

12 February 2018

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, 22nd February, 2018** 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 Council meeting held on 15 January 2018.
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)
7. Notices of motion under Council Procedure Rule 4.5(l) (if any)

The following notice of motion has been submitted by Councillor G Hook and supported by Councillors Connett, Dewhurst, Keeling, Nutley and Rollason:

" This Council notes with concern

+ That 300 million tonnes of new plastic is made each year, half of which is for single use plastic such as packaging and convenience foods. In many cases, such as plastic straws, takeaway food containers and coffee cups, there are practical alternatives available that are either reusable or sustainable.

+ That in 2016, the Ellen MacArthur Foundation estimated that by weight, there could be more plastic in our oceans than fish, as soon as 2050. As plastics are durable and strong they will stay in the environment for up to an estimated 600 years. (Columbia University)

+ That marine plastic leads to coastal/offshore dead zones, entanglement, death through ingestion, toxic transfer and, once degraded into micro plastics, contamination of the food chain... including our own. We are quite literally eating the plastic that has ended up in our seas.

Council welcomes

+ Moves towards Deposit Return Schemes

+ The success of the "Plastic Bag Levy" introduced by the Coalition Government of 2010-15, which has led to a 90% reduction in plastic bag usage.

+ The success reported from councils both in Devon and around the country in reducing plastic waste and improving recycling figures by the introduction of a three weekly residual waste service.

Therefore this council commits to playing its full role in reducing plastic waste, specifically

+ That the Council will undertake an audit, within existing resources, of single use plastics used by the Authority and seek to replace with sustainable or renewable alternatives wherever practical.

+ That the Council will play its part in educating the public about plastic waste, specifically by including information on reducing plastic waste in both online and written materials.

+ That the council will introduce, following appropriate trials, a three weekly residual waste collection scheme to encourage plastic recycling (as well as all other recycling) and thus start to improve our recycling figures which have been flat lining for far too long.

+ That the Council will use its best offices to work with all other local authorities in Devon to achieve a Devon wide consensus to see a similar system implemented by all collection authorities within the county

+ To write to both our members of Parliament and the European Parliament, and to the secretary of State for Environment, Food and Rural Affairs, urging them to consider legislation and regulations which will reduce the amount of single use plastic used by society

+ To use all links that we have with business in Teignbridge to encourage them to reduce the amount of plastic waste produced and specifically to contact our major

supermarkets asking them to consider introducing a "plastic free aisle" in the local stores on a trial basis."

8. Referral from Executive - Final Financial Plan Proposals 2018/19 (Pages 13 - 80)

To consider the Executive's Final Financial Plan Proposals 2018/19 to and set the Council Tax 2018/19.

Appendices 1 to 7, 10, 11, 11a, 12 and 14 are attached.

Appendices 8, 9, 13, and 15, as detailed in paragraph 1.3.3 of the report attached, will follow.

Members are kindly requested to note the following from the Council's Constitution: Part 3, Section 2 (Budget and Policy Framework Procedure Rules), Paragraph 2.2 (Process for Developing the Budget and Policy Framework), paragraph (e):

"That any Member who wishes to propose major changes, i.e. changes to the proposed Council Tax levels, or levels of reserves (to the budget proposed by the Executive) be required to give notice of such changes, in writing, to the Democratic Services Manager and the Chief Finance Officer at least 5 working days before the start of the Council (Budget) Meeting, e.g. if the meeting is at 10.00 a.m. on Monday the alternative proposal will need to be received by 10.00 a.m. on the immediately preceding Monday, so as to enable proper consideration to be given to the proposal....."

Alternative proposals that affect the council tax and levels of reserves will need to be submitted in writing **before 2.15p .m., Thursday, 15 February 2018.**

Information relating to a proposed major change to the budget will be circulated to all Members at least 24 hours before the Council Meeting.

9. Political Balance (Pages 81 - 84)

To consider the political balance following the recent by-elections on 15 February, 2018.

10. Update on the Standards Review by the Standards Committee (Pages 85 - 90)

Chairman of the Standards Committee, Councillor Prowse to report.

11. Review of the Council's Pay Policy (Report to follow)

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. Council is recommended to resolve

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

13. Chief Finance Officer (Pages 91 - 100)

14. Staffing Matters (Report to follow)

15. The Chairman will announce:

“That the Common Seal of the Council be affixed to any document or documents necessary to give effect to the resolutions passed by the Council at this meeting.”

FULL COUNCIL**MONDAY, 15 JANUARY 2018****Present:**

Councillors Golder (Chairman), Austen, Barker, J Hook (was Brodie), Bromell, Bullivant, Christophers, Clarence, Clemens, Colclough, Connett, Cook, Cox, Dewhirst, Eden, Ford, Goodey, Gribble, Haines, Hockin, Hocking, G Hook, Jeffery, Keeling, Kerswell, Lake, Mayne, Morgan, Nutley, Orme, Parker, Peart, Pilkington, Rollason, Russell, Smith and Thorne

Apologies:

Councillors Dennis, Fusco, Hayes, Jones, Matthews, Prowse and Winsor

Also Present:

Phil Shears, Interim Head of Paid Service
Neil Aggett, Democratic Services Manager & Monitoring Officer
Martin Flitcroft, Finance Manager
Trish Corns, Democratic Services Officer

1. MINUTES

The minutes of the meeting held on 3 November 2017 were approved as a correct record and signed by the Chairman.

2. CHAIRMAN'S ANNOUNCEMENTS

The Chairman, on behalf of his mother, his civic escort, and himself thanked Councillors and staff who had conveyed their condolences in relation to the loss of his father.

He referred to the Civic Service which would be held on 4 March 2018 and the Parish Church of St John the Baptist, Bishopsteignton, 3.00 p.m. to which all members were warmly invited.

The Chairman advised that he had attended two Teignbridge events since the last Council meeting: the new Dawlish Countryside Park was officially opened on 7 January, 2018. The Park is next to Sainsburys, accessed from the A379; the Sports Personality Awards presentations were held at the Langstone Cliff Hotel at the beginning of December.

In relation to recent media coverage regarding the liquidation of the national construction company Carillion, the Leader of the Council advised that the

company's current situation would not affect any development projects relating to the Council's assets.

3. DECLARATIONS OF INTEREST

There were no declarations of interest.

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

There were no public questions.

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

Questions submitted by Councillor Gordon Hook:

1 *Teignbridge acquired approx £400,000 from unreturned change in its car parks since 2011. How has this money been used? Into which account did it go?*

Answer by Leader

I don't agree with the figure quoted in the question. The over vend from off street car parking from 2010-11 to 2015-16 is £338,827 as stated in the reply to the Freedom of Information request number 9466.

These funds have been utilised to offset other variances within the revenue budget and reported as they arise as part of the management accounts reports to Executive. They have not been allocated to a separate pot but form part of the income and expenditure streams which balance our general fund. Where car parking surpluses have been made against budget we have in the past and will in the future be reinvesting elements of this surplus back into the service through the capital programme.

Supplementary question

In response to a supplementary question the Leader advised that change was also not given prior to 2010, and the provision of change giving machines are of a cost in which the Council does not wish to invest.

2 *Will the Leader join with me and condemn those who are spoiling our towns and villages with graffiti?*

Answer by Leader

I don't believe any of us in the chamber condone graffiti.

3 *Will he establish an "anti graffiti" hit squad to respond to these acts of vandalism by the use of anti graffiti paint to eliminate these eye sores?*

Answer by Leader

The Council already has a service to deal with graffiti. The Council has a 'report it' page on its website www.teignbridge.gov.uk to encourage reporting of graffiti and can also provide a service for the removal of graffiti from private property for a cost. It can also be reported via the Environment Hotline 0800 328 6402.

Additionally, there are a number of companies operating in the area who also offer a graffiti removal service.

We currently operate a single, towable high pressure jet wash used in conjunction with graffiti cleaning gels and wipes. This is operated by the High Speed Roads litter team when required in addition to their scheduled daily and other ad-hoc work.

We currently only remove graffiti from TDC properties, land or assets free of charge. Offensive graffiti on TDC assets is prioritised and removed as soon as possible. We occasionally undertake work for DCC Highways at their request where safe to do so and with their authorisation. We deal with approximately 30 cases of graffiti clearance per year at present with a further 19 cases reported that we do not action clearance on ourselves as are private assets and notify utility companies and/or owners where possible. Wherever we undertake removal of graffiti from a 3rd party's asset we first have to gain authority, we do not have the power to enter private property to undertake clearance works without authorisation.

Supplementary Question

Councillor Hook suggested a cross party action group, made reference to a resident waiting for 30 minutes when calling the hotline, and commented that Teignbridge should be more entrepreneurial. In response the Leader referred to the mechanisms, tools and partnerships that the Council has at its disposal to deal with graffiti. The Council is also focusing on youth crime to address graffiti. The Council is one of the most entrepreneurial local authority.

4 Will he instruct an officer to contact local utility companies/Network Rail/Devon CC and local businesses who are experiencing graffiti seeking their active cooperation in eliminating graffiti and tidying up the premises for which they are individually responsible? Will he further offer these various organisations a graffiti cleaning service for which they will be charged, as a means of both cleaning up our towns and also generating revenue for the council? In so doing will he then publicise those who help and cooperate, and those who don't?

Answer by Leader

We do notify 3rd parties where possible and please see answer 3 about alternative services open to affected property owners.

5 Will he urge the local police, in conjunction with our own anti - social behaviour officers, to investigate what appear to be the increasing number of acts of graffiti vandalism and encourage them to take action by prosecuting those found to be responsible?

Answer by Leader

Yes. Our Anti-Social Behaviour Officer works with the Neighbourhood Policing teams across the district with regards to incidents of graffiti. A database of images is maintained for research and investigative purposes. This assists identifying areas of our district to target intervention. We work with all agencies to identify perpetrators and take appropriate action. I have asked that these concerns be raised at the next Multi Agency Anti-Social Behaviour meeting at the end of January to raise awareness and seek intelligence to identify the perpetrators.

Supplementary Question

In response to a question on how many prosecutions have occurred in the last 12 to 18 months for graffiti vandalism, the Leader advised that he did not have such information available and would arrange for a written answer.

6 *How many vehicles currently make up the waste management departments fleet of vehicles?*

Answer by Portfolio Holder for Environment Services

45 front line waste collection service vehicles. Whilst there was a considerable increase in fleet size during the service improvements of 2015 the overall service cost did not increase significantly due to increased income levels and higher vehicle efficiency.

7 *How many vehicles did the department use in 2009 / 2013 / 2015?*

Answer by Portfolio Holder for Environment Services

2009 = 27

2013 = 27

2015 = 46 – The increase was required to enable weekly recycling collections of additional materials including separate food waste and additional plastics.

8 *How many vehicles would be required if Council opted for a three weekly residual bin collection service?*

Answer by Portfolio Holder for Environment Services

We are not able to provide an answer to this question at this stage as it requires complex remodelling of the service. We have planned to undertake service remodelling work during 2018/19 which will provide information relating to resource impacts and help inform decisions on any service changes.

Whilst there is likely to be a reduction in the number of residual waste vehicles required this has to be balanced against displacement of waste to recycling rounds generating greater vehicle capacity requirements there and the increasing number of households to be served upping demand on the existing fleet.

9 *What would the financial implications be to the council in the event of changing to a three weekly residual collection?*

Answer by Portfolio Holder for Environment Services

We are not able to provide an answer to this question at this stage as it requires complex remodelling of the service and related budgets. We have planned to undertake service remodelling work during 2018/19 which will provide information relating to resource impacts and help inform decisions on any service changes.

Questions submitted by Councillor Connett:

1. How much did the Teignbridge Local Plan cost to complete and publish?

Answer provided by PH for Planning & Housing

It is not possible to answer this question with any degree of certainty, since it would involve an assessment of what proportion of staff time within the spatial planning and delivery team was spent on the local plan rather than on a variety of other work and projects including policy advice on planning applications, Community Infrastructure Levy work, green infrastructure and cycle delivery, masterplanning, monitoring, research, corporate policy input and management. The direct costs of consultants are set out in the next answer.

2. How much did the Council spend on Consultants to help undertake research and prepare the Local Plan?

Answer provided by PH for Planning & Housing

The following table sets out the figures for each year.

2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
293,194	125,364	65,723	117,880	98,478	917

3. Based on researched evidence, is it correct that the Teignbridge Local Plan requires developers to provide up to 30% affordable housing?

Answer provided by PH for Planning & Housing

The local plan contains the following policy applying various affordable housing targets; the 30% target applies to the rural areas outside the settlements referred to in a(i) and a(ii).

WE2 Affordable Housing Site Targets

To ensure that housing sites provide for the range of housing needs:

- a) all open market housing sites including change of use and conversion to dwellings within the district with a capacity of more than 4 dwellings will provide affordable housing in accordance with the following targets (to apply only upon the introduction of Community Infrastructure Levy within Teignbridge);*
- i. 20% within the settlement limits of Newton Abbot and Kingsteignton;*
 - ii. 25% within the settlement limits of Dawlish, Teignmouth and South West of*

*Exeter urban extension, and;
iii. 30% in any other location*

b) the provision of affordable housing is a high priority in considering planning applications, however if independently verified evidence is submitted which proves that the affordable housing target renders the site undeliverable, a reduced level of provision or other alterations to the scheme sufficient to bring it forward will be negotiated;

c) affordable dwellings will be sold by developers to a Registered Provider (Housing Association) or other appropriate managing organisation at a price which retains their affordability without the need for external grant funding. These prices will be approved annually by the Council; and

d) on sites which meet criterion a) of this policy, but on which the provision of affordable housing would not be an efficient use of resources or would be otherwise inappropriate, a contribution towards affordable housing provision elsewhere in Teignbridge will be required, based on the purchase price referred to in criterion c) of this policy.

4. Since the Teignbridge Local Plan was adopted, is it correct that the council has awarded planning permissions with lower levels of affordable housing to developers because their own viability shows they cannot afford to provide the levels of affordable homes in the Local Plan?

Answer provided by PH for Planning & Housing

Yes

5. Was the researched evidence on which affordable housing is based in the Local Plan flawed?

Answer provided by PH for Planning & Housing

No. The local plan research was carried out on a more general basis, taking an overview of the area and using existing information and data as recommended by NPPF and confirmed in the PPG advice referred to later in this answer. It is not feasible to undertake viability assessments at local plan/CIL stages to the same level of detail as for individual planning applications. To do so would have increased the £57,162 spent on viability evidence during the local plan and CIL preparation considerably and in any case would have been overtaken by changes in houses prices, development costs and additional information in the intervening years.

The Local Plan policy WE2 criterion (b) provides a basis for additional viability information to be taken into account when planning applications are submitted. This accords with the national planning policy framework paragraph 50 which states that “policies should be sufficiently flexible to take account of changing market conditions over time”. It is also in line with the legal requirements associated with S106 planning obligations which require that obligations are fairly and reasonably related to the development in scale and kind.

