table below:

Capital Expenditure and Financing (Estimate)	2019-20	2020-21	2021-22	2019-22 Total
	£'000	£'000	£'000	£'000
<b>Total Expenditure</b>	<b>27,849</b>	<b>22,601</b>	<b>8,550</b>	<b>59,000</b>
Revenue Contribution	(128)	(180)	(386)	(694)
Capital Receipts	(1,395)	(441)	(384)	(2,220)
Section 106	(1,459)	(187)	(130)	(1,776)
Other External Contribution	(134)	(510)	-	(644)
Grant	(2,899)	(2,505)	(1,000)	(6,404)
Community Infrastructure Levy	(3,461)	(7,978)	(4,350)	(15,789)
Borrowing	(18,373)	(10,800)	(2,300)	(31,473)
<b>Total Funding</b>	<b>(27,849)</b>	<b>(22,601)</b>	<b>(8,550)</b>	<b>(59,000)</b>

### Sources of funding

The programme is funded from a combination of capital receipts, revenue contributions, grants and external contributions, Community Infrastructure Levy (CIL) and borrowing. These are explained in further detail below.

## Teignbridge District Council Capital Strategy



**Community Infrastructure Levy (CIL)** is a charge on new development which aims to ensure that it contributes to the provision of essential local facilities. It must be spent on infrastructure. Under the current system, local authorities are not permitted to borrow against the receipt of future CIL. The council is aware that the government is committed to responding to the recent CIL review, which may address this issue. Teignbridge's priorities for CIL expenditure are available on the Council's website and reflect the needs identified in the Infrastructure Delivery Plan which supports the Teignbridge Local Plan. Projects include provision of Suitable Alternative Natural Green Spaces, habitat mitigation, leisure provision such as playing pitches and parks, education infrastructure and improvements to local roads and rail, infrastructure for cycling, walking and public transport. CIL projects often involve working together with other organisations, such as the Habitat Mitigation Executive and Devon County Council to achieve improvements across a wide range of infrastructure.

**Section 106 contributions** are received from developers in relation to specific needs such as leisure and open space improvements, affordable housing, air quality and drainage improvements.

**Grants and external contributions** are received from a range of government and agency sources towards expenditure such as Disabled Facilities Grants, flood alleviation and prevention and open space and leisure improvements.

Capital schemes funded by CIL, Section 106 contributions, grants or external contributions are required to follow the capital approval process to ensure that the matters which the Prudential Code requires to be taken into account are considered. For example, strategic service objectives, revenue budget implications and the practicalities of delivery.

**Teignbridge Capital Funding.** There are two ways in which the council can directly contribute to capital projects. **Capital Receipts** are funds which result from events such as the disposal of assets or the repayment of loans which were made for a capital purpose. The Council also receives Right to Buy receipts, allocated to Housing. The council had

## Teignbridge District Council Capital Strategy

£4.6 million capital receipts at the start of 2018-19. It is currently forecast that the Council will have £1.9 million capital receipts relating to General Fund by the end of the Medium Term Financial Plan. In order for Teignbridge to continue to benefit from capital investment, the council is budgeting £1.4 million **Revenue Contribution** to capital over the same period, towards both projects on the forward programme and earlier expenditure which has not yet been funded by the methods above. Projects funded by capital receipts and revenue contributions include contributions to superfast Broadband provision, car park improvements, improvements to Council buildings and equipment including IT projects, discretionary housing grants, affordable housing contributions, contributions to grant schemes as “match” funding.

### Borrowing

Projects which are not funded by one of the sources above are initially funded by borrowing and must first demonstrate a sound business case during the capital approval process. This is because there are revenue budget implications associated with borrowing. Both the principal borrowed and interest costs will have to be repaid and it is essential that the capital programme remains affordable, prudent and sustainable with regard to:

- Capital financing costs, eg. interest
- Loss of investment income
- Other income and costs eg. rent, fees & charges, salaries, rates, energy and maintenance arising from the investment
- MRP – this is the statutory requirement to charge the revenue account with the principal cost of capital expenditure which has not been met from grants, contributions or capital receipts. It is explained in the Council’s Minimum Revenue Provision statement.

Business cases must demonstrate a scheme’s ability to cover all the relevant costs above for the whole life of the asset.

Projects funded from borrowing are driven by the Teignbridge 10 “Investing in Prosperity” goal and the council’s developing Investment Strategy. They aim to bring a broad range of economic benefits such as continued growth in local jobs, business expansion and wealth creation as well as improving the Council’s income resilience against the challenge of lower government funding. Projects include town centre improvements and commercial and industrial estates.

The council’s approach to borrowing is laid out in Appendix 11 of the budget papers – the Treasury Management Strategy. See also Section 2 below for a projection of the Council’s borrowing requirements.

### 1.5 Asset Management Planning

The Leader is the Executive member with responsibility for assets. The Head of Commercial Services is the current designated Corporate Property Officer (CPO). The CPO is authorised to take the lead on asset management planning across all services thus ensuring that property assets are regarded throughout the Council as corporate assets.

## Teignbridge District Council Capital Strategy

This strategic approach ensures that the Council's business and property plans support its key objectives and inform its spending decisions. The alignment of the corporate vision with service business plans, the Medium Term Financial Plan and Capital Strategy provides a stable context in which to make informed decisions and deliver the right outcomes.

Further, it provides the opportunity to shape the property portfolio to efficiently support the delivery of services and to hold, acquire or occupy only those properties that support the aims of the Council. Property assets represent the Council's largest physical resource in financial terms and they underpin all service activities;

- a) For the purpose of direct service delivery (such as parks, gardens and leisure centres);
- b) To support service delivery (for example administrative offices and depots); and
- c) To support the Council's wider policy objectives. This part of the portfolio is varied: Many assets have been made available for social or sporting purposes or are retained for a range of reasons such as a potential to contribute to future regeneration schemes or provide workspace for local employment provision. In addition, the portfolio provides a valuable revenue income, which in turn helps to support the Council in delivering important services to its residents.

The Council's corporate property function sits as part of the Economy and Assets Service and is overseen and supported by the Capital Review Group. The overview below summarises the Council's strategic property aims, asset priorities and how they are managed and monitored.

## Teignbridge District Council Capital Strategy

### TEIGNBRIDGE COUNCIL CORPORATE ASSET MANAGEMENT OVERVIEW

Our Strategic Property aim is:

ENSURE THAT TDC LAND AND BUILDING ASSETS ARE EFFICIENTLY MANAGED, MAINTAINED, REDEVELOPED, ACQUIRED AND DISPOSED OF IN A CONSISTENT, STRATEGIC MANNER THAT SUPPORTS CORPORATE OBJECTIVES AND SERVICE DELIVERY

Our asset priorities are:

Understand our assets and how they perform	Challenge whether we have the right assets in the right place and in a condition to meet service delivery needs	Dispose of the assets we no longer need	Acquire new assets if we need them	Maintain and invest in property	Make assets more efficient to run	Reduce the carbon footprint of our assets	Make the most of our assets
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Retention of a Corporate Asset Database with continued programme to rationalise property information into one place	Asset Challenge Review	Compliance with Property Disposal & Acquisition Policy and Procedures	Investing in a prioritised programme of Planned Maintenance and Capital Programme projects	Proactive estates management
Measuring and monitoring asset data and information to show how our assets perform	Service Business Planning		Delivery of a prioritised programme of strategic property projects set out in the <b>Capital Programme</b>	Ensuring 'best consideration' in all our property transactions

