

12 February 2021

FULL COUNCIL

A meeting of the **Full Council** will be held on **Monday, 22nd February, 2021 at 10.00 am**. This will be a virtual meeting and you can observe the meeting [via our Youtube Page](#).

PHIL SHEARS
Managing Director

Membership:

Councillors Austen, Bradford, Bullivant, Clarence, Colclough, Connett, Cook, D Cox, H Cox, Daws, Dewhirst, Eden, Evans, Foden, Goodman-Bradbury, Gribble, Haines, Hayes, Hocking, G Hook, J Hook, Jeffery, Jeffries, Jenks, Keeling, Kerswell, MacGregor, Morgan, Mullone, Nutley, Nuttall, Orme, Parker-Khan, Parker (Vice-Chair), Patch, Peart, J Petherick (Chair), L Petherick, Phipps, Purser, Rollason, Russell, Swain, Taylor, Thorne, Tume and Wrigley

Please Note: The meeting will be live streamed with the exception where there are confidential or exempt items, which may need to be considered in the absence of the media and public.

AGENDA

1. **Apologies for absence**

2. **Minutes**

(Pages 11 - 14)

To approve as a correct record and sign the minutes of the previous Council meeting.

3. **Announcements (if any)**

Announcements only from the Chair of Council, Leader, Members of the Executive or the Managing Director.

4. **Declarations of interest (if any)**

5. **Public Questions (if any)**

Members of the public may ask questions. A maximum period of 15 minutes will be allowed with a maximum period of three minutes per questioner.

The deadline for questions is no later than 12 noon two working days before the date of the meeting.

6. **Councillor Questions (if any)**

Members of the Council may ask questions of the Council subject to procedural rules.

The deadline for questions is no later than three clear working days before the meeting.

7. **Final Financial Plan proposals 2021/22 to 2023/24**

(Pages 15 - 108)

Recommendations from Committees to Full Council

8. **Recommendation from Executive - Teignmouth Public Spaces Protection Order (PSPO)**

The Executive Member for Homes and Communities will present the recommendation from Executive [11 February 2021](#).

RECOMMENDED to Council that:-

- (1) On being satisfied that the statutory grounds for making the Order have been established as detailed in the Report, the Public Protection Spaces Order be made; and
- (2) Delegated authority is given to the Head of Community Services and Improvement to:
 - (a) appoint authorised persons for the purpose of giving direction under the Order; and
 - (b) (in consultation with the Solicitor to the Council and the Executive Member for Homes and Communities) make such minor amendments to the draft Order as they considers appropriate, before the Order is sealed.

9. **Recommendation from Executive - Notice of Motion - Equality of Representation**

The Executive Member for Homes and Communities will present the recommendation from Executive [11 February 2021](#).

RECOMMENDED to Council that:-

Motion No (1)

- (1) Equalities training for members is arranged through Democratic Services and members are encouraged to attend by Group Leaders;
- (2) That the Committee report template is amended to include “Equalities Considerations” and whether a Business Impact Assessment is required; and
- (3) The Council’s Equalities Policy, which expires in 2020, is reviewed and considered by O&S and Executive and included in 2021 Forward Plan

Motion Nos (2) and (4)

The Leader of the Council write to the Secretary of State for Education urging him to:

- (4) Review the primary school, GCSE and A Level national curriculum with a view to ensuring that the historical record of the British Empire is treated in a way which fully takes account of slavery, the actions and views of historical figures and other oppressive experiences of BAME people, many of whose descendants are now part of our community.
- (5) Show compassion and understanding by starting a national debate led by the BAME community, which seeks to define racism, the impacts of it in today’s society - and demonstrate how we can all help people of colour feel fully included and welcomed in the UK (this could be part of the current government review)
- (6) Identify a Cabinet minister champion for the BAME community.

Motion No (3)

- (7) Councillors to promote the pilot educational project being undertaken in partnership with Teignmouth Community School by raising awareness of the project through their formal and informal networks and encouraging other schools in the District to utilise the curriculum resources developed through the project and/or undertake similar projects in local schools.

Motion No (5)

- (8) Following completion of the Equalities Impact assessment on the recovery plan, members of Audit Scrutiny Committee to review and determine if there are any areas of weakness. Comments to then be sought from external registered groups representing the interests of that group.

Motion No (6)

- (9) Recommend that the Council encourages local historic societies to identify street names of particular historic significance and develop signage to explain the history behind the street’s name.
- (10) Review the street naming and numbering procedure to reflect the recent LGA advice note relating to requests from the public to change the public realm.