This national legislation and policy is supported by more specific advice in the National Planning Practice Guidance which includes the following relevant paragraphs

“Decision-taking on individual schemes does not normally require an assessment of viability. However viability can be important where planning obligations or other costs are being introduced. In these cases decisions must be underpinned by an understanding of viability, ensuring realistic decisions are made to support development and promote economic growth. Where the viability of a development is in question, local planning authorities should look to be flexible in applying policy requirements wherever possible.”

“Decision-taking on individual applications does not normally require consideration of viability. However, where the deliverability of the development may be compromised by the scale of planning obligations and other costs, a viability assessment may be necessary. This should be informed by the particular circumstances of the site and proposed development in question. Assessing the viability of a particular site requires more detailed analysis than at plan level.

A site is viable if the value generated by its development exceeds the costs of developing it and also provides sufficient incentive for the land to come forward and the development to be undertaken.”

“In making decisions, the local planning authority will need to understand the impact of [planning obligations](#) on the proposal. Where an applicant is able to demonstrate to the satisfaction of the local planning authority that the planning obligation would cause the development to be unviable, the local planning authority should be flexible in seeking planning obligations.

This is particularly relevant for affordable housing contributions which are often the largest single item sought on housing developments. These contributions should not be sought without regard to individual scheme viability. The financial viability of the individual scheme should be carefully considered in line with the principles in this guidance.”

These are all material considerations in the consideration of planning applications and the local planning authority must take them into account.

6. Does the Council continue to believe it will deliver the level of affordable housing in the Local Plan, while it continues to accept much lower levels from developers?

Answer provided by PH for Planning & Housing

It is difficult to make forecasts given the variety of factors involved, but current performance puts the council over a year ahead of target in affordable housing provision. From 2013 – 2018 the local plan projects 564 affordable housing completions in policy WE1. Monitoring indicates that 834 affordable homes have been completed in Teignbridge up to October 2017.

7. How many Housing units currently have planning permission in Teignbridge but have not yet been started?

Answer provided by PH for Planning & Housing

3181

8. In light of the report presented at the recent Standards Committee meeting, will the Leader of the Council advise the authority's staff and councillors when an apology is not an apology?

Answer provided by Leader

The matter to which you refer has been reported to the Standards Committee, a comprehensive process has been followed with published findings. As Leader and as one of 46 Councillors who represent the public on this Council, I am at ease with the outcome of their work. I have no further comment to make.

Councillor Connett referred to the Councillor's subsequent comments to the media which appeared to undermine the apology. He also referred to the possible scenario of a member of staff commenting on the appearance of a Councillor.

6. NOTICES OF MOTION UNDER COUNCIL PROCEDURE RULE 4.5(L) (IF ANY)

There were no Notices of Motion.

7. HEART OF THE SOUTH WEST JOINT COMMITTEE (HOTSWJC)

The Leader presented the report circulated with the agenda, which detailed the constitutional arrangements and inter-authority agreement necessary to enable the Joint Committee to be formally established. Appendix A sets out the arrangements document. Appendix B sets out the Administering Authority in support of the Committee including financial, legal and constitutional functions.

The key role of the HotSWJC is to develop, agree and approve the implementation of the Productivity Strategy, through focusing on collaboration, negotiation and influencing, with full decision making responsibilities.

Councillor Connett commented that the requested £1400 each, from all partners to fund the administration and the work programme of the Joint Committee in 2018/19 was not a large amount. However, totalling £89,000 from all partners was money that could be better utilised across Devon and Cornwall.

In response the Leader of the Council, Councillor Christophers, referred that the nominal amount, of which there was more in each Councillor's community fund, would enable the Council to be a partner on the Joint Committee to represent the Teignbridge community. Employment opportunities were available in the area, but more highly paid jobs were required.

It was noted that the wording of paragraph 11.5 of Appendix B had been superseded from that which was detailed in the report circulated with the agenda.

It was proposed by the Leader of the Council and seconded that the recommendations set out in the report circulated with the agenda be approved, subject to the updating of paragraph 11.5 of Appendix B. The proposal was carried by 23 votes for and 11 against.

Resolved

- (a) The recommendation of the HotSW Leaders (meeting as a shadow Joint Committee) to form a Joint Committee for the Heart of the South West be approved.
- (b) The Arrangements and Inter-Authority Agreement documents set out in appendices A and B for the establishment of the Joint Committee be approved, with the commencement date of Monday 22 January 2018, subject to paragraph 11.5 of Appendix B being amended to read: *All press releases to be approved by the press office of the administering Authority.*
- (c) The Leader and Deputy Leader be appointed as the Council's named representative and substitute named representative on the Joint Committee.
- (d) Somerset County Council be appointed as the Administering Authority for the Joint Committee for a 2 year period commencing 22nd January 2018.
- (e) The transfer of the remaining joint devolution budget to meet the support costs of the Joint Committee for the remainder of 2017/18 financial year subject to approval of any expenditure by the Administering Authority be approved.
- (f) An initial contribution of £1400 for 2018/19 be approved to fund the administration and the work programme of the Joint Committee, noting that any expenditure will be subject to the approval of the Administering Authority.
- (g) The key function of the Joint Committee to approve the Productivity Strategy be approved. (It is intended to bring the Strategy to the Joint Committee for approval by February 2018).
- (h) The initial work programme of the Joint Committee aimed at the successful delivery of the Productivity Strategy be authorised.
- (i) The proposed meeting arrangements for the Joint Committee including the timetable of meetings for the Joint Committee as proposed in para 2.14 of the report circulated with the agenda be agreed.

8. FINANCIAL INSTRUCTIONS

The Finance Manager referred to the report circulated with the agenda and the proposed amendments to the Financial Instructions as recommended by the Audit Committee at its meeting on 14 December, 2017.

The Financial Instructions provide the framework for managing the Council's financial affairs, and it is important that they are reviewed to ensure they are fit for purpose and reflect the business needs of the Council.

The proposed amendments recommended by the Audit Committee were:

- Clarifying the virement (or budget change) limits for capital budgets to align them with the Constitutions Key Decision limit of £125,000.
- An increase in the limit for revenue virements approved by officers from £40,000 to £50,000 to bring them into line with capital virement limits which are already £50,000.
- Increasing the thresholds for minor property transactions to allow the Business Manager Economy and Assets to dispose of assets up to £50,000 in consultation with the Portfolio Holder, Head of Paid Service, Business Lead, and Chief Finance Officer. This would also allow the Business Manager Economy and Assets to make minor acquisitions up to £50,000 in consultation with the Portfolio Holder, Head of Paid Service, Business Lead and Chief Finance Officer. This will help speed up decisions for minor transactions where we may need to respond to market opportunities for critical developments.

It was proposed by Councillor Clarence, seconded by Councillor Hockin and

Resolved

That the proposed amendments to the Financial Instructions recommended by the Audit Committee at its meeting on 14 December, 2017 be approved.
(Carried by 21 votes for and 13 against)

9. COUNCIL TAX BASE

The Portfolio Holder referred to the report circulated with the agenda. He advised that the council tax base is the estimated number of band D equivalent properties in the district for next year less a small allowance for likely collection losses. The council tax for each of district, county, fire, police and towns/parishes multiplied by the council tax base gives the income or precept which the district pays to each authority. The district is responsible for collecting its own council tax and that of the County.

Following consideration of the report it was proposed by Councillor Barker, seconded by the Leader, Councillor Christophers and unanimously

Resolved

The council tax base of 48,577 for 2018/19 as detailed at appendix A of the report circulated with the agenda be approved.

10. COUNCIL TAX REDUCTION SCHEME

Consideration was given to the report circulated with the agenda which updated Members on the current Council Tax reduction Scheme, and sought approval for the scheme and the Exceptional Hardship Policy for the 2018-19 financial year. The scheme would help those in exceptional hardship.

It was proposed by Councillor Barker and seconded by Councillor Gribble that the recommendation as detailed in the report circulated with the agenda be approved. This was carried by 22 votes for, 0 against and 1 abstention.

Resolved

- (a) That the Council Tax Reduction Scheme for 2018-19 as set out in Appendix A of the report circulated with the agenda be adopted.
- (b) That the continuation of the Exceptional Hardship Policy be approved.

At this juncture the Interim Head of Paid Service left the meeting.

11. EXCLUSION OF THE PRESS AND PUBLIC

It was proposed by Councillor Smith, seconded by Councillor Haines and

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. APPOINTMENT OF HEAD OF PAID SERVICE

The Leader of the Council, Councillor Christophers, referred to the confidential report circulated at the meeting. He thanked the Members of the Appointments and Remuneration Committee for the time and commitment in reaching the recommendation for the appointment of a Managing Director, as set out in the report.

The Leader of the Opposition, Councillor Hook and a member of the Committee, concurred with the Leader of the Council. The recommendations had been reached in the best interests of the Council, the community and the delivery of services.

In response to a question regarding the interview process, Councillor Barker, a member of the Committee, confirmed that the process followed the normal internal

interview procedure. In response to a further question regarding the appointment of a Deputy Managing Director, Councillor Barker advised that the posts of Chief Executive and Deputy Chief Executive would be deleted from the establishment, and the necessity of a Deputy Managing Director would be considered.

Councillor Christophers added that his new role includes the duties and responsibilities undertaken by the Head of Paid Service and will also focus on the internal delivery of the priorities set out in the Council Strategy. The salary range of the Managing Director would be published on the website in accordance with statutory requirements, and a press statement would be provided following the meeting.

It was proposed by Councillor Christophers, seconded by Councillor Hook and unanimously

Resolved

- (a) Mr Phil Shears be appointed permanently as Head of Paid Service with immediate effect on the basis that the Head of Paid Service responsibilities will be added to his current role.
- (b) Mr Shears' be designated the new role as Managing Director of the Council, a combination of the responsibilities he has in his current role and the Head of Paid Service responsibilities, be approved.
- (c) The outcome of the Hay evaluation be noted, and Mr Shears' starting salary as Managing Director of the Council and the potential pay progression as set out at paragraph E of the report be approved.

At this juncture the Meeting returned to public session. The Interim Head of Paid Service returned to the meeting and the Chairman and all Members congratulated Mr Shears on his immediate appointment as Managing Director.

13. COMMON SEAL

Resolved

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.

TIMOTHY GOLDER
Chairman

TEIGNBRIDGE DISTRICT COUNCIL

COUNCIL

CHAIRMAN: Cllr Tim Golder

DATE: 22 February 2018

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

SUBJECT: BUDGET AND COUNCIL TAX 2018/19

PART I

RECOMMENDATIONS

- a That the Teignbridge band D council tax for 2018/19 is increased by 3.12% or £5 to £165.17 per annum
- b That general reserves are increased to 11.3% of the net revenue budget for 2018/19 or just under £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 2018/19 is £16.6 million as shown at appendix 4. In particular the revenue budget includes:
 - The final pay offer including increases linked to the national living wage for 2018/19 and a 2% increase for all other staff from 1 April 2018
 - Significant revenue contributions to fund capital at £1.3 million in 2018/19 but reducing 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 £125,000

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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 three 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 2018/19
- k** That the treasury management mid year review for 2017/18 as taken to Executive on 5 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 2018/19 to 2020/21. 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 2018/19 to 2020/21 as per agenda item 10 Overview and Scrutiny 5 February 2018 (pages 7 to 45) and agenda item 8 Executive 8 February 2018 (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. A small increase has been made to the rural services delivery grant.

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 2018/19 which shows the detailed timing for preparing the budget from November 2017 to February 2018
- Appendix 2 approved council tax base 2018/19
- Appendix 3 council tax calculator 2018/19 which shows the effects of different council tax increases with the recommended 3.12% highlighted
- Appendix 4 revenue budget summary 2017/18 onwards
- Appendix 5 revenue budget detail including service summary and glossary
- Appendix 6 fees and charges summary 2018/19 – 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 2017/18 mid year review
- Appendix 13 consultation report
- Appendix 14 draft minute of the Executive meeting held on 8 February 2018 relating to the final financial plan proposals 2018/19 to 2020/21
- Appendix 15 council tax resolutions 2018/19

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 2018/19 of:

- Teignbridge is on the four year government settlement from 2016/17. 100% rates retention is 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 last years settlement. We benefit from

TEIGNBRIDGE DISTRICT COUNCIL

being a business rate pilot for 2018/19 with additional funds being invested in Newton Abbot town centre.

- 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 third year of Business Efficiency Service Transition 2020 review following business challenge in earlier years.
- We are in the second year of our new 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 general rental income and market income which is down on the original budget.
- The requirement to incorporate a pay offer 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 2017/18 to 2020/21. A referendum would be triggered in 2018/19 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 £2.3 million and £1.3 million in the current and next year are enabled by new homes bonus receipts but these are assumed to reduce in later years.

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.

TEIGNBRIDGE DISTRICT COUNCIL

- 2.5 A business impact assessment has been carried out on the financial plan 2018-21 and this is shown at appendix 9.
- 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 2, 15 and 19 February respectively and members will be advised accordingly.

Martin Flitcroft
Interim Chief Finance Officer

Cllr Stuart Barker
Portfolio Holder Corporate
Resources

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

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Budget timetable 2018/19

	November	December	January	February
Government (Chancellor) Autumn Budget Statement	22nd			
Provisional local government settlement		19th		
Executive papers sent out - initial budget proposals		22nd		
Start of formal six weeks consultation period		22nd		
Budget survey emailed to businesses			4th	
Executive 10am - agree initial financial plan proposals including council tax base			9th	
Overview & Scrutiny 10am - consider Executive's financial plan			15th	
Council after O & S - approve council tax support and council tax base			15th	
Teignbridge Association of Local Parishes meeting 7pm TDC Council Chamber			25th	
Deadline for business rates retention estimate to government, county and fire			31st	
Police and Crime Panel consider precept and approve				2nd
Overview & Scrutiny 10am - consider Executive's final financial proposals				5th
Fire Authority Resources 10am budget meeting				8th
Executive 10am - agree final financial plan proposals, including budget monitoring				8th
County Cabinet 10.30am budget meeting				9th
Devon County Council 2.15pm - set county precept and council tax				15th
Fire Authority - set fire precept and council tax				19th
Final settlement expected				late
Council meeting 10am - consider financial proposals and council tax resolution				22nd
Reserve county budget meeting 10am if required				22nd
Close council tax accounts and start bills print unless delayed if council tax not set				23rd

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Section 1

Council Tax Base adjustment for Council Tax Support (CTS) and estimated growth						
	Estimated 18/19 Band D Number	17/18 Council Tax £	Estimated Income £	Estimated Collection Rate %	Estimated Net Income £	Estimated 18/19 Base
Full band D at November 2017	53,532.1	1,749.02	93,628,710			
less CTS at November 2017	<u>-4,949.9</u>	1,749.02	<u>-8,657,470</u>			
Starting point based on November 2017	48,582.2		84,971,240			
Anticipated growth at 1%	485.5	1,749.02	849,150			
Total (rounded)	49,067.7	1,749.02	85,820,390	99.0%	84,962,140	48,577

Section 2

2018/19 Expected Council Tax (CT) Income at Current Council Tax Levels compared with 2017/18			
Preceptor	Estimated CT Base Number	17/18 Council Tax £	Expected income £
2018/19 expected income (rounded)			
Towns and parishes	48,577	63.08	3,064,240
District	48,577	160.17	7,780,580
County	48,577	1,267.92	61,591,750
Fire	48,577	81.57	3,962,430
Police	48,577	176.28	8,563,150
Total (rounded) shows a 2.0% increase in expected income		1,749.02	84,962,200
2017/18 expected income (rounded)			
Towns and parishes	47,614	63.08	3,003,532
District	47,614	160.17	7,626,334
County	47,614	1,267.92	60,370,743
Fire	47,614	81.57	3,883,874
Police	47,614	176.28	8,393,396
Total (rounded)		1,749.02	83,277,900

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To show the extra Council Tax in 2018/19 that would be collected for varying increases by percentage and value.