## Teignbridge District Council Capital Strategy

We deliver these priorities by:

	One Teignbridge Transformation Programme		Compliance with statutory and health & safety legislation	Clear <b>Property Policies</b> and Procedures
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We keep track of progress & performance with:

Capital Programme - monitoring of delivery by the Capital Review Group					
Performance indicators					
Budget monitoring/ SPAR risk register					
	An Asset Review Schedule	Asset Disposal	Asset Acquisition	Capital Programme monitoring	Capital receipts and revenue income
				Planned & Reactive Maintenance monitoring	
				Property Inspection Regimes	

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This work is led by:

The Corporate Property Officer (Head of Commercial Services)				
Economy & Assets Housing & Health Environment & Leisure	All Services	Economy & Assets - Estates	Economy & Assets Housing & Health Environment & Leisure	Economy & Assets

The ongoing costs associated with existing assets are reflected in the Medium Term Financial Plan and mainly comprise repairs and maintenance, utilities, non-domestic rates, property insurance, furniture and fittings and contracts such as cleaning and grounds maintenance. When considering new capital projects, these long-term costs would be considered as part of the proposal and appraisal process.

## Teignbridge District Council Capital Strategy

### 2. Debt, Borrowing and Treasury Management

#### 2.1 Projection of borrowing requirements

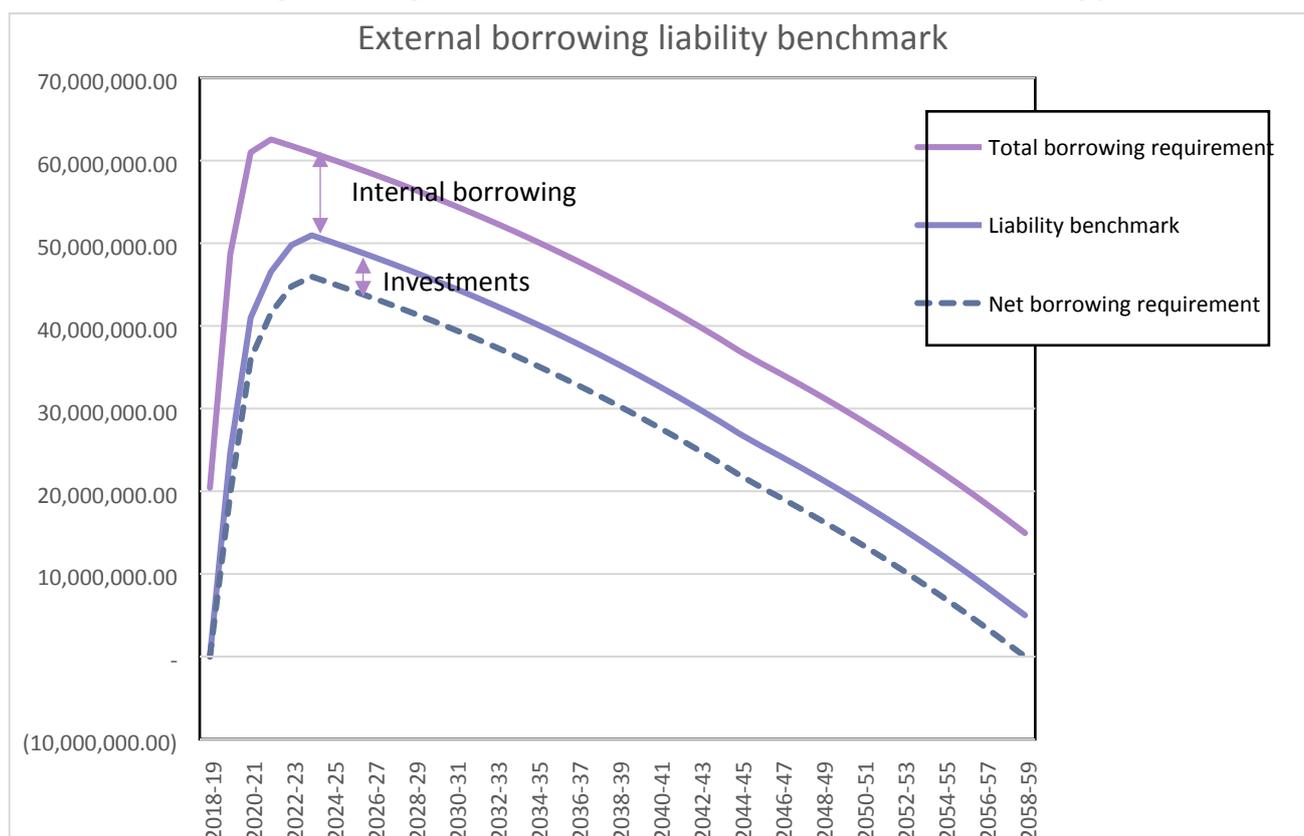
Previous capital projects such as the purchase of Market Walk mean that Teignbridge District Council has an underlying need to borrow. In addition, the capital programme contains projects which would not be immediately funded by grants, contributions, capital receipts or revenue contributions. When taken together, the current underlying need to borrow and projected borrowing from the capital programme give an estimate of the council's future borrowing requirements. The table below divides this between the amount it is estimated we could fund internally from our other cash balances and the amount we would seek to borrow externally.

	2019-20	2020-21	2021-22
	£'000	£'000	£'000
Estimated Capital Financing Requirement should provisional schemes be approved (total cumulative underlying need to borrow).	40,632	52,923	54,487
Estimated internal borrowing	-24,000	-20,000	-16,000
Liquidity cash flow buffer & contingency	8,078	8,078	8,078
Estimated external borrowing	24,710	41,001	46,565

In the longer term, the calculation of a liability benchmark as recommended by CIPFA, extends this information and allows measured borrowing decisions to be made in relation to the amount and maturity profile of loans, which manages interest rate exposure:

This has been calculated by working out the total borrowing requirement should the provisional capital programme expenditure occur, then adjusting for sums which could be funded by internal borrowing. A liquidity allowance is factored in to ensure that funds are available for regular outgoings. This is currently assumed to be a minimum £5 million average daily lending.

## Teignbridge District Council Capital Strategy



Acceptable sources of loans are the Public Works Loans Board, local authorities, public bodies and UK banks and building societies.

The estimated sums for external borrowing relating to capital are taken account of, along with contingency sums for possible temporary borrowing, in the Prudential Indicators authorised limit and operational boundary. The operational boundary represents a prudent estimate of the maximum level of external debt, whereas the authorised limit provides headroom over and above the operational boundary sufficient for unusual cash movements:

	2019-20	2020-21	2021-22
	£'000	£'000	£'000
Operational boundary	25,000	41,000	47,000
Authorised limit	30,000	48,000	53,000

## Teignbridge District Council Capital Strategy

### 2.2 Implications of borrowing

#### 2.2.1 Minimum Revenue Provision (MRP)

All capital expenditure has to be financed from capital receipts, grants and contributions (such as S106 and CIL) or eventually from revenue income. Where local authorities borrow to fund capital expenditure, there is a requirement to ensure that they put aside enough revenue money over time to cover those debts. This is MRP and the broad aim is to ensure that the period over which it is charged is commensurate with the period over which the capital expenditure provides benefits.