Motion No (7)

(11) An additional 2 questions should be included in the Councillors Community Fund form:

1. How does your organisation or project meet the needs of (tick all or any that apply)

- Older people (over 65yrs)*
- Young people (under 18yrs)*
- People with disabilities*
- Members of the LGBT community*
- Pregnant Women*
- Black, Asian and Minority Ethnic (BAME) people*

Please add any further comments here (Text box)

*2. Do you have an Equalities Policy Yes / No
If Yes please upload a copy*

10. Recommendation from Executive Notice of Motion - Retention of the £20 Universal credit uplift

The Leader will present the recommendation from Executive [11 February 2021](#).

RECOMMENDED to Full Council that the Leader of the Council is instructed to write to the Chancellor of the Exchequer and the Members of Parliament serving Teignbridge to call for the retention of the £20 Universal credit uplift.

11. Recommendation from Strata Joint Executive - Strata Business Plan

The Executive Member for Recycling, Household Waste and Environmental Health will present the recommendation from Strata Joint Executive Committee [25 January 2021](#).

RECOMMENDED that East Devon District Council, Exeter City Council and Teignbridge District Council approve the Strata Business Plan 2020/21 and beyond including:

- (1) The 21/22 Proposed Savings;
- (2) Hardware budgets being returned to East Devon District Council and Teignbridge District Council;
- (3) Appointment of a Data Analyst post;
- (4) Benchmarking to be undertaken by SOCITM; and
- (5) The mechanism for work prioritisation.

Reports/Items for consideration

12. Members Allowances

(Pages 109 - 114)

13. Committee Seats and Political Balance

In accordance with the Local Government and Housing Act 1989, the Political Composition of the groups is as below:-

Liberal Democrat Group	23 Seats
Conservative Group	12 Seats
Independent Group	8 Seats
Newton Says No	3 Seats
No Group	1 Seat
Total Seats	47

RECOMMENDED that the Seat Allocation be agreed as below:-

Committee	Total Seats	Lib Dem		Con		Ind		NSN		No Group	
Overview & Scrutiny (1)	13	6.36	7	3.32	3	2.21	2	0.83	1	0.26	0
Overview & Scrutiny (2)	13	6.36	7	3.32	3	2.21	2	0.83	1	0.26	0
Planning	17	8.32	8	4.34	4	2.89	3	1.09	1	0.34	1
Licensing & Regulatory	11	5.38	5	2.81	3	1.87	2	0.70	1	0.22	0
Audit Scrutiny	8	3.91	4	2.04	2	1.36	1	0.51	1	0.12	0
Standards	6	2.94	3	1.53	2	1.02	1	0.38	0	0.16	0
Strata Scrutiny	3	1.47	1	0.77	1	0.51	1	0.19	0	0.06	0
Total	71		35		18		12		5		1

To note - in accordance with the Constitution the Leader has informed the Managing Director that Cllr Parker has taken the vacant Liberal Democrat seat on Overview and Scrutiny Committee (1) and Cllr Jenks has come off Planning Committee.

14. Waiver of Six Month Councillor Attendance Rule

Section 85(1) of the Local Government Act 1972 sets out that if a councillor does not attend any meeting within a six month period, they will cease to be a member of the authority. This requirement can be waived and the time limit extended if any failure to attend was due to a reason approved by the Council, in advance of the six month period expiring.

Due to ill health Cllr Cook has been unable to attend any meetings since Full Council on 30 September 2020. If the Council does not agreed to extend the non-attendance period, Cllr Cook will cease to be a member after 30 March 2020.

RECOMMENDED that Council considers the request to extend Cllr Cook's period of office beyond the six month period of non-attendance provided for within section 85(1) of the Local Government Act 1972 on the grounds of ill health for a period of three months to expire on 30 June 2021.

15. **Constitution**

To receive a verbal up from the Constitution Working Group.

16. **Notices of Motion**

Notice of Motion's shall be referred to the appropriate Committee meeting. The mover of the motion can outline the proposal and then it will stand adjourned. The motion may be debated to assist debate later if agreed by two-thirds of Council Members.

The following motion on Standards Committee process changes has been presented by Cllr Eden and supported by Cllrs Bradford, Daws, Hocking, G Hook, Macgregor, Mullone and Patch.

Background provided by Cllr Eden to the Motion:

This Council, as with the vast majority of Local Authorities operates a number of committees monitoring the work of the council and its officers and the political decisions of the administration.