Teignbridge Band D Council Tax 2017/18 (excluding parish precepts) **£160.17**
 Approved Council Tax Base 2018/19 (at 99% collection rate) **[a] 48,577**

Varying increases in Council Tax for 2018/19			Total Band D Council Tax 2018/19	Increase in Council Tax income for 2018/19	[b] Total Council Tax income 2018/19
%	Per Year £	Per Week £	Per Year £	Per Year £	Per Year £
0.00	0.00	0.00	160.17	0	7,780,580
				No council tax freeze grant	0
				Total income	7,780,580
0.34	0.53	0.01	160.70	25,740	7,806,320
0.62	1.00	0.02	161.17	48,580	7,829,160
1.00	1.60	0.03	161.77	77,720	7,858,300
1.25	2.00	0.04	162.17	97,150	7,877,730
1.68	2.68	0.05	162.85	130,180	7,910,760
1.87	3.00	0.06	163.17	145,730	7,926,310
2.00	3.20	0.06	163.37	155,440	7,936,020
2.50	4.00	0.08	164.17	194,310	7,974,890
3.00	4.81	0.09	164.98	233,650	8,014,230
3.12	5.00	0.10	165.17	242,880	8,023,460

Note:

- [a]** Council Tax Base of 48,577 for 2018/19 approved by Council on 15 January 2018
- [b]** Total Council Tax income is calculated by multiplying the Band D Council Tax by the recommended Council Tax Base of 48,577
- [c]** No council tax freeze grant. Referendum limit proposed by government as higher of 2% or above £5 for Band D.

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Revenue Budget Summary

Appendix 4

Revenue Budget	2017-18 Budget	2017-18 Latest	2018-19 Forecast	2019-20 Forecast	2020-21 Forecast
	£	£	£	£	£
EXPENDITURE					
1 Employees	18,196,500	18,637,930	19,507,770	20,064,320	20,406,370
2 Property	4,213,990	4,656,500	4,441,670	4,519,200	4,598,830
3 Services & supplies	5,364,260	7,180,170	5,287,470	5,478,920	5,369,110
4 Grant payments	35,678,130	36,087,760	35,590,780	35,355,990	35,355,990
5 Transport	691,990	721,340	711,530	711,530	711,530
6 Leasing & capital charges	1,352,870	1,300,100	1,477,300	1,477,300	1,477,300
7 Contributions to capital	1,543,610	2,326,110	1,321,500	204,820	423,510
8 Total expenditure	67,041,350	70,909,910	68,338,020	67,812,080	68,342,640
INCOME					
9 Sales	-831,510	-1,003,390	-974,430	-993,920	-1,013,800
10 Fees & charges	-8,524,350	-9,353,930	-9,654,440	-9,944,070	-10,242,390
11 Grants - income	-35,488,130	-35,956,110	-35,503,890	-35,453,890	-35,403,890
12 Property income	-2,798,140	-2,869,000	-2,975,900	-3,065,170	-3,157,120
13 Other income & recharges	-2,380,820	-3,528,070	-2,615,880	-2,716,200	-2,721,560
14 Transfer from (-) / to earmarked reserves	-422,000	-1,766,000	0	-40,000	-217,250
15 Total income	-50,444,950	-54,476,500	-51,724,540	-52,213,250	-52,756,010
16 Total net service cost	16,596,400	16,433,410	16,613,480	15,598,830	15,586,630
Funding					
17 Council tax	-7,626,330	-7,626,330	-8,023,460	-8,349,050	-8,680,200
18 Council tax/community charge surplus	-193,060	-193,060	-127,640	0	0
19 Revenue support grant	-847,040	-847,040	0	0	0
20 Rates baseline funding	-3,169,360	-3,169,360	-3,685,050	-3,336,980	-3,362,520
21 Estimated rates retention and pooling gain	-1,250,000	-1,250,000	-1,310,000	-1,390,000	-1,299,000
22 New homes bonus	-3,436,400	-3,436,400	-2,917,460	-2,412,440	-2,205,690
23 Other grants	-65,920	-65,920	0	-38,680	-38,680
24 Business rate pilot funding	0	0	-550,000	0	0
25 Total funding	-16,588,110	-16,588,110	-16,613,610	-15,527,150	-15,586,090
26 -Surplus/shortfall	8,290	-154,700	-130	71,680	540
27 General reserves at end of year	1,640,019	1,872,577	1,872,707	1,801,027	1,800,487
28 General reserves as % of net revenue budget	9.9%	11.3%	11.3%	11.6%	11.6%

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All Services

Managing Director/Business Lead		2016-17	2017-18	2018-19
		Actual	Outturn	Budget
		£	£	£
Corporate Services				
S Aggett	Business Improvement & Development	539,949	534,100	531,260
P Shears	Communications	179,378	191,610	200,110
P Shears	Corporate Leadership Team	493,318	564,900	371,690
P Shears	Democratic Services	691,593	757,410	759,590
P Shears	Electoral Services	214,932	231,480	191,680
P Shears	Finance	553,360	590,230	580,860
S Aggett	Human Resources	359,797	374,010	384,090
S Aggett	Internal Audit	141,951	147,880	146,850
S Aggett	Legal	275,020	309,540	290,660
S Aggett	Procurement	18,855	19,180	33,310
		3,468,152	3,720,340	3,490,100
Strategic Place				
P Shears	Building Control	98,481	(141,170)	53,440
P Shears	Customer Services	283,947	375,880	407,880
P Shears	Development Management	384,831	453,010	390,170
P Shears	Economy & Assets	96,568	(91,630)	(156,620)
P Shears	Housing	683,088	1,236,860	1,304,540
P Shears	Parking & Transport	(2,424,415)	(2,425,500)	(2,479,090)
P Shears	Revenues & Benefits	428,153	668,880	836,340
P Shears	Spatial Planning	922,239	631,550	596,210
		472,892	707,880	952,870
Environmental Health & Wellbeing				
S Aggett	Community Safety	83,649	96,770	97,450
S Aggett	Environmental Health	942,923	976,710	1,033,730
S Aggett	Green Spaces & Active Leisure	1,191,371	1,260,530	1,404,050
S Aggett	Leisure	404,569	479,670	562,390
S Aggett	Licensing	(73,708)	(78,390)	(73,950)
S Aggett	Resorts	61,985	87,860	185,720
S Aggett	Waste, Recycling & Cleansing	4,537,892	4,523,070	5,165,210
		7,148,681	7,346,220	8,374,600
	Total all services	11,089,726	11,774,440	12,817,570
	Financing Items	2,005,395	2,332,860	2,474,410
	Totals per actual/budget papers	13,095,121	14,107,300	15,291,980
	Contribution to capital	949,446	2,326,110	1,321,500
	Totals per actual/budget papers	14,044,567	16,433,410	16,613,480

Notes:

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

PH:	Humphrey Clemens	2016-17		2017-18		2018-19	
Manager:	Andrew Carpenter	Actual		Outturn		Budget	
Activity Area:	Building Control	FTE	£	FTE	£	FTE	£
<u>EXPENDITURE</u>							
Employees		13.5	500,303	14.5	876,840	22.0	920,250
Property			39,775		43,400		34,850
Services & Supplies			108,833		160,570		101,760
Grant Payments			0		0		0
Transport			29,027		70,190		70,180
Leasing & capital charges			0		0		0
			677,939		1,151,000		1,127,040
<u>INCOME</u>							
Sales			0		0		0
Fees & Charges			-372,329		-856,500		-853,000
Property Income			0		0		0
Grants - income			0		0		0
Other income & recharges			-207,128		-346,070		-220,600
Transfers from earmarked reserves			0		-89,600		0
			(579,457)		(1,292,170)		(1,073,600)
Service Cost			98,481		(141,170)		53,440
Service cost - £'s per head of population			0.76		-1.09		0.41

PH:	Stuart Barker	2016-17		2017-18		2018-19	
Manager:	Kay O'Flaherty	Actual		Outturn		Budget	
Activity Area:	Business Improvement & Development Team	FTE	£	FTE	£	FTE	£
<u>EXPENDITURE</u>							
Employees		6.0	241,214	7.0	237,960	7.5	254,320
Property			16,322		32,670		14,100
Services & Supplies			88,976		114,060		51,420
Grant Payments			204,287		237,560		216,470
Transport			849		1,030		520
Leasing & capital charges			0		0		0
			551,648		623,280		536,830
<u>INCOME</u>							
Sales			0		0		0
Fees & Charges			0		0		0
Property Income			-5,067		-570		-570
Grants - income			0		0		0
Other income & recharges			-6,632		-5,000		-5,000
Transfers from earmarked reserves			0		-83,610		0
			(11,699)		(89,180)		(5,570)
Service Cost			539,949		534,100		531,260
Service cost - £'s per head of population			4.19		4.11		4.06

PH:	Jeremy Christophers	2016-17		2017-18		2018-19	
Manager:	Emma Pearcy	Actual		Outturn		Budget	
Activity Area:	Communications	FTE	£	FTE	£	FTE	£
<u>EXPENDITURE</u>							
Employees		4.0	132,069	4.0	143,710	4.0	145,630
Property			3,447		3,760		3,020
Services & Supplies			42,963		43,680		50,650
Grant Payments			0		0		0
Transport			898		480		830
Leasing & capital charges			0		0		0
			179,378		191,630		200,130
<u>INCOME</u>							
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
			0		(20)		(20)
Service Cost			179,378		191,610		200,110
Service cost - £'s per head of population			1.39		1.48		1.53

PH:	Sylvia Russell	2016-17		2017-18		2018-19	
Manager:	Rebecca Hewitt	Actual		Outturn		Budget	
Activity Area:	Community Safety	FTE	£	FTE	£	FTE	£
<u>EXPENDITURE</u>							
Employees		1.5	81,691	1.5	84,620	2.0	86,300
Property			1,852		2,020		1,630
Services & Supplies			22,139		15,780		7,420
Grant Payments			26,778		46,950		0
Transport			2,673		2,890		2,100
Leasing & capital charges			0		0		0
			135,135		152,260		97,450
<u>INCOME</u>							
Sales			0		0		0
Fees & Charges			0		0		0
Property Income			0		0		0
Grants - income			-8,013		0		0
Other income & recharges			-43,472		-55,490		0
Transfers from earmarked reserves			0		0		0
			(51,485)		(55,490)		0
Service Cost			83,649		96,770		97,450
Service cost - £'s per head of population			0.65		0.75		0.74

PH:	Jeremy Christophers	2016-17		2017-18		2018-19	
Manager:	Phil Shears	Actual		Outturn		Budget	
Activity Area:	Corporate Leadership Team	FTE	£	FTE	£	FTE	£
<u>EXPENDITURE</u>							
Employees		9.0	446,173	6.0	488,440	4.0	325,160
Property			23,899		25,680		20,620
Services & Supplies			16,942		45,700		20,510
Grant Payments			0		0		0
Transport			6,540		5,360		5,680
Leasing & capital charges			0		0		0
			493,553		565,180		371,970
<u>INCOME</u>							
Sales			0		0		0
Fees & Charges			0		0		0
Property Income			0		0		0
Grants - income			0		0		0
Other income & recharges			-235		-280		-280
Transfers from earmarked reserves			0		0		0
			(235)		(280)		(280)
Service Cost			493,318		564,900		371,690
Service cost - £'s per head of population			3.83		4.35		2.84

PH:	John Goodey	2016-17		2017-18		2018-19	
Manager:	Liz Guy	Actual		Outturn		Budget	
Activity Area:	Customer Services	FTE	£	FTE	£	FTE	£
<u>EXPENDITURE</u>							
Employees		12.5	241,850	12.5	257,710	13.0	293,000
Property			18,957		19,410		15,590
Services & Supplies			23,617		98,760		99,290
Grant Payments			0		0		0
Transport			0		0		0
Leasing & capital charges			0		0		0
			284,424		375,880		407,880
<u>INCOME</u>							
Sales			0		0		0
Fees & Charges			0		0		0
Property Income			0		0		0
Grants - income			-477		0		0
Other income & recharges			0		0		0
Transfers from earmarked reserves			0		0		0
			(477)		0		0
Service Cost			283,947		375,880		407,880
Service cost - £'s per head of population			2.20		2.89		3.12

PH:	Jeremy Christophers	2016-17		2017-18		2018-19	
Manager:	Neil Aggett	Actual		Outturn		Budget	
Activity Area:	Democratic Services	FTE	£	FTE	£	FTE	£
<u>EXPENDITURE</u>							
Employees		4.0	550,076	4.0	565,240	4.0	583,790
Property			12,076		13,440		10,550
Services & Supplies			83,412		97,430		94,360
Grant Payments			144,755		301,120		69,000
Transport			1,697		1,630		1,620
Leasing & capital charges			312		310		310
			792,328		979,170		759,630
<u>INCOME</u>							
Sales			0		0		0
Fees & Charges			0		-40		-40
Property Income			0		0		0
Grants - income			-100,680		-103,990		0
Other income & recharges			-55		0		0
Transfers from earmarked reserves			0		-117,730		0
			(100,735)		(221,760)		(40)
Service Cost			691,593		757,410		759,590
Service cost - £'s per head of population			5.37		5.83		5.81