The Local Government Act 2003 requires the council to have regard to the Ministry of Housing, Communities and Local Government's (MHCLG) Guidance on MRP. This guidance requires the council to approve an annual MRP statement and recommends a number of options for calculating the required prudent provision, while also not ruling out other methods should they be deemed more appropriate. This is discussed in more depth in the council's Minimum Revenue Provision Statement.

The updated MHCLG Statutory Guidance on Minimum Revenue Provision includes a number of clarifications on determining a prudent level of provision. MRP can only be nil if a local authority's capital financing requirement is nil or negative on the last day of the preceding year, or a previous year's overpayment is being offset. The Council has a positive capital financing requirement, mainly due to the purchase of Market Walk.

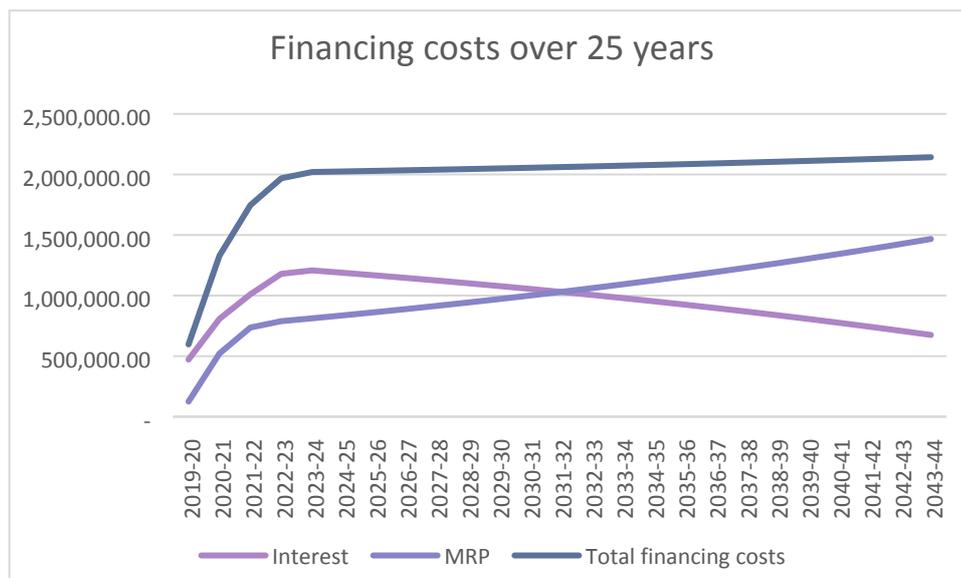
From 2019-20 the Council's MRP statement adopts option 3, the asset life (annuity) method. This is a method often used to calculate loan repayments, where it is required that the total amount of principal and interest repaid each year is a common amount. Principal amounts start low and increase over time. It is therefore suited to investments where revenues will increase over time. It also takes into account the time value of money.

Investment assets may also be sold to repay any outstanding debt liabilities.

## Teignbridge District Council Capital Strategy

### 2.2.2 Interest payable

Based on the projected borrowing discussed above (should provisional schemes be approved) and a maturity structure which is spread to mitigate against interest rate risk, it is calculated that interest payable would be £0.47 million in 2019-20, rising to £0.81 million in 2020-21 and £1.01 million in 2021-22. The following chart shows financing costs (interest and MRP) over 25 years. It should be borne in mind that the business cases for each project would need to demonstrate that they would achieve sufficient return to cover interest costs and any MRP.



### 2.2.3 Proportionality

In its new investment guidance, MHCLG introduces the concept of proportionality. This is to allow assessment of the contribution of yield-bearing investments to the achievement of a balanced budget. It also requires that quantitative indicators are provided to allow risk exposure as a result of investments to be assessed.

The Council's purchase of Market Walk was not a purely commercial investment, as it contributes to regeneration and the economic benefit of the local area in addition to providing an income stream. It is however an investment which creates an underlying need to borrow and contributes to the Capital Financing Requirement.

The Council has chosen to forego treasury management interest in order to fund the underlying need to borrow from other balances in the medium term. Based on the average treasury management interest rate received during the first half of 2018-19, interest foregone would be in the region of £80,910 per annum. However, it should be noted that base rate has risen and is likely to rise again, which would increase this figure.

## Teignbridge District Council Capital Strategy

### Current debt to net service expenditure ratio:

	2018-19
	£'000
External debt	0
Net service expenditure	16,764
Ratio	0

Should all forecast borrowing occur during 2019-20:

	2019-20
	£'000
External debt	24,710
Net service expenditure	15,983
Ratio	1.5

### Commercial income

Teignbridge District Council does not currently hold property investments purely to profit from the income. Assets are held for a combination of service delivery, regeneration and economic benefit to the area.

The remaining indicators recommended by MHCLG relate to commercial property investments and are therefore not currently applicable.

### 2.2.4 Prudential Indicators

The Local Government Act 2003 requires the council to have regard to CIPFA's Prudential Code. Its objectives are to ensure, within a clear framework, that the capital expenditure plans of local authorities are affordable, prudent and sustainable and that treasury management decisions are taken in accordance with good professional practice, with an understanding of the risks involved. Local authorities must look at capital expenditure and investment plans in the light of overall organisational strategy and resources, ensuring decisions are made with sufficient regard to the long run financing implications and potential risks to the authority.

To that end, the Prudential Code sets out indicators which must be approved by Full Council and factors which must be taken into account. The factors which must be taken into account underpin the work of the Capital Review Group (see above).

In setting its Prudential Indicators, the council sets borrowing limits which are affordable and sustainable. The authorised (absolute) limit and operational (day-to-day) boundary are consistent with the council's capital programme and treasury management strategy. In addition, they identify long-term liabilities relating to capital (and as set out in the relevant note to the annual Statement of Accounts) in order to arrive at prudent limits on external borrowing.

Estimates of capital expenditure and the capital financing requirement bring together past and future capital commitments for consideration of affordability.

## Teignbridge District Council Capital Strategy

The treasury management prudential indicators are designed to deliver accountability in taking capital financing, borrowing and treasury management decisions. They also highlight possible risks such as interest rate exposure and demonstrate the policies in place to mitigate the risks, for example, limiting the length of investments and the maturity structure of borrowing.

### 2.3 Treasury Management

The Council has regard to CIPFA's *Treasury Management in the Public Services Code of Practice and Cross-Sectoral Guidance Notes 2017*. In doing so, it follows three key principles:

- Maintaining comprehensive policies, practices, strategies and reporting arrangements for the effective management and control of treasury management activities
- The effective management and control of risk are prime objectives and responsibility for these lies clearly within the Council. Risk appetite forms part of the annual Treasury Management Strategy. The council's investment priorities relating to this area are security of the principal sums and liquidity, keeping money readily available for expenditure when needed.
- The pursuit of value for money and the use of suitable performance indicators are valid and important tools. Within the context of effective risk management, the Council's policies and practices reflect this.