Most Local Authorities, if not all, also have a process which holds councillors to account over failures to adhere to agreed standards, whether through the code of conduct or more generally through the Nolan Principles etc. In the majority of committees the minutes of the work and findings are made available for public viewing and posted onto the Council's website.

Standards committees, not only discuss standards, but are most often delivered as quasi-legal hearings with allegations 'investigated' and reported on, witnesses and statements included in the process.

The findings of the hearings cannot be challenged or appealed. Furthermore, the phrasing of the findings, even where so poorly written as to make no sense, cannot be corrected at the time of initial publication to the website and wider distribution.

It is only the Standards Committees decision that can have a bearing on the individual beyond the remit of the council or their duties as a councillor. Decisions made in a Hearing can impact the career and personal life of a Councillor significantly, financially and negatively. This is particularly true in a modern connected world. Minutes are posted on the website and distributed before the members of the committee have reviewed and agreed them increasing the risk of harm to a reputation that far exceeds the finding against the individual concerned.

This is the only committee that has that potential.

Wording of Motion proposed by Cllr Eden:

In light of that the proposed motion is as follows. This council resolves that

- 1) No minutes or decision notice from a Standards Hearing are published on the Council Website until all those present at the committee as members have reviewed them.
- 2) No minutes or decision notice from a Standard hearing should be distributed to any external body until the committee has seen debated and approved the minutes and decision notice.
- 3) Minutes should reflect the conclusion of the Investigation and not be used to repeat and re-frame accusations and allegations that are not proven (by the Investigating Officer) as the finding.
- 4) That this authority investigates the potential for seeking an appeal body to ensure natural justice can be delivered beyond the summary findings delivered currently.
- 5) All Investigating Officers to be taken through a due diligence process by Audit Scrutiny.
- 6) All Independent Persons to be taken through a due diligence process and their participation within the process reported to and assessed by the Audit Scrutiny committee.
- 7) (as it does for planning and training for committee members) all Standards Committee members to take appropriate training, in this case Unconscious Bias and Equalities training as part of councillor development – to be extended to the Monitoring officer, investigating officer and independent persons as a requirement for participation.
- 8) the Executive will investigate alternative Standards processes with the Senior Leadership Team, to ensure best quality and best value for money.

The following motion on has been presented by Cllr G Hook and supported by Cllrs H Cox, Dewhirst, Jeffries, Keeling, Macgregor, Nutley, Nuttall, Parker, Rollason and Wrigley.

- 1) Teignbridge Council places on record its gratitude to all sectors of the voluntary and charitable sector for the outstanding work undertaken within the District, particularly but not exclusively during the current Coronavirus pandemic.
- 2) We acknowledge the work of many organisations communities and individuals who have contributed at this uniquely difficult time.
- 3) We further ask the OnS committee to consider ways in which this council may work even more constructively with the sector in the future.

The following motion on has been presented by Cllr Patch and supported by Cllrs Bradford, Daws, Eden and Mullone.

BACKGROUND

Sometime on or after 20th November 2020 a document purporting to be a new version of the Council's Constitution appeared on the Council website. The version of the Constitution last adopted by the Full Council (*Article 4.3 (a)(i)*) states that ***the Full Council is responsible for "adopting and changing the articles in the Constitution or Rules of Procedure – unless otherwise stated"***. Delegated powers had been given to the Monitoring Officer by Full Council in September 2019

to make 'minor' changes to the constitution as part of a 'tidying-up' exercise – at that time assurance was given in writing to Council:

For the avoidance of doubt and as indicated above, **the existing rules will not be materially changed** (i.e. will only cover changes to remove/address clear errors in law or drafting to improve clarity and understanding of the relevant provision as the Monitoring Officer considers appropriate).

(Para 3.6, *Report of Constitution Working Group* to Full Council, 24 Sept, 2019 – my **emphasis** added)

Preliminary inspection of the 'new version' of the Constitution (dated 20th November 2020) has revealed **several apparent material changes** from the last adopted version of the Constitution, in the main eroding the rights of Members of the Council and the Public – for example, with respect to:

1. the **rights of Members of this Council to present questions to Full Council** (Articles 4.3.2 (f); Article 4.7.3): *new/extended discretionary powers have been given to the Chairman of the Council and Managing Director, giving them, respectively, greater scope/new powers to reject questions from elected Members (compare with previous Article 4.5 (k));*
2. the **rights of members of the Public to present questions to Full Council** (Articles 4.3.2 (e); 4.7.1 (f)): *new/extended discretionary powers have been given to the Chairman of the Council and Managing Director, giving them, respectively, greater scope/new powers to reject questions from members of the Public (compare with previous Articles 4.5 (j)(vi) and 4.5 (j)(v));*
3. the **rights of Members of this Council to present Motions on Notice to Full Council** (Article 4.9.3): *new/extended discretionary powers have been given to the Managing Director (in consultation with the Chair of Council) allowing him to reject Motions on Notice from elected Members (compare with previous Article 4.5 (l)(iii));*
4. the **remit of Overview and Scrutiny Committee 1** (Article 3.6.2): *the scope of what of what is covered under Work Area 'Strategic Direction' of the Council, and hence what might be scrutinised by this committee, has been restricted/reallocated elsewhere (compare with Resolution of Full Council on 3rd September 2020 – and as still currently recognised on the TDC website for this committee's Remit:
<https://democracy.teignbridge.gov.uk/mgCommitteeDetails.aspx?ID=391>);*
5. the **powers of Overview and Scrutiny Committees (1&2) to require Senior Officers and Executive Members to attend and explain decision, actions and performance** (Articles 3.5.3 (f) & (g)): *these powers have been*

diluted (compare with previous Article 5.5 (a)(i));

6. **loss of the power of Group Leaders to veto delegated ‘minor’ changes to the Constitution that might be “to the detriment of a member of the public or a councillor ...”** (Article 2B3 [sic: second 2B3] Section 6 (Schedules Only), Page 5 of 20): *the Monitoring Officer has been given the delegated power to make changes “as he [sic] considers appropriate” – without the veto protections previously provided to Group Leaders with respect to what are defined as ‘minor’ changes (power was previously delegated to Democratic Services Manager – these have been duplicated for the Monitoring Officer, although without the power of veto for Group Leaders – compare with previous Article 4.3 (b) – penultimate row of table on page 15).*

(In each case the Article No. in the new document is provided – for comparison with the corresponding provisions in the last Adopted version of the Constitution – i.e., the Constitution available prior to 20th November 2020).

These material changes (not an exhaustive list), insofar as they were *not authorised* in the powers delegated to the Monitoring Officer, represent *unconstitutional changes*. Indeed, **powers given to the Managing Director in the ‘new version’ include proposals that were referred back to the Constitution Working Group by Full Council on 3rd September 2020 for further consideration (Minute 44 Resolution Part 4)**. Consequently, the following Motion is presented to Council:

MOTION

This Council resolves to:

- A) strive to uphold the integrity of the Constitution of this Council;
- B) reinstate the last version of the Constitution to be *properly adopted by this Council* – i.e., the version in place prior to the version dated 20th November 2020; in doing so, to have the previous version’s Articles/documents reinstated on the Teignbridge District Council website in place of the version dated 20th November 2020;
- C) ensure that future material changes to the Constitution of this Council are made in accordance with the Constitution, and only after a full consideration and scrutiny of the extent and nature proposed changes.

If you would like this information in another format, please telephone 01626 361101 or e-mail info@teignbridge.gov.uk

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FULL COUNCIL

14 JANUARY 2021

Present:

Councillors Austen, Bradford, Bullivant, Clarence, Colclough, Connett, D Cox, H Cox, Daws, Dewhirst, Evans, Goodman-Bradbury, Gribble, Haines, Hayes, Hocking, G Hook, J Hook, Jeffery, Jeffries, Jenks, Keeling, Kerswell, MacGregor, Morgan, Mullone, Nutley, Nuttall, Orme, Parker-Khan, Parker (Vice-Chair), Patch, Peart, J Petherick (Chair), L Petherick, Phipps, Purser, Rollason, Russell, Swain, Taylor, Thorne, Tume and Wrigley

Apologies:

Councillors Cook, Eden and Foden

Officers in Attendance:

Martin Flitcroft, Chief Finance Officer & Head of Corporate Services
Tracey Hooper, Revenue, Benefits & Fraud Manager
Christopher Morgan, Trainee Democratic Services Officer
Sarah Selway, Democratic Services Team Leader & Deputy Monitoring Officer
Phil Shears, Managing Director
Beth Tipton, Administrative Assistant
Karen Trickey, Solicitor to the Council and Monitoring Officer

1. MINUTES

The minutes of the meeting on 23 November 2020 were approved as a correct record and would be signed at a later date.

2. ANNOUNCEMENTS

The Chair informed Members that the Council had prioritised the use of Sherborne House in Newton Abbot for the National Health Services (NHS) to enable them to deliver their vaccination programme together with the use of Halcyon Road car park.