PH:	Humphrey Clemens	2016-17		2017-18		2018-19	
Manager:	Nick Davies	Actual		Outturn		Budget	
Activity Area:	Development Management	FTE	£	FTE	£	FTE	£
<u>EXPENDITURE</u>							
Employees		32.0	1,065,741	32.5	1,127,680	34.5	1,173,210
Property			68,536		63,280		32,740
Services & Supplies			368,287		348,210		311,680
Grant Payments			0		0		0
Transport			33,089		28,540		27,750
Leasing & capital charges			0		0		0
			1,535,653		1,567,710		1,545,380
<u>INCOME</u>							
Sales			-25		0		0
Fees & Charges			-873,240		-1,038,760		-1,145,020
Property Income			0		0		0
Grants - income			-7,269		0		0
Other income & recharges			-270,287		-53,800		-10,190
Transfers from earmarked reserves			0		-22,140		0
			(1,150,821)		(1,114,700)		(1,155,210)
Service Cost			384,831		453,010		390,170
Service cost - £'s per head of population			2.99		3.49		2.98

PH:	Jeremy Christophers	2016-17		2017-18		2018-19	
Manager:	Tony Watson	Actual		Outturn		Budget	
Activity Area:	Economy & Assets	FTE	£	FTE	£	FTE	£
<u>EXPENDITURE</u>							
Employees		40.0	1,169,718	42.0	1,292,250	40.0	1,273,650
Property			554,945		621,000		598,420
Services & Supplies			982,679		723,650		553,080
Grant Payments			47,265		35,120		7,800
Transport			13,604		16,860		17,700
Leasing & capital charges			0		0		0
			2,768,211		2,688,880		2,450,650
<u>INCOME</u>							
Sales			-77,632		-51,360		-73,450
Fees & Charges			-257,361		-224,660		-224,590
Property Income			-1,982,689		-1,980,510		-2,129,810
Grants - income			-70,955		-48,320		0
Other income & recharges			-283,006		-192,430		-179,420
Transfers from earmarked reserves			0		-283,230		0
			(2,671,643)		(2,780,510)		(2,607,270)
Service Cost			96,568		(91,630)		(156,620)
Service cost - £'s per head of population			0.75		-0.71		-1.20

PH:	Jeremy Christophers	2016-17		2017-18		2018-19	
Manager:	Cathy Ruelens	Actual		Outturn		Budget	
Activity Area:	Electoral Services	FTE	£	FTE	£	FTE	£
<u>EXPENDITURE</u>							
Employees		2.5	86,430	2.0	91,810	2.0	92,880
Property			40,898		36,640		6,300
Services & Supplies			410,349		412,190		94,350
Grant Payments			0		0		0
Transport			841		740		290
Leasing & capital charges			0		0		0
			538,518		541,380		193,820
<u>INCOME</u>							
Sales			0		0		0
Fees & Charges			-2,516		-2,000		-2,040
Property Income			0		0		0
Grants - income			0		-2,700		0
Other income & recharges			-321,071		-314,600		-100
Transfers from earmarked reserves			0		9,400		0
			(323,586)		(309,900)		(2,140)
Service Cost			214,932		231,480		191,680
Service cost - £'s per head of population			1.67		1.78		1.46

PH:	Sylvia Russell	2016-17		2017-18		2018-19	
Manager:	David Eaton & Paul Nicholls	Actual		Outturn		Budget	
Activity Area:	Environmental Health	FTE	£	FTE	£	FTE	£
<u>EXPENDITURE</u>							
Employees		24.0	735,014	24.0	728,740	23.0	805,140
Property			42,411		45,500		40,470
Services & Supplies			186,276		222,080		205,420
Grant Payments			0		0		0
Transport			33,645		35,190		33,150
Leasing & capital charges			9,486		9,890		6,330
			1,006,832		1,041,400		1,090,510
<u>INCOME</u>							
Sales			-3,621		-3,100		-3,000
Fees & Charges			-39,405		-41,930		-41,540
Property Income			0		0		0
Grants - income			-79		-1,200		0
Other income & recharges			-20,803		-11,900		-12,240
Transfers from earmarked reserves			0		-6,560		0
			(63,909)		(64,690)		(56,780)
Service Cost			942,923		976,710		1,033,730
Service cost - £'s per head of population			7.32		7.52		7.90

PH:	Stuart Barker	2016-17		2017-18		2018-19	
Manager:	Martin Flitcroft	Actual		Outturn		Budget	
Activity Area:	Finance	FTE	£	FTE	£	FTE	£
<u>EXPENDITURE</u>							
Employees		14.0	506,491	14.0	531,600	14.0	528,190
Property			21,498		23,340		18,740
Services & Supplies			33,955		41,090		38,040
Grant Payments			0		0		0
Transport			954		610		870
Leasing & capital charges			0		0		0
			562,898		596,640		585,840
<u>INCOME</u>							
Sales			0		0		0
Fees & Charges			0		0		0
Property Income			0		0		0
Grants - income			0		0		0
Other income & recharges			-9,537		-6,410		-4,980
Transfers from earmarked reserves			0		0		0
			(9,537)		(6,410)		(4,980)
Service Cost			553,360		590,230		580,860
Service cost - £'s per head of population			4.30		4.55		4.44

PH:	Phil Bullivant	2016-17		2017-18		2018-19	
Manager:	Lorraine Montgomery	Actual		Outturn		Budget	
Activity Area:	Green Spaces & Active Leisure	FTE	£	FTE	£	FTE	£
<u>EXPENDITURE</u>							
Employees		15.5	447,062	14.5	480,520	18.0	548,900
Property			976,793		1,026,400		989,240
Services & Supplies			282,294		299,510		245,610
Grant Payments			22,178		15,390		8,040
Transport			13,931		13,500		14,100
Leasing & capital charges			0		0		0
			1,742,258		1,835,320		1,805,890
<u>INCOME</u>							
Sales			-5,097		-5,200		-5,200
Fees & Charges			-231,454		-213,920		-219,610
Property Income			-148,642		-164,300		-156,480
Grants - income			-61,191		-90,130		0
Other income & recharges			-104,502		-134,070		-20,550
Transfers from earmarked reserves			0		32,830		0
			(550,886)		(574,790)		(401,840)
Service Cost			1,191,371		1,260,530		1,404,050
Service cost - £'s per head of population			9.25		9.71		10.73

PH:	Humphrey Clemens	2016-17		2017-18		2018-19	
Manager:	Amanda Pujol	Actual		Outturn		Budget	
Activity Area:	Housing	FTE	£	FTE	£	FTE	£
<u>EXPENDITURE</u>							
Employees		25.5	1,024,426	24.0	1,119,920	31.0	1,099,300
Property			245,604		282,900		263,540
Services & Supplies			722,160		1,443,370		629,190
Grant Payments			516,797		447,000		382,000
Transport			22,629		28,690		25,280
Leasing & capital charges			0		0		0
			2,531,615		3,321,880		2,399,310
<u>INCOME</u>							
Sales			-1,200		-1,200		-1,200
Fees & Charges			-1,235		-1,710		-1,710
Property Income			-567,619		-512,330		-489,360
Grants - income			-1,009,323		-598,900		-476,520
Other income & recharges			-269,149		-200,140		-125,980
Transfers from earmarked reserves			0		-770,740		0
			(1,848,527)		(2,085,020)		(1,094,770)
Service Cost			683,088		1,236,860		1,304,540
Service cost - £'s per head of population			5.30		9.52		9.97

PH:	Stuart Barker	2016-17		2017-18		2018-19	
Manager:	Kate Davies	Actual		Outturn		Budget	
Activity Area:	Human Resources	FTE	£	FTE	£	FTE	£
<u>EXPENDITURE</u>							
Employees		6.5	389,713	6.5	268,650	6.5	270,310
Property			21,286		23,280		18,650
Services & Supplies			109,727		108,750		99,750
Grant Payments			0		0		0
Transport			537		350		530
Leasing & capital charges			0		0		0
			521,264		401,030		389,240
<u>INCOME</u>							
Sales			-33,612		0		0
Fees & Charges			0		0		0
Property Income			0		0		0
Grants - income			0		0		0
Other income & recharges			-127,855		-17,530		-5,150
Transfers from earmarked reserves			0		-9,490		0
			(161,467)		(27,020)		(5,150)
Service Cost			359,797		374,010		384,090
Service cost - £'s per head of population			2.79		2.88		2.94

PH:	Stuart Barker	2016-17		2017-18		2018-19	
Manager:	Sue Heath	Actual		Outturn		Budget	
Activity Area:	Internal Audit	FTE	£	FTE	£	FTE	£
<u>EXPENDITURE</u>							
Employees		2.5	125,982	2.5	130,960	2.5	131,240
Property			6,699		7,310		5,870
Services & Supplies			9,116		9,300		9,520
Grant Payments			0		0		0
Transport			157		310		220
Leasing & capital charges			0		0		0
			141,954		147,880		146,850
<u>INCOME</u>							
Sales			0		0		0
Fees & Charges			0		0		0
Property Income			0		0		0
Grants - income			0		0		0
Other income & recharges			-3		0		0
Transfers from earmarked reserves			0		0		0
			(3)		0		0
Service Cost			141,951		147,880		146,850
Service cost - £'s per head of population			1.10		1.14		1.12

PH: Manager: Activity Area:	Stuart Barker Kate Davies Legal	2016-17		2017-18		2018-19	
		FTE	Actual £	FTE	Outturn £	FTE	Budget £
<u>EXPENDITURE</u>							
	Employees	7.0	253,985	7.0	287,910	6.0	272,190
	Property		13,045		14,230		11,430
	Services & Supplies		27,573		31,740		31,460
	Grant Payments		0		0		0
	Transport		489		540		440
	Leasing & capital charges		0		0		0
			295,091		334,420		315,520
<u>INCOME</u>							
	Sales		0		0		0
	Fees & Charges		-19,741		-24,840		-24,860
	Property Income		0		0		0
	Grants - income		0		0		0
	Other income & recharges		-330		-40		0
	Transfers from earmarked reserves		0		0		0
			(20,071)		(24,880)		(24,860)
Service Cost			275,020		309,540		290,660
Service cost - £'s per head of population			2.13		2.38		2.22

PH: Manager: Activity Area:	Phil Bullivant James Teed Leisure	2016-17		2017-18		2018-19	
		FTE	Actual £	FTE	Outturn £	FTE	Budget £
<u>EXPENDITURE</u>							
	Employees	49.5	1,469,842	64.0	1,618,310	67.5	1,776,700
	Property		994,038		940,290		887,530
	Services & Supplies		371,232		332,840		357,000
	Grant Payments		12,500		12,500		12,500
	Transport		6,327		4,370		4,510
	Leasing & capital charges		1,610		1,800		1,800
			2,855,549		2,910,110		3,040,040
<u>INCOME</u>							
	Sales		-7,315		-5,630		-4,260
	Fees & Charges		-2,241,049		-2,235,910		-2,289,900
	Property Income		0		0		0
	Grants - income		0		-1,130		0
	Other income & recharges		-202,616		-187,770		-183,490
	Transfers from earmarked reserves		0		0		0
			(2,450,981)		(2,430,440)		(2,477,650)
Service Cost			404,569		479,670		562,390
Service cost - £'s per head of population			3.14		3.69		4.30

PH:	Sylvia Russell	2016-17		2017-18		2018-19	
Manager:	Andrea Furness	Actual		Outturn		Budget	
Activity Area:	Licensing	FTE	£	FTE	£	FTE	£
<u>EXPENDITURE</u>							
Employees		3.5	106,472	3.0	91,030	3.0	95,700
Property			13,072		12,420		11,550
Services & Supplies			36,345		33,330		33,970
Grant Payments			0		0		0
Transport			383		270		270
Leasing & capital charges			0		0		0
			156,272		137,050		141,490
<u>INCOME</u>							
Sales			0		0		0
Fees & Charges			-229,980		-215,440		-215,440
Property Income			0		0		0
Grants - income			0		0		0
Other income & recharges			0		0		0
Transfers from earmarked reserves			0		0		0
			(229,980)		(215,440)		(215,440)
Service Cost			(73,708)		(78,390)		(73,950)
Service cost - £'s per head of population			-0.57		-0.60		-0.57

PH:	Jeremy Christophers	2016-17		2017-18		2018-19	
Manager:	Tony Watson	Actual		Outturn		Budget	
Activity Area:	Parking	FTE	£	FTE	£	FTE	£
<u>EXPENDITURE</u>							
Employees		9.0	220,729	9.0	215,150	9.0	232,380
Property			558,972		584,850		624,880
Services & Supplies			216,382		264,260		250,750
Grant Payments			2,700		0		0
Transport			2,117		2,900		3,850
Leasing & capital charges			9,164		9,160		9,160
			1,010,063		1,076,320		1,121,020
<u>INCOME</u>							
Sales			0		0		0
Fees & Charges			-3,323,855		-3,424,290		-3,549,340
Property Income			-34,192		-19,740		-7,460
Grants - income			0		0		0
Other income & recharges			-76,431		-45,830		-43,310
Transfers from earmarked reserves			0		-11,960		0
			(3,434,478)		(3,501,820)		(3,600,110)
Service Cost			(2,424,415)		(2,425,500)		(2,479,090)
Service cost - £'s per head of population			-18.82		-18.68		-18.95

PH:	Stuart Barker	2016-17		2017-18		2018-19	
Manager:	Lucy Ford	Actual		Outturn		Budget	
Activity Area:	Procurement & Commissioning	FTE	£	FTE	£	FTE	£
<u>EXPENDITURE</u>							
Employees		1.0	45,632	1.0	37,810	1.0	51,660
Property			0		0		0
Services & Supplies			3,018		5,560		5,560
Grant Payments			0		0		0
Transport			493		60		340
Leasing & capital charges			0		0		0
			49,144		43,430		57,560
<u>INCOME</u>							
Sales			0		0		0
Fees & Charges			0		0		0
Property Income			0		0		0
Grants - income			0		0		0
Other income & recharges			-30,289		-24,250		-24,250
Transfers from earmarked reserves			0		0		0
			(30,289)		(24,250)		(24,250)
Service Cost			18,855		19,180		33,310
Service cost - £'s per head of population			0.15		0.15		0.25

PH:	Phil Bullivant	2016-17		2017-18		2018-19	
Manager:	Sarah Holgate	Actual		Outturn		Budget	
Activity Area:	Resorts	FTE	£	FTE	£	FTE	£
<u>EXPENDITURE</u>							
Employees		9.0	184,491	8.0	177,850	12.5	269,530
Property			84,319		65,050		48,730
Services & Supplies			72,374		100,680		76,460
Grant Payments			1,300		0		0
Transport			3,199		4,370		4,190
Leasing & capital charges			199		430		160
			345,882		348,380		399,070
<u>INCOME</u>							
Sales			-147		-130		0
Fees & Charges			-36,123		-32,000		-27,980
Property Income			-240,268		-207,710		-182,370
Grants - income			0		0		0
Other income & recharges			-7,359		-5,880		-3,000
Transfers from earmarked reserves			0		-14,800		0
			(283,897)		(260,520)		(213,350)
Service Cost			61,985		87,860		185,720
Service cost - £'s per head of population			0.48		0.68		1.42