The Council has adopted four clauses as recommended in the Treasury Management Code, as follows:

1. Teignbridge District Council will create and maintain, as the cornerstones for effective treasury management:
  - A treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities
  - Suitable treasury management practices (TMPs), setting out the manner in which Teignbridge District Council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.
2. Full Council will receive reports on its treasury management policies, practices and activities, including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close, in the form prescribed by its TMPs.
3. Teignbridge District Council delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to the Executive Committee, and for the execution and administration of treasury management decisions to the Chief Finance Officer, who will act in accordance with Teignbridge District Council's policy statement and TMPs and, if he/she is a CIPFA member, CIPFA's Standard of Professional Practice on Treasury Management.

## Teignbridge District Council Capital Strategy

4. Teignbridge District Council nominates the Audit Scrutiny Committee to be responsible for ensuring the effective scrutiny of the treasury management strategy and policies.

Yield becomes a consideration after the priorities have been satisfied. Investments are “specified” as defined in the MHCLG 2018 investment guidance; in sterling, with a maturity of no more than one year, placed with the UK government, other local authorities or bodies and investment schemes of high credit quality, determined by the lending list, which is reviewed quarterly and updated as necessary.

The council’s Treasury Management schedules require that institutions meet the following minimum ratings from the ratings agencies:

Ratings Agency	Long Term	Short Term	Baseline Credit Assessment Bank viability
Fitch	BBB	F2	bbb
Moody’s	Baa2	P2	baa2

In addition to considering ratings from agencies, use is made of market indicators such as share prices where available. Financial news is monitored in sector journals and the quality press. Daily relevant financial news updates are received by email from brokers and the Council’s bank. Teignbridge District Council does not currently use external treasury management advisors.

The Treasury Management strategy also sets out the Council’s approach to borrowing and is underpinned by the Prudential Code and MHCLG investment guidance. Any decision to borrow in advance for capital projects or debt maturities would only occur if there was a clear business case to do so. Borrowing may occur to cover temporary shortfalls in cash balances.

The liability benchmark set out above allows management of interest rate exposure while ensuring that funds are kept available for cash flow requirements.

The Council will adopt a flexible approach to borrowing, making use of internal resources and keeping shorter term borrowing under review in comparison to longer term borrowing costs. This approach is to minimise financing costs and to spread re-financing risk. Acceptable sources of loans as stated in the Treasury Management schedules are the PWLB, local authorities, public bodies and UK banks and building societies. Officers will also review alternative sources of borrowing and select those offering the best value for money to the Council at the time the funding is required.

The Treasury Management Mid-Year and Year End Reviews report on activities undertaken and provides key information on performance including average interest rates achieved. In addition, the Chief Finance Officer receives regular reports, which form part of financial reports received by the Executive, Strategic Leadership Team and Corporate Management Team. To date, these have used the 7-day London Interbank Bid Rate (LIBID, or the interest rate at which banks are willing to borrow from other banks) as a benchmark. However, from 2019-20, the 7-day London Interbank Offer Rate (LIBOR, or the interest rate at which a bank will lend) will be used. This is

### Teignbridge District Council Capital Strategy

because LIBOR is readily available and published, whereas LIBID is not standardized or publicly available.

The latest Treasury Management Code includes investments which fall outside normal treasury management activity. Commercial investments for financial benefit rather than for service outcomes are sometimes entered into outside of normal treasury management activity. These need careful financial risk assessment. Where such investments do not give priority for security and liquidity over yield, CIPFA recommends that such a decision should be explicit, setting out the risks and the impact on financial sustainability. This is a critical purpose of due diligence procedures. The Council's current CFR and projected borrowing relate to projects whose central purpose is for the provision of services or regeneration.

### 3. Knowledge and Skills

The Prudential Code requires that the capital strategy gives details of the knowledge and skills available to the authority and confirmation that they are commensurate with its risk appetite.

As a district council, Teignbridge strikes a balance between the retention of suitably qualified staff and the use of external expertise where this offers best value and flexible use of resources.

Treasury management staff receive internal training from experienced staff and managers. Staffing is arranged so that a bank signatory (all experienced managers), is always available for consultation on decisions. Procedure and system notes, together with official guidance from CIPFA and the MHCLG are maintained for consultation within the section. These are updated for any changes, which are also communicated to the relevant staff. Bank signatories are professionally qualified accountants, with the officers carrying out daily procedures either studying with or AAT-qualified.

In terms of capital expenditure, the Council has the benefit of the experience of three fully qualified chartered accountants and six AAT-qualified members of staff. It also has access to specialist advice through subscription to consultants who specialise in local authority accounting and capital finance. In addition, knowledge and skills are shared throughout the region via the Devon Accounting Development Group.

In relation to the investment strategy, as well as the experience of RICS-qualified staff, the Council has working relationships with a range of specialist consultants whose areas of expertise include property management, development and infrastructure, investment and valuation.

The Council has a Legal team, experienced in a comprehensive range of legal work relevant to local authority and also works with external legal service providers where other expertise is required.

Council officers across a range of disciplines, including Property and Assets, Planning, Housing and Finance as well as other service areas, make up the Capital Review Group to ensure project appraisal is subject to wide early scrutiny and practical considerations.

The Council's constitution ensures an effective governance process. The chief finance officer is responsible for ensuring that all matters required to be taken into account are reported to the decision-making body (normally Full Council).

## Teignbridge District Council Treasury Management Mid-Year Review 2018-19

Teignbridge District Council has adopted CIPFA's *Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes 2017 Edition*. One of the requirements is the provision of a mid-year review of treasury management activities.

Activities Undertaken: Daily lending and borrowing from 1 April to 30 September 2018:

### Fixed-term lending

<b>Borrower</b>	<b>Terms %</b>	<b>Amount Lent £</b>	<b>Dates</b>	<b>Total Days Lent in year</b>	<b>Interest Earned in year £</b>
Close Brothers	1.00%	1,000,000	03/04/18 – 15/03/19	346	9,479.45
DMO	0.25%	8,000,000	16/04/18 – 20/04/18	4	219.18
Nottingham Building Society	0.55%	1,000,000	15/05/18 – 10/08/18	87	1,310.96
Coventry Building Society	0.70%	1,000,000	15/05/18 – 09/11/18	178	3,413.70
DMO	0.25%	1,000,000	15/05/18 – 21/05/18	6	41.10
DMO	0.25%	1,000,000	15/06/18 – 19/06/18	4	27.40
DMO	0.25%	1,000,000	02/07/18 – 04/07/18	2	13.70
DMO	0.25%	2,000,000	16/07/18 – 19/07/18	3	41.10
Nationwide Building Society	0.71%	1,000,000	16/07/18 – 25/03/19	252	4,901.92
Nationwide Building Society	0.69%	1,000,000	16/07/18 – 11/01/19	179	3,383.84
DMO	0.45%	3,000,000	01/08/18 – 09/08/18	8	295.89
Santander	0.90%	1,000,000	15/08/18 – 19/03/19	216	5,326.03
DMO	0.50%	2,000,000	15/08/18 – 20/08/18	5	136.99
DMO	0.50%	1,000,000	03/09/18 – 17/09/18	14	191.78
Thorrock Council	0.90%	1,000,000	03/09/18 – 15/03/19	193	4,758.90
DMO	0.50%	1,000,000	06/09/18 – 07/09/18	1	13.70
DMO	0.50%	1,000,000	07/09/18 – 17/09/18	10	136.99