3. DECLARATIONS OF INTEREST

None.

4. COUNCILLOR QUESTIONS

Member's questions and responses are attached to minutes.

The relevant Executive Member responded to the supplementary questions arising therefrom. [See live stream of meeting.](#)

5. OFFICE FOR NATIONAL STATISTICS - PRESENTATION

Liza Oxford (Engagement Manager) from the Office for National Statistics Census gave a presentation on the 2021 Census and answered questions from Members (presentation attached to minutes).

The Chair thanked Lisa Oxford for the presentation.

6. COUNCIL TAX BASE 2021/22

It was proposed by the Executive Member for Corporate Resources and seconded by the Leader that the recommendation be approved.

A roll call was taken (see voting report).

RESOLVED that the council tax base of 48,410 for 2021/22 be approved.

7. RECOMMENDATION FROM EXECUTIVE - FUTURE STRATEGIC PLANNING WORKING WITH EXETER CITY COUNCIL, EAST DEVON DISTRICT COUNCIL, MID DEVON DISTRICT COUNCIL AND DEVON COUNTY COUNCIL

It was proposed by the Executive Member for Planning and seconded by the Executive Member for Sport, Culture and Recreation that the recommendation be approved.

The report had also been considered by both Overview & Scrutiny Committees who supported the recommendations.

A roll call was taken (the vote was unanimous).

RESOLVED that the Council:-

- (1) Formally withdraws from the preparation of the Greater Exeter Strategic Plan; and
- (2) Supports in principle the production of a joint non-statutory plan, to include joint strategy and infrastructure matters, with East Devon, Exeter and Mid-Devon Councils, and in partnership with Devon County Council. This will be subject to agreement of details of the scope of the plan, a timetable for its production, the resources required, and governance arrangements to be agreed at a later date.

8. RECOMMENDATION FROM EXECUTIVE - COUNCIL TAX REDUCTION SCHEME

It was proposed by the Executive Member for Corporate Services and seconded by the Leader that the recommendation be approved.

It was acknowledged that Teignbridge was the only council in the district to have a 100% council tax reduction scheme.

The Revenue, Benefits and Fraud Manager highlighted the main change to the Council Tax Reduction Scheme which was to increase flexibility to make provision to disregard any emergency increases to the levels of welfare benefits made by Government.

A roll call was taken (the vote was unanimous).

RESOLVED that the:-

- (1) the current [Council Tax Scheme](#) for the year 2021/22 with the one proposed change set out in the report be adopted; and
- (2) the revised Discretionary Discount and Exceptional Hardship Scheme (see Appendix A) be adopted from 1 April 2021.

9. RECOMMENDATION FROM EXECUTIVE NOTICE OF MOTION - PREFERENCE VOTING INCLUDING PROPORTIONAL REPRESENTATION

It was proposed by the Leader and seconded by Cllr Swain that the recommendations be approved.

Cllr Swain commented that first pass the post was not a fair system, it was disproportionate and that the voting age should be reduced to age 16 to improve democratic participation and accountability.

Cllr L Petherick proposed an amendment that the recommendation be taken in two parts, a vote on the system of preference voting including proportional representation and a vote on lowering the voting age to 16, this was seconded by Cllr Patch.

A roll call was taken on the amendment (see voting report), the amendment was lost.

On a further roll call (see voting report), it was:-

RESOLVED that the Council:-

- (1) To call upon Her Majesty's Government by writing to the Home Secretary, and the Prime Minister urging them to:-

- a. commit to changing electoral law to permit such a move.
 - b. Introduce such a system of voting in any reforms to local government presented to Parliament; and
- (2) To write to Teignbridge's two MPs to ask them to call for changes in electoral law to permit such a system and promote the matter for debate in Parliament.

10. RECOMMENDATION FROM AUDIT SCRUTINY COMMITTEE

It was proposed by the Chair of Audit Scrutiny Committee and seconded by the Executive Member for Corporate Services that the recommendation be approved.

The Audit Scrutiny Committee on 17 December 2020 recommended that Full Council approve the revision of the Contract Procedure Rules.

A roll call was taken (the vote was unanimous).

RESOLVED that the revision of the Contract Procedure Rules replaced the 2015 Contract Procedure Rules.

11. NOTICE OF MOTION

Cllr D Cox presented his Notice of Motion.

The Notice of Motion was referred, without discussion, to the Executive for consideration.

Voting report

The meeting started at 10.00 am and finished at 12.40 pm.