PH:	Stuart Barker	2016-17		2017-18		2018-19	
Manager:	Tracey Hooper	Actual		Outturn		Budget	
Activity Area:	Revenues & Benefits	FTE	£	FTE	£	FTE	£
<u>EXPENDITURE</u>							
Employees		51.0	1,190,160	53.0	1,197,780	48.5	1,318,000
Property			81,870		95,030		76,370
Services & Supplies			649,305		652,540		654,360
Grant Payments			34,168,731		34,722,290		34,660,180
Transport			2,567		2,880		2,020
Leasing & capital charges			0		0		0
			36,092,634		36,670,520		36,710,930
<u>INCOME</u>							
Sales			0		0		0
Fees & Charges			-184,061		-187,510		-187,510
Property Income			0		0		0
Grants - income			-34,746,639		-35,089,010		-35,019,270
Other income & recharges			-733,781		-725,120		-667,810
Transfers from earmarked reserves			0		0		0
			(35,664,481)		(36,001,640)		(35,874,590)
Service Cost			428,153		668,880		836,340
Service cost - £'s per head of population			3.32		5.15		6.39

PH:	Humphrey Clemens	2016-17		2017-18		2018-19	
Manager:	Simon Thornley	Actual		Outturn		Budget	
Activity Area:	Spatial Planning	FTE	£	FTE	£	FTE	£
<u>EXPENDITURE</u>							
Employees		11.0	522,860	11.0	533,880	9.5	425,180
Property			24,287		26,500		21,280
Services & Supplies			462,487		244,510		145,070
Grant Payments			17,439		8,980		0
Transport			6,663		6,550		4,780
Leasing & capital charges			0		0		0
			1,033,736		820,420		596,310
<u>INCOME</u>							
Sales			0		0		0
Fees & Charges			-162		-100		-100
Property Income			0		0		0
Grants - income			-34,645		-4,440		0
Other income & recharges			-76,690		-35,960		0
Transfers from earmarked reserves			0		-148,370		0
			(111,497)		(188,870)		(100)
Service Cost			922,239		631,550		596,210
Service cost - £'s per head of population			7.16		4.86		4.56

PH: Manager: Activity Area:	Kevin Lake Chris Braines Waste, Recycling & Cleansing	2016-17 Actual		2017-18 Outturn		2018-19 Budget	
		FTE	£	FTE	£	FTE	£
	<u>EXPENDITURE</u>						
	Employees	153.0	3,976,369	152.5	4,251,190	170.0	4,739,160
	Property		580,694		572,690		538,640
	Services & Supplies		1,005,905		1,111,800		965,360
	Grant Payments		0		0		0
	Transport		473,198		481,610		486,350
	Leasing & capital charges		1,289,979		1,278,060		1,277,190
			7,326,145		7,695,350		8,006,700
	<u>INCOME</u>						
	Sales		-892,822		-936,770		-887,320
	Fees & Charges		-831,478		-854,320		-871,760
	Property Income		-1,680		-3,480		-9,850
	Grants - income		-8,010		-8,190		0
	Other income & recharges		-1,054,262		-1,119,520		-1,072,560
	Transfers from earmarked reserves		0		-250,000		0
			(2,788,253)		(3,172,280)		(2,841,490)
Service Cost			4,537,892		4,523,070		5,165,210
Service cost - £'s per head of population			35.22		34.83		39.47

Glossary

Column Headings

2016-17 Actual – the actual cost of the service for last year

2017-18 Outturn – the likely cost of the service for this year

2018-19 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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Service	Actual 2016/17 £	Probable 2017/18 £	Proposed 2018/19 £	Dept total 2018/19 £	Department
Building Control	-372,329	-856,500	-853,000	-853,000	Building Control
Land Charges	-228,883	-217,980	-211,000		
Planning	-620,599	-812,760	-926,000		
Planning Admin	-945	-800	-800		
Street Naming	-21,559	-7,220	-7,220	-1,145,020	Development Management
Misc	0	-40	-40	-40	Democratic Services
Car Parks	-3,323,737	-3,424,290	-3,549,340		
Livestock Market	-36,773	-19,200	-19,200		
Old Forde house	-16,684	-14,370	-14,370		
Retail Market	-204,404	-191,090	-191,020	-3,773,930	Economy & Assets
Electoral Registration	-2,516	-2,000	-2,040	-2,040	Electoral Registration
Dog Control	-2,195	-2,690	-2,690		
Health & Food Safety	-7,683	-7,590	-7,650		
Health Licence Fees	-24,441	-26,250	-25,800		
Litter Clearance	-2,786	-3,650	-3,650		
Nuisance Parking	50	-50	-50		
Private Water Supply Sampling	-1,719	-1,700	-1,700	-41,540	Environmental Health
Amenity & Conservation Sites	-1,863	-1,470	-1,550		
Cemetery Fees	-131,237	-128,380	-132,190		
Dawlish Lawn Golf	-10,630	0	0		
Shaldon Golf	-72,009	-71,320	-72,750		
Sports Pitches	-15,714	-12,750	-13,120	-219,610	Green Spaces & Active Leisure
Housing	-1,235	-1,710	-1,710	-1,710	Housing
Legal Fees	-19,741	-24,840	-24,860	-24,860	Legal
Broadmeadow Sports Centre	-103,936	-88,220	-90,090		
Dawlish Leisure Centre	-235,390	-222,080	-217,310		
Leisure Childcare	-111,246	-107,420	-104,530		
Leisure Memberships	-1,229,898	-1,300,000	-1,364,000		
Newton Abbot Leisure Centre	-509,836	-474,100	-465,530		
Outdoor Pools	-50,714	-44,090	-48,440	-2,289,900	Leisure
Gambling Act 2005	-23,621	-25,560	-25,560		
Hackney Carriage	-75,415	-61,780	-61,780		
Licensing Act 2003	-130,944	-128,100	-128,100	-215,440	Licensing
Beach huts	-7,324	-6,510	-6,530		
Boat Storage	-7,519	-9,270	-4,420		
Leisure Events	-151	-50	-50		
Polly Steps	-21,129	-16,170	-16,980	-27,980	Resorts
Council Tax	-184,061	-187,510	-187,510	-187,510	Revenue & Benefits
Local Development Framework	-162	-100	-100	-100	Spatial Planning
Abandoned Vehicles	308	-760	-760		
Commercial Waste / Household Refuse	-812,650	-834,200	-851,060		
Composting	-2,111	-1,960	-2,060		
Toilets for Disabled	-172	-200	-200		
Vehicle Workshop	-16,854	-17,200	-17,680	-871,760	Waste, Recycling & Cleansing
Grand Totals	-8,642,457	-9,353,930	-9,654,440	-9,654,440	

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**TEIGNBRIDGE DISTRICT COUNCIL
CAPITAL PROGRAMME 2017-18 TO 2020-21**

Appendix 7

				41,148	14,842	35,142	28,391	9,076	Totals (£'000)
Code /bid no.		Asset/Service Area	Description	ORIGINAL	LATEST	LATEST	LATEST	LATEST	Teignbridge 10
				BUDGET 2017-18	BUDGET 2017-18	BUDGET 2018-19	BUDGET 2019-20	BUDGET 2020-21	
				£'000	£'000	£'000	£'000	£'000	
				(Inc Fees)	(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 (CR)		20				9. Strong communities
KP4		Brimley Brook	Brimley Brook (GG,CR)	-	6				9. Strong communities
KL1		Broadband	Contribution to Superfast Broadband (CR)	125	-	-	250		6. Investing in prosperity
Bid 28	*	Broadmeadow Sports Centre	Provision for Broadmeadow Sports Centre Asbestos (2020-25)(CR)						8. Out and about and active
Bid 31	*	Broadmeadow Sports Centre	Provision for Broadmeadow Sports Centre central boiler installation (CR)			45			8. Out and about and active
Bid 4	*	Broadmeadow Sports Centre	Provision for Broadmeadow Sports Centre Improvement Plan (S106/CR).			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
KM5		Car parks	Replacement Car Park Machines (RS)		18				3. Going to town
K21		Car parks	The Globe Car Park - drainage and resurfacing (CR)	10	-				3. Going to town
KM6		Car parks	Machinery upgrades (RS)		13				3. Going to town
K24		Car parks	(Updated) Car Park systems upgrade (RS)	42	11				3. Going to town
K35		Car parks	Multi-storey office facilities (RS)		22				3. Going to town
Bid 229e	*	Carbon Management	Provision for Carbon Management Programme (CR)		-	340			10. Zero heroes
KY5		Carbon Management	Energy/Utility Reduction (CR, RS)	75	233	75			10. Zero heroes
Bid 245	*	Churchyards	Provision for Churchyards (CR)	102	102				4. Great places to live & work
KR3		Coastal Monitoring	SW Regional Coastal Monitoring Programme. (GG,EC)	674	1,207	732	798	724	9. Strong communities
KR5		Coastal Monitoring	Coastal asset review: project management support (EC)		167				9. Strong communities
KR6		Coastal Monitoring	Coastal asset review (EC)		300	200			9. Strong communities
KW2		Collett Way	Collett Way - re-lay to adoption standard (CR)	275	275				6. Investing in prosperity
K18		Combeinteignhead	Combeinteignhead (Env.Agency)	155	-	155			9. Strong communities
KW3		Cricketfield	UTC Cricketfield Footpath (CR)	45	45				3. Going to town
Bid 211	*	Cycle paths	Provision for Other cycling (CIL)	50	50	50	280		7. Moving up a gear
Bid 211	*	Cycle paths	Provision for Dawlish/Teignmouth Cycle Schemes (later years) (CIL)					65	7. Moving up a gear
Bid 211	*	Cycle paths	Provision for Heart of Teignbridge cycling (later years) (CIL)	45				115	7. Moving up a gear

TEIGNBRIDGE DISTRICT COUNCIL
CAPITAL PROGRAMME 2017-18 TO 2020-21

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			BUDGET 2017-18	BUDGET 2017-18	BUDGET 2018-19	BUDGET 2019-20	BUDGET 2020-21	
			£'000	£'000	£'000	£'000	£'000	
			(Inc Fees)	(Inc Fees)	(Inc Fees)	(Inc Fees)	(Inc Fees)	
KG8	Cycle paths	(Updated) Dawlish/Teignmouth Cycle Schemes (CIL)	150	150	30	200		7. Moving up a gear
KG8	Cycle paths	(Updated) Heart of Teignbridge Cycle Provision (CIL)	10	10	120	100		7. Moving up a gear
Bid 1	* Dawlish Leisure Centre	Provision for Dawlish Leisure Centre Playing Pitch Improvement Plan (S106)	350	-	175	175		8. Out and about and active
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
KG7	Dawlish Leisure Centre	Dawlish Leisure Centre Emergency Voiceover System (CR)	-	7				8. Out and about and active
K20	Dawlish Warren	Dawlish Warren Car Park Renovations (CR)	-	-	200			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
K36	Dawlish Water	Wall Repair (CR)		20				4. Great places to live & work
Bid 46	* Decoy play area	Provision for Decoy refurb (S106/CIL)	150	-	-	150		8. Out and about and active
Bid 77	* Eastcliff Garden	Provision for Eastcliff including walled Garden (S106)		-	50			4. Great places to live & work
KL5b	* Employment Land	Provision for other employment land purchase and infrastructure (BC: Prudential Borrowing)	1,500	2,000				6. Investing in prosperity
K34	Energy Company	Energy Company (CIL)	177		177			9. Strong communities
KD8	Forde House	Forde House Accommodation (BC,CR,RS)	434	562				What else we will do
KD8	Forde House	Forde House Accommodation (EC)	348	558				What else we will do
Bid 125a	* Forde Road Depot	Provision for Forde Road depot concrete repairs (CR)	35	35				5. Health at the heart
Bid 297	* Heart of Teignbridge	Provision for Heart of Teignbridge Employment Sites (BC: Prudential Borrowing; CR)	13,700	-		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) (2020-26)		-			1,000	7. Moving up a gear
K12	Heart of Teignbridge	Kingsteignton/Kingskerswell Education Provision (CIL)		-	1,250			4. Great places to live & work
KL5a	Heart of Teignbridge	Newton Abbot Land Purchase (CR)	200	46	-			6. Investing in prosperity
KW8	Heart of Teignbridge	Houghton Barton land (EC)		167				4. Great places to live & work

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			BUDGET 2017-18	BUDGET 2017-18	BUDGET 2018-19	BUDGET 2019-20	BUDGET 2020-21	
			£'000	£'000	£'000	£'000	£'000	
			(Inc Fees)	(Inc Fees)	(Inc Fees)	(Inc Fees)	(Inc Fees)	
KW9	Heart of Teignbridge	Newton Abbot Land Purchase (CR)		45				6. Investing in prosperity
KB2	Homeyard Botanical Gardens	Homeyard Botanical Gardens (GG,EC,CR)	-	30				4. Great places to live & work
J1	Housing	Discretionary - Disrepair Loans & Grants (GG/CR)	105	105	105	105	105	1. A roof over our heads
JW4a	Housing	Statutory - Disabled Facilities (GG)	950	1,255	1,000	1,000	1,000	1. A roof over our heads
JY3	Housing	Newton Abbot Temporary Accommodation (CR)		1				1. A roof over our heads
JY3a	Housing	Broadhempston Community Land Trust (CR)		60				1. A roof over our heads
JY3c	Housing	Exception site Ideford (CR)	-	10	-			1. A roof over our heads
JY3d	Housing	Exception site Starcross (CR)	-	65	-			1. A roof over our heads
JY3d	Housing	Exception site Denbury (CR)		50				1. A roof over our heads
JY3d	Housing	Downsizer initiative Shutterton Dawlish Warren (CR)		180				1. A roof over our heads
JY3e	Housing	Rural Exception Site in Teignbridge (Abbotskerswell) (CR)	-	10	-			1. A roof over our heads
JY3e	Housing	Exception site Widecombe (CR)		13				1. A roof over our heads
JY3e	Housing	Elderly persons housing scheme Dawlish (CR)						1. A roof over our heads
JY3e	Housing	Extra care housing schemes (CR)						1. A roof over our heads
JY3f	Housing	Surplus TDC sites in Newton Abbot (East St) (CR)	-	10	-			1. A roof over our heads
JY3g	Housing	Surplus TDC sites in Teignbridge (Drake Rd) (CR)	-	11	-			1. A roof over our heads
JY3h	Housing	Longstone Cross Ashburton (CR)	40	100	-			1. A roof over our heads
JY3i	Housing	Compulsory purchase/Empty Homes Projects (CR)	-	-	314			1. A roof over our heads
JY3l	Housing	Cardew Pottery, Newton Abbot (CR)	-	-	-			1. A roof over our heads
JY3	Housing	Jubilee Close, Teignmouth (CR)		5				1. A roof over our heads
JY3n	Housing	Affordable Housing unallocated (CR)	160	-	86	200	200	1. A roof over our heads
Bid 80	* HRA contribution	Provision for HRA (CIL)	18	30	35	53	61	4. Great places to live & work
KV6	IT - Convergence	Strata projects: Convergence Projects (RS)		56				What else we will do
KV8	IT - Capital contribution	Ongoing contributions towards Strata (RS)	41	41	41	41	41	What else we will do
KV1	IT - Committee	Replacement IT Equipment/ Committee Mgt (CR)	-	25				What else we will do
KV4	IT - Customer Services	Customer Portal (CR, RS)	167	246				What else we will do
KV5	IT - Customer Services	Adelante Upgrade (CR)		15				What else we will do
KV9	IT - HR	Strata projects: Human Resources (RS)		45				What else we will do
KV7	IT - Planning	Strata projects: Uniform Implementation (RS)	14	58				What else we will do
KW1	IT - Customer Services	Reception Management (CR)		50				What else we will do
KW7	IT - Customer Services	Open channel/open access (RS, CR)		30				What else we will do
KV/W	IT 17-18 Strata projects	Strata business plan (CR)	142	102				What else we will do
Bid 128	* Kingsteignton Cemetery	Provision for Kingsteignton Cemetery Path (CR)	47 ¹⁰	-				4. Great places to live & work