Deposits were also made into the following call accounts, dependent upon cash flow:

<b>Bank</b>	<b>Account terms</b>	<b>Interest Earned £</b>
Barclays Bank plc	0.32% instant access	1.48
Barclays 95-day notice	0.50% to 0.70% 95-day notice	2,422.87
Clydesdale Bank	0.10% 30 days' notice	0.27
Clydesdale Bank	0.35% instant access	86.46
Royal Bank of Scotland	0.05% instant access	0.24
Santander UK plc	0.25% to 0.40% instant access	929.73
Public Sector Deposit Fund	0.46% to 0.69% instant access	8,341.31
Lloyds plc 175-day notice	0.75% to 1.00% 175-day notice	5,255.31
Lloyds plc	0.40% to 0.65% current account	130.45
Lloyds plc Deposit account	0.40% to 0.65% instant access	2,315.74
Aberdeen Standard (formerly Standard Life)	0.41% to 0.62% instant access	5,679.55

Temporary Borrowing 1 April to 30 September 2018:

Lender	Terms %	Amount lent £	Dates	Days lent in year	Interest paid in year £
Lloyds Bank	Base + 10		Overdraft agreement	0	0
Vale of Glamorgan Council	0.42%	1,000,000	29/05/18 – 01/06/18	3	34.52

**Teignbridge District Council  
Interim Performance Report for the Period 1 April to 30 September 2018**

	Apr-Sep 2017-18	Apr-Sep 2018-19
<b>(i) Short Term Funds Invested</b>		
Interest received and receivable for the period	£13,497	£40,472
Maximum period of investment on any one loan made in the period	308 days	346 days
“Fixed” investment rates in period.	0.10% – 0.65%	0.25% - 1.00%
<b>(ii) Short Term Funds Borrowed</b>		
Interest paid and payable for the period	£4.71	£34.52
Number of new loans borrowed in the period	0	1
Maximum period of borrowing on any one loan borrowed in the period.	n/a	3 days
“Fixed” borrowing rates.	n/a	0.42%
<b>(iii) Average Net Interest Rate Earned</b>	0.26%	0.61%
<b>(iv) Average Short Term Net Lending</b>	£10,392,330	£13,254,937

Regular Monitoring

Two monthly reports are prepared for the Chief Finance Officer: a forecast of interest receivable for the year, and an investment comparison, which shows the sum available for investment compared to the previous year. The Chief Finance Officer presents a monthly report to CMT and updates the Executive Committee on a quarterly basis. These reports include any policy updates, such as changes to the official lending list, based on the latest ratings information. Full council receives an annual review and strategy statement and a mid-year review.

The interest forecast is currently predicting a total net interest receivable for the year of £96,449.74. This takes into account the base rate rise on 2 August 2018 and compares to

## **Appendix 12**

£39,839.52 in 2017-18. This forecast increase is mainly due to higher interest rates (an average of 0.61% for the first half of the year, compared to 0.26% in 2017-18), although there has also been an increase in the funds available for lending out (average daily lending is slightly higher in the first half of 2018-19 at £13.3 million compared to £10.4 million at the same stage in 2017-18). Average benchmark 7-day LIBID rate to the end of September 2018 was 0.52%.

### Treasury Management Indicators

These are part of the Prudential Indicators, as agreed at Full Council on 22 February 2018. They are available on request or on the Teignbridge website agenda for that meeting.

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## Teignbridge District Council - Budget Consultation Report

<b>Date:</b>	28th February 2019
<b>From:</b>	Business Improvement and Development (BID)
<b>Subject:</b>	Consultation feedback to Executive Committee

### Methodology

BID were tasked to consult with the council's Residents' Panel 'Talking Teignbridge', and on the website, about the budget proposals.

The consultation ran from 21<sup>st</sup> December 2018 to 1<sup>st</sup> February 2019 and below you will find a short summary of the results so that full Council on 28<sup>th</sup> February has the opportunity to take into account residents' feedback when considering the final budget recommendations from Executive.

### The survey

The following budget questions were put to Teignbridge residents:

#### Please say how strongly you agree, or disagree, with the Council's proposals to:

1. Continue to increase council tax to help maintain essential services. The current recommendation is a 3.03% increase, (£5 per year, for a Band D property taking the council tax to £170.17 for the year).
2. Back business and improve town centres.
3. Invest in infrastructure for employment, education, transport links, and sports and open spaces.
4. Continue to support housing as a priority by enabling affordable housing and improving poor quality homes.

The table below shows a detailed breakdown of the results.

	Increase council tax	Back business	Invest in infrastructure	Support housing
Agree	57%	69%	79%	53%
Disagree	34%	13%	7%	24%
Not sure	9%	18%	14%	23%

5. To balance the council's budget in the future, which of these would you expect us to consider? You can tick more than one.

Generating even more income to re-invest in council services	59% agree
Making more budget savings	19% agree
Reducing the services we provide	5% agree
Increasing council tax further	17% agree

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## **EXECUTIVE**

**7 FEBRUARY 2019**

Present:

Councillors Christophers (Leader), Bullivant, Golder, Goodey, Lake and Russell

Members in Attendance:

Councillors Clarence, Connett, Dewhirst, Haines and Prowse

Apologies:

Councillors Clemens and Barker

Officers in Attendance:

Martin Flitcroft, Chief Finance Officer

Tony Watson, Interim Head of Commercial Services

Michelle Luscombe, Principal Policy Planner

Sarah Selway, Democratic Services Manager (Exeter City Council)

### **5. MINUTES**

Minutes of the meeting on 8 January 2019 were confirmed and approved and signed as correct record.

### **6. MATTERS OF URGENCY/MATTERS OF REPORT BROUGHT FORWARD WITH THE PERMISSION OF THE CHAIRMAN**

The Leader brought to Members attention the job's fair that the Council had held on 6 February 2019 at Old Forde House to support the employees of the British Ceramic Tile factory at Bovey Tracey which had suddenly closed. It had been a successful advent with 10 to 12 different employers turning up. He thanked the Council's Economic Development Team for hosting this event, commenting that it was important that the Council supported the local communities in difficult times.

### **7. DECLARATIONS OF INTEREST**

There were no declarations of interest.

### **8. FINAL FINANCIAL PLAN PROPOSALS 2019/20 TO 2021/22**

The Chief Finance Officer presented the report on the Final Financial Plan Proposals 2019/20 to 2021/22. He brought Members attention to the cuts in the

Revenue support grant since 2015/16, the reduction in management costs and gains from the Strata partnership and investment returns from Market Walk. He highlighted the significant funding and cost changes affecting the Council in future years. The proposal was to increase council tax in Teignbridge by 3.03% or £5 to £170.17 for an average Band D property. The Chief Finance Officer made reference to the business rates retention scheme, general reserves, the capital programme including funding the infrastructure delivery plan investment.