Chair

TEIGNBRIDGE DISTRICT COUNCIL

COUNCIL

22 FEBRUARY 2021

Report Title	BUDGET AND COUNCIL TAX 2021/22
Purpose of Report	To consider a recommendation from the Executive in relation to the Final Financial Plan Proposals 2020/21 to 2023/24. 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.
Recommendation(s)	<p>a That the Teignbridge band D council tax for 2021/22 is increased by 2.85% or £5 to £180.17 per annum</p> <p>b That general reserves are increased to 13.0% of the net revenue budget for 2021/22 or just under £2.0 million</p> <p>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</p> <p>d All other decisions with regard to budgetary change will be approved by reference to virement rules in the financial instructions</p> <p>e That the summary revenue budget for 2021/22 is £15.3 million as shown at appendix 4. In particular the revenue budget includes:</p> <ul style="list-style-type: none"> • Assumptions of a 1.5% pay from 1 April 2021 • Revenue contributions to fund capital are suspended in the medium term to protect the revenue budget • Rural aid is suspended in 2020/21 and 2021/22 • The councillors community fund grant is maintained at £1,000 each

	<p>f That fees and charges are approved as shown summarised at appendix 6. This includes an increase in parking income of £94,000 from last years base budget</p> <p>g That the capital programme as shown at appendix 7 is approved. In particular this includes:</p> <ul style="list-style-type: none"> • Increasing jobs and homes through continuing support for housing whilst backing business and encouraging community-led planning. Work has begun on the Teignbridge 100 affordable housing project at two sites in Newton Abbot. A rented programme across urban and rural sites will be delivered over the next 3 years. • Increased investment for climate change projects, including grant bids for low carbon heating and energy system improvements at leisure sites and further provisions the Carbon Action Plan. • Infrastructure delivery plan investment contributing to improving education, transport links, sports and open spaces <p>Regeneration investment, including two hotels in Teignmouth and Newton Abbot funded mainly from prudential borrowing. The Council recently received an in-principle funding offer from the Government Future High Street Fund for grant of £9.2 million aimed at improving town centres. This will have a positive impact on Newton Abbot and the wider Teignbridge economy. Co-funding includes CIL, grant from other sources and prudential borrowing. There is also a provision for employment site investment to be funded through prudential borrowing. The Future High Street and employment site projects are indicative at this stage. Business cases will be brought to members for consideration once they are finalised.</p> <p>h That the prudential indicators are noted and the prudential limits approved all as set out in appendix 10</p>
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	<p>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</p> <p>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 2021/22</p> <p>k That the treasury management mid year review for 2020/21 as taken to Executive on 11 February and shown in appendix 12 is noted</p> <p>l That the council tax resolutions as recommended in appendix 15 are approved</p>
Financial Implications	<p>The financial implications are contained throughout the report. The main purpose being to approve the level of council tax for Teignbridge and associated resolutions, the final budget proposals for both revenue and capital budgets and medium term financial plan covering the years 2020/21 to 2023/24 and the prudential limits. Martin Flitcroft – Chief Finance Officer Tel: 01626 215246 Email: martin.flitcroft@teignbridge.gov.uk</p>
Legal Implications	<p>Council is required under the general local government law including as part of the setting of council tax etc., as well as the budget and policy framework procedure rules in the Constitution (section 7(a) and 7(b)) to approve a budget each year. See also section 3 of the report. Karen Trickey – Solicitor to the Council Tel: 01626 215119 Email: Karen.trickey@teignbridge.gov.uk</p>
Risk Assessment	<p>The main risk is not setting a balanced budget and the impact on reserves. An assessment of future funding are a significant concern with changes anticipated for 2022/23 in relation to business rates retention and new homes bonus and an alternative funding stream to replace New Homes Bonus if this is scrapped. A programme of identifying savings or increased income/funding is required to meet the budget gaps in 2022/23 and 2023/24. Martin Flitcroft – Chief Finance Officer Tel: 01626 215246 Email: martin.flitcroft@teignbridge.gov.uk</p>