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				£'000	£'000	£'000	£'000	£'000	
				(Inc Fees)	(Inc Fees)	(Inc Fees)	(Inc Fees)	(Inc Fees)	
Bid 300	*	Kingsteignton	Provision for Kingsteignton Open Space (S106)		-	60			8. Out and about and active
KB8		Kingsway Teignmouth	Kingsway, Teignmouth Footpath (S106/CR)	47	-				4. Great places to live & work
K11		Marsh Barton	Marsh Barton Station (CIL) now £1.3 million by March 2021	-	-			1,300	7. Moving up a gear
Bid 43	*	Michaels Field	Provision for Michaels Field Phase 2 (S106/grant)	136	-		136		8. Out and about and active
Bid 13	*	Newton Abbot Leisure Centre	Provision for Newton Abbot Leisure Centre PAC transfer pump (CR)	12	-				8. Out and about and active
Bid 23	*	Newton Abbot Leisure Centre	Provision for Newton Abbot Leisure Centre fire alarm control panel (CR)		-	30			8. Out and about and active
Bid 236a/b & 237	*	Newton Abbot Leisure Centre	Provision for Newton Abbot Leisure Centre AC Unit (CR), Accoustic main sports hall & sports hall cooling system.	90	-	90			5. Health at the heart
Bid 3	*	Newton Abbot Leisure Centre	Provision for Newton Abbot Leisure Centre Improvement Plan (S106)	350	-	350			8. Out and about and active
KG6		Newton Abbot Leisure Centre	Newton Abbot Leisure Centre lift refurbishment (CR)	-	27				8. Out and about and active
KF5		Newton Abbot Leisure Centre	Newton Abbot Leisure Centre Gym Equipment (RS,CR)	40	69	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)	14,610	-	18,000	14,550		3. Going to town
KL6		Newton Abbot Town Centre	Market Walk improvement works (CR, RS)		2,137				3. Going to town
K8		Newton Abbot Town Centre	Cattle Market Enabling Works (CR)	150	200				3. Going to town
K9		Newton Abbot Town Centre	Bradley Lane Enabling Works (CR)	250	150				3. Going to town
KW5		Open Spaces	Cirl bunting land (S106)		346				4. Great places to live & work
KS4		Pavilions Teignmouth	Pavilions, Teignmouth (GG,CR)	-	91				3. Going to town
K7		Penns Mount Park	Penns Mount Hilltop Park (CIL)	400	-		400		4. Great places to live & work
Bid 44	*	Play area equipment/refurb	Provision for Dawlish play space flagship provision (S106)	75	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 Darracombe Newton Abbot (S106)		-	74			8. Out and about and active
Bid 48	*	Play area equipment/refurb	Provision for 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 (2020-25) (S106/CIL)			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 (2020-25) (S106)					15	8. Out and about and active

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TEIGNBRIDGE DISTRICT COUNCIL
CAPITAL PROGRAMME 2017-18 TO 2020-21

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			BUDGET 2017-18	BUDGET 2017-18	BUDGET 2018-19	BUDGET 2019-20	BUDGET 2020-21	
			£'000	£'000	£'000	£'000	£'000	
			(Inc Fees)	(Inc Fees)	(Inc Fees)	(Inc Fees)	(Inc Fees)	
Bid 67	* Play area equipment/refurb	Provision for Teignbridge-funded play area refurb/equipment (CR)	104		114			8. Out and about and active
KJ8	Play area equipment/refurb	Tedburn St Mary (S106)		16				8. Out and about and active
KJ9	Play area equipment/refurb	Kingskerswell Fitness Equipment (S106)		28				8. Out and about and active
Bid 246	* Public Conveniences	Provision for Wallgate Replacements (CR)			75			2. Clean scene
KP1	Sandygate	Sandygate, Kingsteignton (Env.Agency)	-	9				9. Strong communities
Bid 79	* SANGS/Open Spaces	Provision for SANGS/Open spaces (CIL)	1,400				1,000	4. Great places to live & work
KB1	SANGS/Open Spaces	SANGS land purchase (CIL)		400	700			4. Great places to live & work
KB7	SANGS/Open Spaces	SANGS: Dawlish (CIL)	-	251	-	-		4. Great places to live & work
Bid 95	* South West Exeter	Provision for South West Exeter Transport (2020-25) (CIL)		-			50	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 (re: Forches cross) (S106)	460	-	460			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)				1,050	1,000	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
Bid 189	* Teignmouth Point	Provision for Point Upper, Teignmouth Resurface (GG;CR)	290	120				3. Going to town
Bid 227	* Sport & Leisure	Provision for Water Users' Facility (CR)	30		30			8. Out and about and active
KR9	Teignmouth Point	Teignmouth Point Sea Defence (GG)	1,000	1,572				9. Strong communities
Bid 228	Teignmouth Town Centre	Provision for Teignmouth Town Centre Improvements (BC: Prudential Borrowing)		-	6,900			6. Investing in prosperity
Bid 116	* Waste Management	Provision for Bulking Station - replace telehandlers (2020-25) (CR)		-				2. Clean scene
KS8	Waste Management	Bulking Station - baler (RS)	200	250				2. Clean scene
Bid 118	* Waste Management	Provision for Bulking Station - replace Sortline (2020-25) (CR)		-				2. Clean scene
Bid 119	* Waste Management	Provision for Waste vehicles - additional RCV (CR)		-		150		2. Clean scene
Bid 120	* Waste Management	Provision for Waste vehicles - additional recycling (CR)		-		200		2. Clean scene
Bid 121	* Waste Management	Provision for: Replace kerbsider (CR)		-	50	100		2. Clean scene
Bid 456	* Waste Management	Provision for Containers - allow for inflation (CR)	6	-				2. Clean scene
KT7	Waste Management	Replace forklift (CR)		25				2. Clean scene
KS0	Waste Management	Purchase of Wheeled Bins (RS)	99	99	99	99	99	2. Clean scene
KT6	Waste Management	Bulking Station Expansion or Relocation & Vehicle Space (CR,RS,EC)	-	89				2. Clean scene
			41,148	14,842	35,142	28,391	9,076	

**TEIGNBRIDGE DISTRICT COUNCIL
CAPITAL PROGRAMME 2017-18 TO 2020-21**

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			BUDGET 2017-18	BUDGET 2017-18	BUDGET 2018-19	BUDGET 2019-20	BUDGET 2020-21	
			£'000	£'000	£'000	£'000	£'000	
			(Inc Fees)	(Inc Fees)	(Inc Fees)	(Inc Fees)	(Inc Fees)	
FUNDING GENERAL								
		Capital Receipts Unapplied - Brought forward	(3,270)	(3,245)	(3,494)	(1,181)	(500)	
		Capital Receipts - Anticipated	(802)	(397)	(100)	(200)	-	
		Budgeted Revenue Contribution plus additional for specific schemes.	(1,544)	(3,767)	(550)	-	-	
		Government Grants	(2,270)	(3,065)	(987)	(1,679)	(724)	
		S106	(1,842)	(518)	(1,780)	(392)	(15)	
		Other External Contributions	(1,551)	(1,255)	(1,400)	(510)	-	
		Community Infrastructure Levy	(2,705)	(640)	(2,909)	(3,724)	(6,853)	
		Internal Borrowing	-	-	-	-	-	
		Capital Receipts Unapplied - Carried forward	2,775	3,494	1,183	502	321	
		Business cases: Prudential borrowing	(28,684)	(3,573)	(23,600)	(19,902)	-	
		Shortfall		-	-	-	-	
HOUSING								
		Capital Receipts Unapplied - Brought forward	(394)	(579)	(758)	(1,003)	(1,448)	
		Capital Receipts - Anticipated	(60)	(100)	(50)	(50)	(50)	
		Capital Receipts - Right to Buy	(700)	(700)	(700)	(700)	(700)	
		Better Care Funding and other government grants.	(950)	(1,255)	(1,000)	(1,000)	(1,000)	
		Other External Contributions				-	-	
		Budgeted Revenue Contribution plus additional for specific schemes.		-	-	-	-	
		Capital Receipts Unapplied - Carried forward	849	758	1,003	1,448	1,893	
		Shortfall		-	-	-	-	
TOTAL FUNDING			(41,148)	(14,842)	(35,142)	(28,391)	(9,076)	

Revenue contribution re: previous years' expenditure		(33)	(771)	(205)	(424)
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Programme Funding

Budgeted Revenue Contribution	(1,350)	(1,350)	(550)	-	-
Additional Revenue Contributions towards specific schemes.	(194)	(943)			
Revenue Contributions earmarked reserve.		(1,474)			
Capital Receipts Section 106	(1,602)	(769)	(2,916)	(1,184)	(484)
Other External Contribution Grant	(1,842)	(518)	(1,780)	(392)	(15)
Community Infrastructure Levy	(1,551)	(1,255)	(1,400)	(510)	-
Internal borrowing	(3,220)	(4,320)	(1,987)	(2,679)	(1,724)
Business cases: Prudential borrowing	(2,705)	(640)	(2,909)	(3,724)	(6,853)
Internal borrowing			-	-	-
Business cases: Prudential borrowing	(28,684)	(3,573)	(23,600)	(19,902)	-
Total	(41,148)	(14,842)	(35,142)	(28,391)	(9,076)
Balance of capital receipts	(3,623)	(4,253)	(2,185)	(1,950)	(2,215)

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

PRUDENTIAL INDICATORS

Indicator Number	Code Page	Para No.	Indicator	Actual 2016-17	Estimate 2017-18	Budget 2018-19	Forecast 2019-20	Forecast 2020-21
			AFFORDABILITY					
1	22	73	Estimates of the ratio of financing costs to net revenue stream		(0.16%)	0.71%	0.74%	0.72%
2	22	74	Actual ratio of financing costs to net revenue stream	(0.15%)	-	-		
			PRUDENCE					
3	20	62	Gross debt and the capital financing requirement.		Will not exceed CFR		----- >	----- >
			CAPITAL EXPENDITURE					
4	18	48	Estimates of capital expenditure		£14.84 M	£35.14 M	£28.39 M	£9.08 M
5	18	50	Actual capital expenditure	£7.48 M				
6	18	51	Estimates of CFR		£17.22 M	£43.25 M	£61.95 M	£66.83 M
7	18	54	Actual capital financing requirement	£15.45 M				
			EXTERNAL DEBT					
8	19	55	Authorised limit			£29 M	£52 M	£60 M
9	19	56	Operational boundary			£27 M	£48 M	£55 M
10	20	60	Actual external debt at 31/3/17 (Borrowing plus long-term liabilities).	£5.516 M				
			TREASURY INDICATORS					
11			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>	Upper/lower	Upper/lower	Upper/lower	Upper/lower	Upper/lower
			<u>Fixed rate borrowing</u>					
			under 12 months	0%/0%	100%/0%	100%/0%	100%/0%	100%/0%
			12 months and within 24 months	0%/0%	0%/0%	40%/0%	40%/0%	40%/0%
			24 months and within five years	0%/0%	0%/0%	40%/0%	40%/0%	40%/0%
			five years and within 10 years	0%/0%	0%/0%	40%/0%	40%/0%	40%/0%
			10 years and above	0%/0%	0%/0%	60%/0%	60%/0%	60%/0%
13			<u>Variable rate borrowing</u>					
			<u>NB: no more than 10% of overall external borrowing</u>					
			under 12 months	0%/0%	100%/0%	100%/0%	100%/0%	100%/0%
			12 months and within 24 months	0%/0%	0%/0%	60%/0%	60%/0%	60%/0%
			24 months and within five years	0%/0%	0%/0%	40%/0%	40%/0%	40%/0%
			five years and within 10 years	0%/0%	0%/0%	0%/0%	0%/0%	0%/0%
			10 years and above	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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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 & Local Government (MHCLG) 2018 *Statutory Guidance on Local Government Investments (3rd Edition)* requires authorities to produce at least one investment strategy setting out policies for managing investments to be presented to Full Council for approval prior to the start of the financial year.

Treasury Management Policy Statement

The recently revised 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 is no change from the previous edition, 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 the Treasury Management Strategy below for more information about policies for borrowing and investments.

The revised Code also recommends that all public service organisations adopt the following four clauses:

Clauses to be 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

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- 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 council's policy is to aim to keep a maximum of 10% of its borrowings in variable loans.

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

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Investments

MHCLG have recently (February 2018) updated their statutory investment guidance. 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 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, supporting effective treasury management activities.

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).

Non-financial investments (generally involving a physical asset that can be realised to recoup the capital investment).

Security

As stated in the MHCLG investment guidance, the council’s treasury management 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. Teignbridge District Council’s investment in Market Walk falls into this category. Specialist consultants were involved in the extensive due diligence phase of this investment.

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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.

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 CLT and Executive. In addition, the estates team track rent receipts and market conditions for early indications of potential problems. They report regularly to senior officers and have brought update reports to committees upon request.

Teignbridge District Council has made provision to create an earmarked reserve from sums paid in relation to differentials in the value of non-financial investment assets. As well as acting as a contingency against the failure of non-financial investments to achieve their expected fair value, this will over time create a fund to cover the purchase costs (eg. legal fees) of future investments.

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. Teignbridge District Council regularly monitors the standing of counterparties it does or may deal with and maintains an authorised lending list including the maximum periods for which funds may be committed, 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

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develop suitable risk management strategies. Teignbridge District Council does not 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.

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

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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.

Type of Lender	Details	
1. Current Banker	Lloyds Bank	£3,000,000 limit
2. Local Authorities	All	£3,000,000 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. Standard Life Sterling 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
Lloyds Bank plc and Bank of Scotland plc	1	3,000,000	2,000,000	1,000,000	3,000,000
Barclays Bank plc	2	2,000,000	1,000,000		2,000,000
Coventry Building Society	2	2,000,000	1,000,000		2,000,000
Leeds 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

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, Barclays, 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.