The Chief Finance Officer advised of the results of the public consultation on the Budget:-

*Continue to increase council tax - to help maintain essential services. The current recommendation is a 3.03% increase, (£5 per year, for a Band D property taking the council tax to £170.17 for the year) –*

- 57% agree
- 34% disagree
- 9% unsure

*Back business and improve town centres –*

- 69% agree
- 13% disagree
- 18% unsure

*Invest in infrastructure for employment, education, transport links and sports and open spaces –*

- 79% agree
- 7% disagree
- 14% unsure

*Continue to support housing as a priority by enabling affordable housing and improving poor quality homes –*

- 53% agree
- 24% disagree
- 23% unsure

*To balance the councils budget in the future, which of these would you expect us to consider?*

*Generating even more income to reinvest in council services – 59%*

*Making more budget savings – 19%*

*Reducing the services we provide – 5%*

*Increasing council tax further – 17 %*

Following on from the Overview & Scrutiny Committee on 4 February 2019 the Chief Finance Officer clarified the following:-

- The burial fee increase has been due to a significant increase in wages and contractors costs and it was proposed to limit this increase to a 3% rise to reflect the comments from Overview & Scrutiny 4 February 2019
- KG 8 - cycle schemes - clarification was made that these monies had not been changed in total - just the allocations over the financial years

- The Bid 300 planning Section 106 agreement provision for Kingsteignton open space at £60,000 was clarified as being available for investment in Clifford Park and awaiting proposals to be worked up in conjunction with the town council
- Savings had come from the Strata partnership, increased income from New Homes Bonus, small asset disposals and renovation grants repaid, the impact of the increase in interest rates on investments and quick win changes with regards to seaweed removal costs, subscriptions, purchase of supplies and equipment, bank charges and savings in printing and stationery.

During discussion Members raised the following:-

- issue of the maintenance of cemeteries in particular closed cemeteries; there was a need to review the impact of the rising costs with the cemeteries. The Council had to pick up the cost of the closed cemeteries and there should be a holistic review of the cemetery service and costs
- investment in play areas and how Community Infrastructure Levy (CIL) and Section 106 monies were allocated as some parishes were at a disadvantage whilst acknowledging some parishes had benefited particularly those with a neighbourhood plan
- why had the budget for the removal of seaweed been made?
- In the past there had been rural aid available to support parishes.

The Chief Finance Officer stated he would ask the capital review group to look at the investment for play areas as there was a programme of works for the updating of play areas. He also advised that the budget with regards to seaweed removal had been taken out as it had not been an issue in the last few years.

The Leader commented, that with regards to play areas it was essential to prioritise safety. There was a need to look at the maintenance of cemeteries, closed church yards and the different options now available to residents, a working group should be formed to examine this service. The Leader highlighted the fact that the Council no longer received a support grant and that the tax payers of Teignbridge were now benefiting from the Strata partnership and the investment in Market Walk.

**RESOLVED** that Executive proposed a budget as set out as in appendix 4 for revenue, with the Burial Fees to be amended to 3%, and appendix 7 for capital and that these proposals be considered together with any subsequent consultation comments for approval by Council as the final budget for 2019/20 and the outline plan for the subsequent years 2020/21 and 2021/22.

## **9. GREATER EXETER STRATEGIC PLAN AND TEIGNBRIDGE LOCAL PLAN REVIEW TIMETABLES AND LOCAL DEVELOPMENT SCHEME**

The Principal Policy Planner presented the report to agree an updated timetable for the preparation and adoption of the Greater Exeter Strategic Plan and Teignbridge Local Plan Review as set out in the Local Development Scheme (LDS) in Appendix A.

Members were informed of the background and the updated timescales. The delay with the Greater Exeter Strategic Plan (GESP) had deferred publication of the Draft Teignbridge Local Plan with the timescales for the Plan Review subsequently affected.

During discussion, Members raised issues with regards to difference in the timescales of both plans, with reference being made to the Wolborough Development Plan Document in respect of which a planning application had been submitted. There was a need to ensure that the District had a five year housing supply particularly in light of the uplift in housing numbers from central government. A Member queried the decision taken by East Devon District Council which had pushed back the GESP timetable.

In response to Members, the Principal Policy Planner advised that it was intended that both plans should progress as quickly as possible and that, should there be any further slippage, then the timescales could be revisited and action taken to bridge the gap to meet any central government uplift in housing numbers should that be necessary. Work was also being undertaken to ensure that the Council was protected in the case of any slippage in the timetable.

The Leader commented that the GESP would help to secure central government funding for the infrastructure that the region would require to take development forward.

**RESOLVED** that:-

- (1) The revised timetable for the Greater Exeter Strategic Plan and Teignbridge Local Plan Review is agreed; and
- (2) The Local Development Scheme attached as Appendix A is to have effect from 14<sup>th</sup> February 2019.

## **10. EXECUTIVE FORWARD PLAN**

**RESOLVED** that the Forward Plan be noted.

## **11. EXCLUSION OF PRESS AND PUBLIC**

**RESOLVED** that under Section 100(A)(4) of the Local Government Act 1972, the Press and public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act.

**12. LAND AT STAPLEHILL ROAD, FORCHES CROSS, NEWTON ABBOT**

The Portfolio Holder for Economy, Skills & Tourism presented the report to grant an option to buy land owned by the Council.

**RESOLVED** that:-

- (1) the grant of an option as outlined in the circulated report to purchase land owned by the Council with a two year time limit be approved; and
- (2) the details of the option agreement and disposal are delegated to the Chief Finance Officer, Interim Head of Commercial Services and the Portfolio Holder for Economy, Skills & Tourism.

Chairman

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<b>COUNCIL</b>
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CHAIRMAN: Cllr Avril Kerswell

**DATE:** 28 February 2019

**REPORT OF:** Interim Head of Operations and  
Portfolio Holder for Leisure and Recreation

**SUBJECT:** Bakers Park Improvements

**PART I****Council is recommended to**

- I. Approve capital expenditure of £705k, to be funded from S106 contributions, towards improvement works as outlined for Bakers Park.
- II. Delegate authority to the Interim Head of Operations, in conjunction with the Section 151 Officer and Portfolio Holder for Leisure and Recreation to accept the most economically advantageous tender for the works.

**1. PURPOSE**

- 1.1. To obtain Full Council approval to invest S106 funding as outlined in this report to carry out the improvement works at Bakers Park Newton Abbot.

**2. BACKGROUND**

- 2.1. Bakers Park is a very popular multi-use Park in the centre of Newton Abbot. The park has a number of facilities that require improvement and S106 funds have been gained from development within Newton Abbot to improve active leisure facilities for the town. An improvement plan has been prepared which takes into account areas highlighted by the local community for improvement. These include the tennis courts, parking facilities, playing pitch drainage and changing facilities; toilet and refreshment kiosk; and trim trail/ outdoor exercise facility.
- 2.2. Plans have been finalised which will be subject to consultation through the Planning Process and then Contract documents and specifications will be drawn up and will be put out to tender following approval from Members.
- 2.3. The works included comprise;

## TEIGNBRIDGE DISTRICT COUNCIL

Resurfacing and re-fencing the existing tennis courts  
New football changing room facilities  
A new refreshment kiosk with three public toilets and three changing rooms  
Carpark extension and resurfacing to create 53 additional spaces  
New exercise trail  
Removal of existing changing room, derelict toilets and booking office  
Passing bay on Steppes Meadow if this is not included in proposals being considered by DCC to adopt this road.