Environmental/ Climate Change Implications	The revenue budget supports the funding of a Climate Change Officer and associated budget and capital projects are highlighted which contribute towards our climate change objectives in appendix 7 – capital programme. David Eaton – Environmental Protection Manager Tel: 01626 215064 Email: david.eaton@teignbridge.gov.uk
Report Author	Martin Flitcroft – Chief Finance Officer Tel: 01626 215246 Email: martin.flitcroft@teignbridge.gov.uk
Executive Member	Councillor Richard Keeling – Executive Member for Corporate Resources
Appendices	App 1 – Budget timetable 2021/22 App 2 – Recommended council tax base 2021/22 App 3 – Council tax calculator 2021/22 App 4 – Summary revenue plan 2020/21 onwards App 5 – Revenue budget detail App 6 – Fees and charges summary App 7 – Capital programme App 8 - Financial plan sensitivity and risk analysis App 9 – business impact assessment App 10 – recommended prudential borrowing indicators App 11 – treasury management statement, authorized lending list and minimum revenue provision annual statement App 11a – Capital strategy App 12 – treasury management 2020/21 mid year review App 13 – consultation report App 14 – draft minute of the Executive meeting held on 11 February 2021 relating to the final financial plan proposals 2021/22 to 2023/24 Appendix 15 – council tax resolutions 2021/22
Part I or II	Part I
Background Papers	Budget and settlement files

1. PURPOSE

- 1.1 To consider a recommendation from the Executive in relation to the Final Financial Plan Proposals 2021/22 to 2023/24. The information set out below is intended to assist the Council in its consideration of the Executive’s budget proposals. The Executive Member for Corporate Resources will present the Executive’s proposals.
- 1.2 The final financial plan proposals 2021/22 to 2023/24 as per agenda item 9 Overview and Scrutiny 1 9 February 2021 and agenda item 9 Overview and Scrutiny 2 9 February 2021 and agenda item 6 Executive 11 February 2021

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. The proposals include recommended revenue and capital budgets for 2021/22 and planned in outline for 2022/23 and 2023/24.

- 1.3 Appendices 1 to 7 and Appendix 12 were attached to both the Overview & Scrutiny 1 and 2 and Executive agendas. The recommended figures are based on the provisional settlement as the final settlement had not been agreed. The final settlement has now been received and there have been no material changes.
- 1.4 A sensitivity and risk analysis is added at appendix 8 as part of the assessment of the robustness of the budget and adequacy of the reserves. See also 2.4 below. 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 we have the final recommended precepts from county, fire and police.

2. FINANCIAL PLAN SUMMARY

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

2.1 A financial background for 2021/22 of:

- Teignbridge has received a one year government settlement for 2021/22. The government is now suggesting a possible 75% rates retention scheme in 2022/23. The baseline is likely to be reset. New homes bonus has reduced and may be scrapped in future years. There are no legacy payments on the 2021/22 bonus. Future funding is under review in 2021/22.
- We have benefitted from previous savings plans and restructuring efficiencies are still producing cost reductions. This budget also gains from the Strata partnership. We are in the sixth year of Business Efficiency Service Transition 2020 review following business challenge in earlier years (now rebranded as Better 2022).

The budget process has required £3.3 million of earmarked reserves to balance the budget in 2021/22 and a further use of £2.6 million of earmarked reserves in 2022/23 leaving a budget gap of £1.2 million in 2022/23 and a budget gap of £2.6 million in 2023/24. Further work will be required to identify savings/generate income to balance these future funding gaps and protect our reserves.

- We are operating within our updated ten year Strategy taking us to 2030. 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 is fragile. We have had to accommodate the significant changes to our medium term financial plan brought about by the Covid 19 pandemic. This has created significant financial uncertainties for the future. A deal has been reached following our exit from the European Union – the outcomes of which are still being analysed. Teignbridge has seen significant reductions in income in 2020/21 with some support from Government. This is likely to continue in 2021/22.
- The assumption of a 1.5% pay rise from 1 April 2021.
- No council tax freeze grants are available for 2021/22. A referendum would be triggered in 2021/22 if the band D council tax increase is equal to or above 2% AND is above £5

2.2 The budget detail in appendix 5 clearly shows the responsible Executive member as in recent years to provide transparent accountability.

2.3 The capital programme funding includes community infrastructure levy for local plan projects. Contributions from revenue have been reduced to zero to support the pressure on the revenue budget.

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.

There are enough reserves in the short term to balance the budget in a context of falling resources and income streams. This includes heavy use of earmarked reserves. Risks are therefore manageable at present. If action is not taken promptly to balance the medium term position the Council will face challenging decisions that can be managed or avoided by a strategic approach now.

2.5 A business impact assessment has been carried out on the financial plan 2021/22 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 of the prudential indicators 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 1 and 2 and at two meetings of town and parish councils. The council tax support scheme amendment proposals put forward are to protect claimants from any adverse impacts to the Council Tax Reduction scheme entitlement arising from the measures introduced by the Government to support claimants through the Covid 19 crisis and preserve entitlement at original levels.
- 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 Teignbridge relationship 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 5, 18 and 19 February respectively and members will be advised accordingly.