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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 0.75% around the third quarter of 2018.

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 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, the emerging UK Municipal Bonds Agency, 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

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finance plans, ensuring that borrowing remains within prudent and sustainable levels and that treasury management decisions are taken in accordance with good practice.

Minimum Revenue Position (MRP) Annual Statement:

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.

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 MRP guidance has been issued (updated February 2018 by MHCLG), which makes recommendations to authorities on the interpretation of that term. Authorities are legally obliged to 'have regard' to the guidance.

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.

Prior to 8 December 2015, option 3, the asset life (equal instalment) method was adopted. On 8 December 2015 option 4, the depreciation method, was adopted, placing reliance on proper accounting practices as the charge is calculated according to the depreciation charge on the relevant asset. This method continued into 2016-17 and 2017-18, except where it would not result in the appropriate prudent provision, when option 3, the asset life (equal instalment) method would be adopted.

In 2018-19 it is again proposed to adopt option 4, the depreciation method, unless that method would not result in appropriate prudent provision in line with CIPFA guidance (for example, relating to the purchase of land or assets where there is no policy for disposal). Where that is the case, it is proposed that option 3, the asset life (equal instalment) method would be adopted.

Investment assets may be sold to repay any outstanding debt liabilities. Where these assets are unfunded, it is proposed that payments made in respect of providing a fund against differentials in value (such as improvements which do not add value or market fluctuations or the purchasing costs of new investment assets), will be paid into an earmarked reserve. This protects the

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council's revenue budgets, demonstrating prudence. The value of the reserve will be dependent upon the calculation of appropriate payments, taking into account the valuation and useful economic life of each relevant unfunded asset. It will vary according to the accumulation and use of these sums.

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Teignbridge District Council Capital Strategy

2018-19 to 2020-21

Background

Local authorities are required by regulation to have regard for CIPFA's Prudential Code. The updated 2017 version 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.

Purpose

The Teignbridge Medium Term Financial Plan shows how the council can prepare for the grant reductions and anticipated central government funding regime by continuing to make savings and generate income. The proposals within it allow increased capital investment over the next 3 years. 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 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.

Teignbridge District Council Capital Strategy 2018-19 to 2020-21

The council's investment strategy. The council is in the early stages of formulating and developing an investment strategy. The aim would be to increase revenue streams through the acquisition of a balanced range of commercial property assets in order to support service delivery and allow future revenue contributions to its capital programme.

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.

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 CLT 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.

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.

Teignbridge District Council Capital Strategy 2018-19 to 2020-21

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 Leadership Team (CLT). Stage 2 of the flow chart ensures the correct level of approval as per the Council's constitution.

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.

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.

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 2018-19 to 2020-21

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.

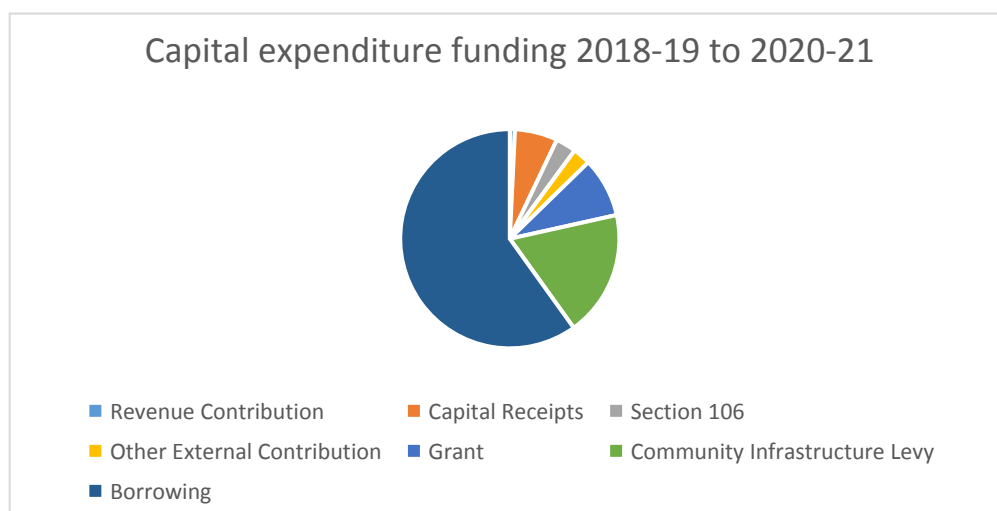
1.4 Capital Expenditure Plans and Financing Strategies

The Council's capital expenditure plans for the 3 years of the Medium Term Financial Plan and capital programme amount to £72.6 million, summarised in the table below:

Capital Expenditure and Financing (Estimate)	2018-19	2019-20	2020-21	2018-21 Total
	£'000	£'000	£'000	£'000
Total Expenditure	35,142	28,391	9,076	72,609
Revenue Contribution	(550)	-	-	(550)
Capital Receipts	(2,916)	(1,184)	(484)	(4,584)
Section 106	(1,780)	(392)	(15)	(2,187)
Other External Contribution	(1,400)	(510)	-	(1,910)
Grant	(1,987)	(2,679)	(1,724)	(6,390)
Community Infrastructure Levy	(2,909)	(3,724)	(6,853)	(13,486)
Borrowing	(23,600)	(19,902)	-	(43,502)
Total Funding	(35,142)	(28,391)	(9,076)	(72,609)

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 2018-19 to 2020-21

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 £3.8 million capital receipts at the start of 2017-18. It is currently forecast that General Fund capital receipts will largely be used by the end of the current Medium Term Financial Plan. In order for Teignbridge to continue to benefit from capital investment, the council is budgeting £2 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

Teignbridge District Council Capital Strategy 2018-19 to 2020-21

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 Council's approach to its strategic management of its land and building assets is set out in the Asset Management Plan. This plan is currently being updated. It seeks to make sure the Council and its communities get the best use out of property assets. It also aspires to ensure property assets are used in the most effective and efficient way to support service strategies and policies and our community and strategic public sector partners.

Property represents the Council's largest physical resource in financial terms. It supports and underpins all of our service activities. Strategic Asset Management must therefore be an integral element of high quality service planning aligning the disposition, quality and effectiveness of property assets with ongoing service strategies.

Property assets are expensive, in terms of both their capital value and revenue costs; they need to be carefully managed over their lives to ensure best value through their use, maintenance and generation of income. Any disposal of assets will result in capital receipts, which can then be reinvested in the capital programme. There need to be realistic assumptions about the achievable capital receipts which council assets can deliver. These values should be constantly updated to inform the capital programme.

Teignbridge District Council Capital Strategy 2018-19 to 2020-21

1.6 Investment Strategy

As stated above the council is in the early stages of developing an investment strategy, 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 ten-year “Teignbridge 10” strategy. Any investment portfolio would need to ensure a balanced range of commercial property assets, mitigating the risks of investment through diversity of both sector and geographic area. As the portfolio would be held for investment purposes, properties would be managed on a fully commercial and tenant-repairing basis. The assets sought would predominantly be funded through borrowing, therefore business cases would need to demonstrate an agreed minimum investment yield to make satisfactory contributions to the council’s budget. This would be rigorously investigated during the due diligence phase and monitored to ensure that both yield and market value perform as anticipated.

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.

	2018-19	2019-20	2020-21
	£'000	£'000	£'000
Capital Financing Requirement (total cumulative underlying need to borrow).	43,254	61,948	66,831
Estimated internal borrowing and prudential adjustments	16,922	14,922	12,922
Estimated external borrowing	26,332	47,026	53,909

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

Teignbridge District Council Capital Strategy 2018-19 to 2020-21

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 majority of the council's current and projected underlying need to borrow arises from investment in assets which could be sold to repay any outstanding debt liabilities. Where this is the case, Teignbridge proposes that payments made in respect of providing a fund against differentials in value (such as improvements which do not add value or market fluctuations or the purchasing costs of new investment assets), will be paid into an earmarked reserve. This protects the council's revenue budgets, demonstrating prudence. The value of the reserve will be dependent upon the calculation of appropriate payments, taking into account the valuation and useful economic life of each relevant unfunded asset. It will vary according to the accumulation and use of these sums.

The council has taken into account the recently updated MHCLG Statutory Guidance on Local Government Investments and Minimum Revenue Provision.

2.2.2 Interest payable

Based on the projected borrowing discussed above and a maturity structure which is spread to mitigate against interest rate risk, it is calculated that interest payable would be £560k in 2018-19, rising to £1,000k in 2019-20 and £1,146k in 2020-21.

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.

Net income (excluding finance costs) resulting from the Council's purchase of Market Walk provides a minimum of a 5% contribution to the Council's net service cost over the Medium Term financial plan. The Council has chosen to forego treasury management interest in

Teignbridge District Council Capital Strategy 2018-19 to 2020-21

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 2017-18, interest foregone would be in the region of £34,000 per annum. However, it should be noted that base rate has risen and is likely to rise again, which would increase this figure.

The purchase of Market Walk contributes to the Teignbridge Ten strategic priorities, so is not viewed as a wholly non-core investment.

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.

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

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

Management of the Council's cash balances and borrowing is governed by the 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. 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.

Teignbridge District Council Capital Strategy 2018-19 to 2020-21

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 (share prices and credit default swap pricing) 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 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 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, the UK Municipal Bonds Agency, 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 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.

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

Teignbridge District Council Capital Strategy 2018-19 to 2020-21

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.

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).

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Teignbridge District Council
Treasury Management Mid-Year Review 2017-18

Teignbridge District Council has adopted CIPFA's *Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes 2011 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 2017:

Fixed-term lending

Borrower	Terms %	Amount Lent £	Dates	Total Days Lent in year	Interest Earned in year £
Coventry Building Society	0.22	2,000,000	18/04/17 - 31/05/17	43	518.36
Nationwide Building Society	0.45	1,000,000	15/05/17 – 19/3/18	308	3,797.26
Lloyds Bank	0.65	1,000,000	15/05/17 – 15/02/18	276	4,915.07
Debt Management Office	0.15	1,000,000	15/05/17 – 22/05/17	7	28.77
Lloyds Bank	0.40	1,000,000	15/06/17 – 15/09/17	92	1,008.22
Coventry Building Society	0.33	1,000,000	15/06/17 – 27/11/17	165	1,491.78
Debt Management Office	0.10	8,000,000	15/09/17 – 18/09/17	3	65.75
Lloyds Bank	0.32	1,000,000	15/09/17 – 21/02/18	159	1,393.97

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

Bank	Account terms	Interest Earned £
Barclays Bank plc	0.05%	0.04
Clydesdale Bank	0.01% to 0.35% 30 days' notice	1,547.94
Clydesdale Bank	0.35% instant access	7.50
Royal Bank of Scotland	0.01% to 0.1% instant access	21.03
Santander UK plc	0.15% instant access	4,069.93
Public Sector Deposit Fund	0.18% to 0.25% instant access	7,633.85
Lloyds plc	0.15% current account	43.13
Lloyds plc Deposit account	0.15% instant access	1,529.39

Temporary Borrowing 1 April to 30 September 2017:

Lender	Terms %	Amount lent £	Dates	Days lent in year	Interest paid in year £
Lloyds Bank	1.25%		Overdraft agreement		4.71

Teignbridge District Council
Interim Performance Report for the Period 1 April to 30 September 2017

	Apr-Sep 2016-17	Apr-Sep 2017-18
(i) Short Term Funds Invested		
Interest received and receivable for the period	£17,679	£13,497
Maximum period of investment on any one loan made in the period	275 days	308 days
“Fixed” investment rates in period.	0.20% – 0.90%	0.10% - 0.65%
(ii) Short Term Funds Borrowed		
Interest paid and payable for the period	£73.62	£4.71
Number of new loans borrowed in the period	1	0
Maximum period of borrowing on any one loan borrowed in the period.	4 days	n/a
“Fixed” borrowing rates.	0.6%	n/a
(iii) Average Net Interest Rate Earned	0.44%	0.26%
(iv) Average Short Term Net Lending	£7,662,775	£10,392,330

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 CLT 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 £35,084.82. This takes into account the base rate rise on 2 November 2017 and compares to £35,608.20 in 2016-17. The total forecast interest is therefore broadly similar to the amount earned in the previous year. Average daily lending is slightly higher in 2017-18 at £12.3 million compared to £9.7 million in 2016-17. However, average interest rate is lower at 0.28% compared to 0.37% in 2016-17. Average benchmark 7-day LIBID rate to the end of September 2017 was 0.19%.

Treasury Management Indicators

These are part of the Prudential Indicators, as agreed at Full Council on 21 February 2017. They are available on request or on the Teignbridge website agenda for that meeting.

EXECUTIVE

THURSDAY, 8 FEBRUARY 2018

Present:

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

Members Attendance:

Councillors Dewhirst, Dennis, Golder, Haines and Hook

Apologies:

Councillors Clemens

Officers in Attendance:

Graham Davey, Housing Enabling Manager

Martin Flitcroft, Finance Manager

Phil Shears, Managing Director

Neil Aggett – Democratic Services Manager/Monitoring Officer

These decisions will take effect from 10.00 a.m. on Thursday 15 February 2018 unless called-in or identified as urgent in the minute

310. MINUTES

The minutes of the meeting held on the 9 January 2018 were confirmed and approved and signed as a correct record.

311. FINAL FINANCIAL PLAN PROPOSALS 2018/19 TO 2020/21

The Portfolio Holder for Corporate Resources introduced the item and advised the Council had been successful as part of the business rates pilot and this would provide 100 % funding retention for one year. It would not be 100% in future financial years. The Council will also be facing reductions in New Homes Bonus.

The Acting Chief Finance Officer for Finance presented the headline aspects of the budget proposals, as previously reported to the Executive and the Overview & Scrutiny committee on the 5 February 2018.

- An increase in council tax of £5 or 3.12% to £165.17
- The continuing significant reduction in new homes bonus
- Other central funding reductions especially revenue support grant
- Reserves at 11% of the net revenue budget or just under £1.9 million
- Continuing support for housing whilst backing business and bringing people and organisations together for local neighbourhood planning
- Infrastructure delivery plan investment funded by community infrastructure levy and external sources where available

- The final pay offer including increases linked to the national living wage for 2018/19 and increases of 2% for all other staff
- The provisional assumptions following the successful bid to be a 100% business rates pilot authority with the rest of Devon for 2018/19
- Rural aid continuing at £40,000

The budget proposals had been the subject of public consultation, the consultation has not closed but the results to date were as follows:

Results of Consultation

<p>Statement 1 The current recommendation is a 3.1% increase, or £5 per year, for a Band D property taking the Council Tax to £165.17 for the year Agree 70.9% Disagree 19.8% Not sure 9.3%</p>
<p>Statement 2 Support to back business and improve town centres Agree 73.7% Disagree 12.2% Not sure 14.1%</p>
<p>Statement 3 Support investment in infrastructure for employment, education and transport links and sports and open spaces Agree 83.7% Disagree 6.7% Not sure 9.6%</p>
<p>Statement 4 Support to continue support for housing as a priority by enabling affordable housing and improving poor quality homes Agree 66.7% Disagree 16.1% Not sure 17.2%</p>
<p>Statement 5 To balance the Council's budget in future which of these would you expect us to consider – select only one 60.7% generating more income to invest in Council services 15% making more budget savings 5.4% reducing the services we provide 18.9% increasing council tax further</p>

The Leader reminded the meeting that although this was second year in a row that the Council had increased the council tax, the previous five years no increase had been made. That resulted in a £10 increase to council tax during the seven year period which he believed represented value for money for residents.