### 3. MAIN IMPLICATIONS

#### 3.1 Finance

The estimated value of the works is £705k, including a contingency allowance. This was arrived at following an option appraisal of traditional, modular and insulated concrete build options. Indicative high-level quotations were sought from expert contractors. Alongside this, analysis of Building Cost Information Service (BCIS) cost data was applied to similar known building projects. The final cost will however be dependent on the result of a compliant procurement process.

Section 106 funding for Bakers Park (as provisionally budgeted at £489k in the capital programme), has been obtained through the planning process. This, in combination with active leisure contributions will completely fund the improvements. Other funding options, including borrowing and use of additional revenue contributions from the repairs and maintenance budgets, were considered for the amount not covered by the specific Bakers Park sum. However, S106 funds are time limited and must be paid back to the developer if not spent by the agreed date, so use of the active leisure contributions was the preferred option.

**Revenue implications:** increased lease income from the new kiosk would provide a positive contribution to Council budgets. It is anticipated there would be modest increases to repairs and maintenance, utility, cleaning and insurance costs. Assuming the lowest rental estimates, these costs would still be covered by the income from the refreshment kiosk, with an average estimated positive budget implication of £273 per annum.

Advice has been sought regarding the likely business rates liability of the new pavilion. This states that where it is possible to prove that a facility is provided by a local authority as part of their duty to provide public open space, exemption from business rates may be possible, but is not guaranteed. In relation to the commercial operation of the kiosk element, this will be subject to a rating assessment, the liability of which would fall on the occupier. In the event of voids between lease periods, the liability of this element would also fall to the council.

In the worst case scenario of the whole pavilion being found subject to non-domestic rates and the council being liable for the whole sum, it is estimated

## TEIGNBRIDGE DISTRICT COUNCIL

the cost would initially be in the region of £2,100 per annum. Rental income in the middle to upper estimate brackets would be sufficient to cover this additional cost.

### **3.2 Procurement**

The tender documents will be produced and a compliant process will be followed through the Council's procurement portal 'Supply South West'. The evaluation criteria will be clearly set out and subject to this approval from Members on the most economically advantageous tender will be awarded the contract. Following appointment of the Contractor, pre contract discussions will be held with the preferred Contractor to ensure mobilisation, lead times and programme will be agreed to be of minimal disruption to park users.

### **3.3 Legal**

The Council will enter into a Contract with the successful Tenderer using an NEC3 standard form of Contract. The Contract agreement will be completed in accordance with the Council's Contract Procedure Rules.

The Estates Team will run a marketing process to invite potential operators of the refreshment kiosk to put forward expressions of interest. It is hoped that an operator that will take on the responsibility of opening and closing the three public toilets, along with the cleaning. It is recognised that this operator requirement will impact on the potential rental income, but this is to be weighed against the cost of employing staff to provide these services. The Council will be responsible for the maintenance and repair of the building and the tennis courts.

As this is a public open space any lease of the kiosk will need public advertisement in accordance with section 123(2A) of the Local Government Act 1972 and consideration of any objections.

### **3.4 Risk**

The works will take place in a public area, every precaution will be taken to manage the build and mitigate risk and conflicts with members of the public using the park.

Planning permission is not granted in a timely manner delaying commencement. Pre-application discussions have been on-going to produce a scheme that would be acceptable to the LPA.

Tender returns are higher than cost estimates. A detailed cost estimate has been produced for each element of the scheme with an allowance for contingency.

A risk register has been prepared.

#### 4. GROUPS CONSULTED

The community have requested improved carpark, toilet, tennis courts, an activity trail and kiosk provision. Strategic work eg. Playing Field Strategy has highlighted the need for improvements to playing pitches and changing room facilities on the site.

The works will be subject to planning approval, an application has been submitted, with an expected decision date of 5<sup>th</sup> April (provisionally)

Internal consultees; Procurement, Finance, Legal, Estates, Property, Green Spaces and Active Leisure, Economy and Assets Projects team and Corporate Capital Review Group.

#### 5. TIME-SCALE

##### **Anticipated dates are;**

February 15<sup>th</sup>, 2019 – Planning and Building Regulation Application submitted; tender documents drafted and sent out to tender; tender returns evaluated and awarded

May 13<sup>th</sup>, 2019 (Provisionally) - Following consent of statutory applications and awarding of successful tenderers, construction is to commence.

October 11<sup>th</sup>, 2019 (Provisionally) -Construction of new pavilion, car park layout, paths, tennis courts and exercise/trim trail complete, including snagging. 12 month defect period commences until September 2020.

#### 6. JUSTIFICATION

Bakers Park is a very popular well used community asset and S106 funding is available to do these improvements. The need for the improvements has been highlighted by the community and the adopted Playing Field Strategy.

#### 7. DATE OF IMPLEMENTATION (CONFIRMATION OF DECISION SUBJECT TO CALL IN)

**Lorraine Montgomery**  
Interim Head of Operations

**Cllr Philip Bullivant**  
Portfolio Holder for Leisure and Recreation

**BELOW TO BE FILLED IN BY THE REPORT AUTHOR:**

**TEIGNBRIDGE DISTRICT COUNCIL**

<b>Wards affected</b>	
<b>Contact for any more information</b>	Lorraine Montgomery
<b>Background Papers (For Part I reports only)</b>	
<b>Key Decision</b>	Y / N
<b>In Forward Plan</b>	Y / N
<b>In O&amp;S Work Programme</b>	Y / N
<b>Community Impact Assessment attached:</b>	Y / N
<b>Appendices attached:</b>	A: title B: title etc

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TEIGNBRIDGE DISTRICT COUNCIL

**COUNCIL**

CHAIRMAN: Cllr Avril Kerswell

**DATE:** 28 February 2019

**REPORT OF:** Interim Head of Operations and  
Portfolio Holder for Leisure and Recreation

**SUBJECT:** Playing Pitch Improvements

**PART I**

**Council is recommended to**

- I. Approve capital expenditure of S106 funds for drainage improvement works as outlined for the Council's Playing Pitches Strategy July 2018.
- II. Delegate authority to the Interim Head of Operations, in conjunction with the Section 151 Officer and Portfolio Holder for Leisure and Recreation to award a contract to the most economically advantageous tender for the works following a compliant procurement procedure.

**1. PURPOSE**

- 1.1. To agree to the capital expenditure of S106 funds to carry out drainage improvement works to Council Playing Fields as highlighted by the adopted Teignbridge Playing Field Strategy

**2. BACKGROUND**

- 2.1. The Executive approved the adoption of the Teignbridge Playing Field Strategy in July 2018. The strategy highlighted the need to improve the drainage on a number of sites to increase the playing capacity of the pitches. Work has been done to clarify the technical specifications for the required improvement along with soft market testing to identify interest in the work and the likely costs associated with putting all the work in one tender to get economies of scale.
- 2.2. Contract documents and specifications have been produced with the input from a specialist consultant and will be put out to tender following approval from Members. This will allow the works to take place this summer and the pitches to be available for September 2019.

## TEIGNBRIDGE DISTRICT COUNCIL

2.3. The works included are for 13 pitches on 4 sites;

Newton Abbot - Decoy Country Park and Bakers Park,

Bishopsteignton - Michaels Field

Dawlish - Dawlish Leisure Centre.

2.4. Devon County Football Association, Town and Parish Councils and local clubs were contacted to give them the opportunity to progress any additional works on their radar whilst the specialist Contractors and equipment was in the area.

### 3. MAIN IMPLICATIONS

#### 3.1 Finance

Active Leisure Section 106 funding has been obtained through the planning process, with sufficient available for the planned improvements to playing pitches. The estimated value of the works is £240– 280k, subject to a compliant procurement process. S106 funds are time limited in that they must be paid back to the developer if not spent by the agreed date. The contributions have therefore been earmarked towards requirements identified in the Teignbridge Playing Field Strategy.

Revenue implications: Improved drainage reduces grounds maintenance renovation costs. In addition, improved conditions encourage increased use of the pitches.

#### 3.2 Legal /Procurement –

The intention is to procure a contractor using the 'open' procedure for this tender. This is a one stage procurement process.

An invitation to tender (ITT) is provided to any supplier who responds to an advert on the Council's e-tendering portal 'Supplying the South West' ([www.supplyingthesouthwest.org.uk](http://www.supplyingthesouthwest.org.uk)) and expresses an interest in tendering for the Council's requirement. Suppliers are not required to pre-qualify to receive the ITT but they will be required to complete a Selection Questionnaire set out within the ITT document.

There is no short listing step in the Open Procedure and all tenderers that pass the selection questionnaire scoring criteria must be evaluated.

The 'open' procedure is used for all below threshold tender activity to encourage participation from Small and Medium-Sized Enterprises (SMEs).

The submissions will be evaluated on both price and quality of their bid to ensure that they are competent and have the appropriate experience to carry out the works.

## TEIGNBRIDGE DISTRICT COUNCIL

### 3.3 Risk

Consents will be required to discharge surface water from the pitches to nearby watercourses or rivers. Some of the sites have these consents in place, however where consents are not in place they will need to be obtained prior to commencing works.

A high pressure gas pipe is located within the Michaels field area at Bishopsteignton. Consultation is underway to establish the extent of drainage works that will be allowed within the vicinity of the gas pipe. This will need to be resolved prior to instructing works to progress at this location.

### 3.4 Programme

Milestone	Date
Council Approval	28 February 2019
Procurement of contractor	04 March – 12 April 2019
Award contract	Week commencing 22 April 2019
Commence works	July 2019
Complete works	By 30 August 2019

**Lorraine Montgomery**  
Interim Head of Operations and

**Cllr Philip Bullivant**  
Portfolio Holder for Leisure and  
Recreation

#### BELOW TO BE FILLED IN BY THE REPORT AUTHOR:

<b>Wards affected</b>	Dawlish, Newton Abbot, Bishopsteignton
<b>Contact for any more information</b>	Lorraine Montgomery
<b>Background Papers (For Part I reports only)</b>	
<b>Key Decision</b>	Y / N
<b>In Forward Plan</b>	Y / N
<b>In O&amp;S Work Programme</b>	Y / N
<b>Community Impact Assessment attached:</b>	Y / N
<b>Appendices attached:</b>	A: title B: title etc

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**COUNCIL**

**CHAIRMAN:** Cllr Avril Kerswell

**DATE:** 28 February 2019

**REPORT OF:** Tony Watson, Interim Head of Commercial Services  
and Cllr Timothy Golder Portfolio Holder for Economy,  
Skills and Tourism

**SUBJECT:** Newton Abbot. Hotel Development

**PART I**

**RECOMMENDATION**

**That the Council resolve the recommendations to deliver a new Hotel made in part II.**

**1. PURPOSE**

The purpose of this report is to outline the development proposal for part of Halcyon Road Car Park.

**2. BACKGROUND**

The Newton Abbot master plan was approved by the Executive in July and presented to the public in December 2018.

The master plan seeks to deliver on the Local Plan aims and Teignbridge 10 projects. The key aspects of these are:

- To promote and facilitate major new mixed-use development in the town centre including new retail, leisure and residential opportunities to ensure that the vitality and viability of the town centre is enhanced as it comes under increasing pressure from nearby centres in the South Devon and Exeter areas.
- To improve access to and within the town centre by all modes of transport, particularly walking and cycling routes, public transport and car parking, whilst improving pedestrian spaces within the town centre.
- Achieve redevelopment in the Town with no net loss of parking provision.

### **3. Halcyon Road – Development Opportunity**

The Site was marketed as a development opportunity at the beginning of 2018 with interested parties invited to submit best offers. 4 proposals were received and these were subsequently presented to the Executive in July 2018 for consideration as to the most appropriate offer to move forward with.

Those offers were:

Offer 1: 72 Bedroom Hotel to be operated by a national hotel chain.

Offer 2: 100 Bedroom Hotel, operating under a national brand as a franchisee

Offer 3: Retirement Apartments

Offer 4: Part of a 'space over' project to build above the surface of the car park to create a Hotel. Further details of the operator not disclosed.

The preferred option approved by the Executive was offer 1 the final terms of which are outlined in part II.

### **4. MAIN IMPLICATIONS**

#### **4.1 Parking:**

In accordance with the adopted Local Plan the delivery of development is proposed to be enabled while ensuring no net loss of parking. In order to achieve this the existing provision in the Town Centre will need to be re-configured and additional space made available to create capacity.

#### **4.2 Cattle Market – Additional Parking:**

The Local Plan and Masterplan highlight the cattle market as an opportunity area for future development.

Phasing the delivery of improvements in the town is critical, together with managing parking provision and ensuring ease of access and availability of space is retained.

In order to achieve development at Halcyon Road, the cattle market site highlighted as an opportunity area for creating temporary parking, until such time as a development proposal is brought forward for the site.

The Newton Abbot Livestock auctioneers and NFU have been consulted. The Auctioneers have requested the ability to continue trading in a reduced form.

Their proposal is to hand back the sheep stalls below the Multi Storey Car Park while retaining the covered pens in the main market area.

There are three options for the Council to consider:

## TEIGNBRIDGE DISTRICT COUNCIL

### Option A:

Terminate the existing selling licence with the Cattle Market Auctioneers and demolish the sheep/cattle pens. This will create an estimated 117 parking spaces resulting in a temporary net increase in parking spaces of 47.

### Option B:

Revise the selling licence with the Auctioneers. To allow for continuing trade from the covered pens, but taking back the sheep pens below the Multi Storey Car Park and setting out this area as parking.

This option will see a temporary net loss in parking spaces of 30, although previous survey work has indicated there is capacity in the multi storey car park.

### Option C:

Adopt a phased closure, converting the sheep pens below the multi storey car park to parking in summer 2019 and closing the cattle pens at a later date once the development of the hotel is due to commence.

Further detail on the financial impact of the above proposals is outlined in part II.

## 5. Legal & Financial:

The legal and financial implications are outlined in part II.

**Tony Watson**  
Interim Head of Commercial Services

**Cllr Timothy Golder**  
Portfolio Holder for Economy, Skills  
and Tourism

### BELOW TO BE FILLED IN BY THE REPORT AUTHOR:

<b>Wards affected</b>	Newton Abbot
<b>Contact for any more information</b>	Tom Butcher
<b>Background Papers (For Part I reports only)</b>	
<b>Key Decision</b>	Y
<b>In Forward Plan</b>	Y
<b>In O&amp;S Work Programme</b>	N
<b>Community Impact Assessment attached:</b>	N
<b>Appendices attached:</b>	A: title B: title etc

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