Council tax funding did not fund all the costs running the Council and in fact council tax income, as a percentage of overall council funds only represented 12% of expenditure. This was supplemented by increasing income and grant income.

The Leader thanked the Acting Chief Finance Officer for his work and the manner of his work in preparing the budget.

RESOLVED

That the Executive propose a budget to Council for adoption as set out in Appendix 4 & 7 of the previously circulated report

312. EXECUTIVE FORWARD PLAN

The Executive noted and approved the Forward Plan for the 12 months commencing 1 February 2018 and it was agreed that the reconsideration of the neighbourhood plan proposals for Ide be added to the meeting agenda for the 6 March 2018.

313. EXCLUSION OF THE PRESS & PUBLIC FROM THE MEETING

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

314. TEIGNBRIDGE HOUSING COMPANY

The Executive received an update on the proposal to form a Teignbridge Housing Company.

The report proposed that the Council postpones setting up a Housing Company in Teignbridge, pending a sufficiently large enough development to warrant the legal and governance arrangements set up costs. It was also proposed that in the meanwhile officers work up proposals for future consideration on ways to increase affordable housing provision under the current arrangements.

The report had been considered at the Overview & Scrutiny Committee on 5 February. The Committee felt there was not enough detailed financial information to enable the committee to support any of the proposals and that detailed financial implications for future proposals should be brought before a future Overview & Scrutiny committee.

The Executive supported the principle that a detailed business case be made for each scheme proposed.

The Managing Director advised that the Members had previously been supplied with detailed legal advice on the proposal and that the report to Overview & Scrutiny had been intended as a status report to advise members of progress. Members would be kept up to date with detailed proposals as they were developed.

Following a question from the PH for Corporate Services, the Housing Business Manager advised that costs could be met from existing budgets.

Resolved

That the Executive note the current position in respect of the setting up of the Housing Company in Teignbridge and proposed affordable housing development by Teignbridge District Council, and that the following measures be considered and that these be subject of individual reports, involving Overview & Scrutiny.

1. That officer's work up individual Business Cases to develop housing schemes for all suitable land in Teignbridge ownership. Proposals to be submitted in due course.
2. Beyond current commitments, future capital grant funding to Registered Providers for a housing scheme is only approved where it can be proven that the scheme would not go ahead without Teignbridge financial support.
3. Proposals for new products such as Shared Equity, Market Rent and affordable Custom Build are worked up with any housing or land held within the General Fund.
4. Larger sites in our ownership such as Bradley Lane, Newton Abbot are investigated as possible Joint Ventures or Development Agreements sites.
5. Housing Company proposals are put on hold pending either a "profit" driven scheme of sufficient size, as other proposals can be delivered within the General Fund.
6. Arrangements are investigated for the setting up of a Housing Revenue Account as and when the developed stock reaches a quantum of around 200 units which would trigger its necessity under current regulations.
7. An element of the current Affordable Housing Capital Programme is set aside for scheme feasibility work.
8. Financial Services to continue to monitor any changes in Government borrowing requirements which may affect scheme viability and advise Members accordingly.

Jeremy Christophers
LEADER

TEIGNBRIDGE DISTRICT COUNCIL

COUNCIL

CHAIRMAN: Cllr Tim Golder

DATE: 22 February 2018

REPORT OF: DEMOCRATIC SERVICES MANAGER

SUBJECT: COMMITTEE APPOINTMENTS AND POLITICAL BALANCE – LOCAL GOVERNMENT AND HOUSING ACT 1989

PART I**RECOMMENDATION**

That the Council resolve

- (a) The Committee places, which will be reported at Council following the by elections for Chudleigh and Dawlish on 15 February 2018.
- (b) The approval of the allocation of seats for the committee places as advised following on from (a) above.
- (c) That any subsequent adjustments to appointments and substitute Members be advised by the Group Leaders.

1. PURPOSE

This report sets out the legal position about the allocation of seats to the political groups. The numbers of allocated seats to each group will be advised at Council following the results of the by-elections on 15 February 2018. At the time of writing this report the elections have not yet taken place.

2. THE POLITICAL GROUPS

Membership of the political groups on the Council at the time of writing this report is:

Conservative Group	25 Seats
Liberal Democrat Group	14 Seats
Independent Group	5 Seats
Total Seats	44
2 vacancies	46

3. THE LEGAL POSITION

3.1 The Local Government and Housing Act 1989 requires that appointments to certain bodies must achieve a political balance.

TEIGNBRIDGE DISTRICT COUNCIL

3.2 In Teignbridge the bodies to which these requirements apply are ordinary committees, sub-committees and the County Council's Highways & Traffic Orders Committee. The Executive is expressly excluded from these provisions. There is no statutory requirement to make the Licensing Act 2003 Committee politically balanced although the Council has previously decided to do so. Licensing Sub committees do not have to be politically balanced.

3.3 A local authority is treated as divided into political groups where at least one political group, which comprises at least two Members, is in existence.

3.4 A determination of the allocation of seats by the Council (or by committee, when appointing Members to a sub-committee) must give effect to the following principles which are set out in Section 15 of the Local Government and Housing Act 1989:

- (a) that not all the seats are allocated to the same political group;
- (b) that the majority of seats are allocated to a particular political group if the number of persons belonging to that group is a majority of the authority's membership;
- (c) subject to (a) and (b), that the total number of all seats of the ordinary committees allocated to a particular political group reflects the group's proportion to the membership of the authority;
- (d) subject to (a) – (c), that the number of seats allocated to a particular political group reflects that group's proportion of the membership of the authority.

3.5 The effect of these principles is that, so far as practicable, seats should be allocated to the groups in proportion to their membership as a whole, i.e. currently Conservatives 25/46ths, Liberal Democrats 14/46ths, and the Independents 5/46ths. Council will be updated with the proportions following the by-elections.

3.6 In addition, the total of the groups' seats on all the ordinary committees should again be in proportion to their membership as a whole. It is important to note that the principle in 3.4(c) applies to the ordinary committees and not to sub committees, or the County Council's Highways & Traffic Orders Committee. The political balance rules do not apply to working parties.

3.7 Allocations need to be made with regards to the ordinary seats on committees in relation to the overall proportions of the Council. Council will be advised of these proportions following the by-elections.

4. PROPOSED ALLOCATIONS

Council will be updated with this information at the meeting.

Neil Aggett
Democratic Services Manager

Wards affected	All
Contact for any more information	Neil Aggett – Tel: 01626 215113 neil.aggett@teignbridge.gov.uk
Background Papers (For Part I reports only)	Local Government (Committees and Political Groups) Regulations 1990 Local Government and Housing Act 1990

TEIGNBRIDGE DISTRICT COUNCIL

Key Decision	N
In Forward Plan	N
In O&S Work Programme	N

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COUNCIL

CHAIRMAN: Cllr Tim Golder

DATE: 22 February, 2018

REPORT OF: Chairman of Standards and the Monitoring Officer

SUBJECT: UPDATE FROM THE CHAIRMAN OF THE STANDARDS COMMITTEE

PART I

RECOMMENDATION

A That the Council is asked to receive this interim update on Standards matters prior to a final report in May at the end of the review process.

B That the Council adopt the following terms of reference for the Committee.

1. PURPOSE

This report is to update members on the current position regarding the work of the Standards Committee and the Code of Conduct.

2. BACKGROUND

A brief resume of the history to the current arrangements would be helpful.

Prior to 2012 the National Standards Board for England was in existence but in 2010 the coalition government considered it a quango, with the power to suspend a member, and it was felt to be inconsistent with the principles of localism. The government was concerned it provided a regime for vexatious or politically motivated complaints.

A DCOG paper issued in 2010 said the government would remain committed to maintaining high standards and in the absence of a centrally prescribed statutory Code of Conduct would ensure councillors did not abuse their office for personal gain by putting their personal interests before the local area or community they represented.

The government considered the national standards board regime with the power to suspend the member inconsistent with the principles of localism. The requirement to have a Standards Committee and the right to suspend or disqualify council members was removed with the Localism Act 2011. In its

place local authorities were given a discretion to adopt arrangements they chose but would have to include general provisions of principles of behaviour based on the Nolan principles but also statutory elements regarding the requirement to register and declare interests. These elements of the code would carry the threat of criminal sanction.

The Council considered the arrangements it wished to replace the former Standards Board for England arrangements at a council meeting on the 29 June 2012.

The main outcomes were:

The Council decided to have a light touch code based on the National Association of Local Councils template and that members should leave the meeting if they declared an interest. The national regulations do not require a councillor to do this but the requirement to remove oneself from the meeting was adopted by the Council.

The Teignbridge code is adopted by the majority the town and parish councils in Teignbridge and so applies to approximately 450 parish councillors as well as the 46 Teignbridge councillors.

The Council chose to have a separate Standards Committee rather than assume its business into another committee although it could have done so. The regulations prevented the optional members of the Standards Committee, Teignbridge Association of Local Councils representatives and the Independent Committee member, having a vote but their membership was retained on the Standards committee.

The Monitoring Officer was given delegated powers to process complaints up until hearing stage, having consulted the Independent Person. The emphasis was on a local resolution although where this was not possible the case would go before the Standards Committee for a hearing.

Since 2012, 24 Code of Conduct complaints have been submitted across the near 500 councillors. This is average 4 cases per year. There have been 2 cases dealt with by formal action by way of local resolution. The local resolution was provided by the Monitoring Officer in conjunction with the Independent Person and the complainants following formal investigation. Both cases involved retraining and one involved an apology and undertaking about future behaviour.

Quite often complainants seek disqualification or suspension of the councillor. There is no power to do so.

Often complaints relate to an issue of local concern and are about conduct of the parish council themselves in terms of their own processes or the merits of their decisions. It is important to point out that the Code of Conduct is about the behaviour of individual councillors and not the Parish Council as a body. Teignbridge District Council does not govern the activities of the Parish Councils.

There also appears to be an increasing trend for allegations of bullying and intimidatory behaviour.

3. CURRENT ACTIONS

The Standards Committee met in December 2017 and embarked on a review of the current Code of Conduct and processes.

This review will need to include consultation with the town and parish councils and a workshop is to be held on the 14 February, 2018 to remind them of the provisions of the code and discuss its application in their parishes.

The Standards Committee also identified a number of considerations it wished the Council to consider as part of its review.

They are:

1. Appendix A Interests – whether the local requirement should continue for a District Councillor to leave the room having declared an Appendix A Interest?
2. Complaints. Currently the provisional sifting process is suggested to take around 14 days and the reality is that this is a short timescale to determine if a complaint should be investigated. Should this period be extended?
3. Voting rights for the optional TALC members/Independent Co-opted Committee Member – not legally permitted at the moment
4. The political balance of the committee – currently it is politically balanced but should it be?
5. Monitoring Officer – should the Monitoring Officer be a solicitor?
6. Local resolutions – how long should a local resolution committee report remain on the Council's website?

I propose a workshop for all members to feed into the review of the Code of Conduct.

The National mood

The national mood is also changing. This has been noted and for some little while and a review of the provisions has been anticipated for some little while. The committees for standards in public life has recently issued a consultation paper – Review of Local Government Ethical Standards. The consultation is open until Friday 18 May 2018 and this will be discussed at the next Standards Committee, and at the proposed workshop for all members.

The terms of reference for the national review are to:

- examine the structures, processes and practices in local government in England for:

- maintaining codes of conduct for local councillors
 - investigating alleged breaches fairly and with due process
 - enforcing codes and imposing sanctions for misconduct
 - declaring interests and managing conflicts of interest
 - whistleblowing
- assess whether the existing structures, processes and practices are conducive to high standards of conduct in local government
 - make any recommendations for how they can be improved
 - note any evidence of intimidation of councillors, and make recommendations for any measures that could be put in place to prevent and address such intimidation

These are wide ranging questions.

The suggestion to review Whistleblowing has been passed to the Council's Auditor for consideration.

Recruitment to Independent Person Posts

I thought I should also update members on the latest position regarding the appointment of an additional Independent Person, as instructed by Council, and the replacement of the interim Independent Committee Member, as authorised by Council.

Information packs for prospective candidates have been considered by the Standards Committee and the advertisements are now live on the Council's website. Applications will be considered by a panel of the Head of Paid Service, Monitoring Officer and the current Independent Person.

It is proposed that a report will come to the May Council meeting along with the review of the final proposals for review of the Council's own Code of Conduct and processes.

4. TERMS OF REFERENCE OF THE CURRENT STANDARDS COMMITTEE

The Terms of Reference for the current Standards Committee were also discussed at the Standards Committee meeting in December. It was proposed that the following Terms of Reference be adopted and that the previous matters regarding complaints and whistle blowing and be dealt with by the Overview & Scrutiny Committee and the Audit Committee respectively.

Any other subsequent changes to the Standards Committee terms of reference required as part of the current review would be submitted to Council in May.

Recommended

That Article 11 of the Council's Constitution be amended so that the Committee's role and function is as follows:

- (i) To promote and maintain high standards of conduct by Councillors and co-opted members.
- (ii) To advise the Council on the adoption or revision of the Members' Code of Conduct.
- (iii) To advise or train Councillors and co-opted members on matters relating to the Members' Code of Conduct.
- (iv) To deal with the local filtering of complaints and dispensation requests (where these are not dealt with by the Monitoring Officer under delegated powers).
- (v) To conduct local hearings and determination of sanctions should a breach of the code of conduct be found.
- (vi) The exercise of (iii) above in relation to the Parish Councils wholly or mainly in its area and (iv) and (v) in relation to complaints about the members of those Parish Councils.

Cllr Rosalind Prowse
Chairman

Neil Aggett
Monitoring Officer

Wards affected	All
Contact for any more information	Cllr Prowse/Neil Aggett
Background Papers (For Part I reports only)	Previous committee reports /https://www.gov.uk/government/consultations/local-government-ethical-standards-stakeholder-consultation government/uploads/system/uploads/attachment_data/file/6280/1785879.pdf
Key Decision	N
In Forward Plan	N
In O&S Work Programme	N
Community Impact Assessment attached:	N
Appendices attached:	None

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