3. LEGAL / JUSTIFICATION

Council is required under the budget and policy framework procedure rules in the constitution (section 7(a) and 7(b)) to approve a budget to Council each year).

In coming to a decision in relation to the revenue budget and the council tax, the Council and Councillors have the following legal duties:

- a. To act in accordance with their statutory duties and responsibilities;
- b. To act reasonably; and
- c. To have careful regard to their fiduciary duty to its rate payers and Council tax payers.

The Council has a clear legal duty to set a balanced budget. A resolution not to set a Council tax would be unlawful so would be a resolution to set a Council tax which deliberately did not balance the budget.

The meaning of fiduciary duty is more difficult to define but can be summarised as a duty to conduct administration in a business-like manner with reasonable care, skill and caution and with due regards to the council's rate payers. When discharging their fiduciary duties councillors will need to consider the following:

- a. Prudent use of the council's resources, including the raising of income and the control of expenditure;
- b. Financial prudence both long and short term;
- c. Striking a fair balance between the interest of the council tax payers on the one hand and the community interest and adequate and efficient services on the other hand; and
- d. Acting in good faith with a view to complying with statutory duties and exercising its statutory powers for the benefit of the community.

Restriction on voting

Members' attention is drawn to the provisions of S.106 of the Local Government Finance Act 1992 which applies to members where: they are present at a meeting of full Council, Executive or relevant Committee and at the time of the meeting an amount of Council tax and has remained unpaid for at least 2 months and any budget or Council tax calculation or recommendation or decision which might affect the making of any such calculation, is the subject of consideration at the meeting.

In these circumstances, any such members shall at the meeting and as soon as practical after its commencement disclose the fact that S.106 applies to them and shall not vote on any question concerning budget setting.

Failure to comply with these requirements is a criminal offence unless such member can prove that they did not know S.106 applied to them at the time of the meeting or that the matter in question was the subject of consideration at that meeting.

Budget timetable 2020/21

	September	October	November	December	January	February	March
Government (Chancellor) Autumn Spending Round Statement		cancelled					
Provisional local government settlement				17th			
Town/parish initial budget/precept meeting				17th			
Executive papers sent out - initial budget proposals				22nd			
Start of formal six weeks consultation period				22nd			
Budget survey emailed to businesses				22nd			
Executive 10am - agree initial financial plan proposals including council tax base					5th		
Overview & Scrutiny 10am - consider Executive's financial plan					12th		
Council - approve council tax support and council tax base					14th		
Town/parish follow up budget/precept meeting					21st		
Final settlement expected					31st		
Deadline for business rates retention estimate to government, county and fire					31st		
Police and Crime Panel consider precept and approve					29th		
Overview & Scrutiny 10am - consider Executive's final financial proposals						9th	
Executive 10am - agree final financial plan proposals, including budget monitoring						11th	
County Cabinet 10.30am budget meeting						12th	
Devon County Council 2.15pm - set county precept and council tax						18th	
Fire Authority - set fire precept and council tax						19th	
Council meeting 10am - consider financial proposals and council tax resolution						22nd	
Reserve county budget meeting 10am if required						23rd	
Close council tax accounts and start bills print unless delayed if council tax not set						24th	
Reserve Council budget meeting if required						24th	

Appendix 1

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Section 1

Council Tax Base adjustment for Council Tax Support (CTS) and estimated growth						
	Estimated 21/22 Band D Number	20/21 Council Tax £	Estimated Income £	Estimated Collection Rate %	Estimated Net Income £	Estimated 21/22 Base
Full band D at November 2020	54,662.1	2,000.95	109,376,130			
less CTS at November 2020	<u>-5,010.8</u>	2,000.95	<u>-10,026,360</u>			
Starting point based on November 2020	49,651.3		99,349,770			
Anticipated growth at 0%	0.0	2,000.95	0			
Total (rounded)	49,651.3	2,000.95	99,349,770	97.5%	96,865,990	48,410

Section 2

2021/22 Expected Council Tax (CT) Income at Current Council Tax Levels compared with 2020/21				
Preceptor	Estimated CT Base Number	20/21 Council Tax £	Expected income £	
2021/22 expected income (rounded)				
Towns and parishes	48,410	76.44	3,700,460	
District	48,410	175.17	8,479,980	
County	48,410	1,439.46	69,684,260	
Fire	48,410	88.24	4,271,700	
Police	48,410	221.64	10,729,590	
Total (rounded) shows a 2.6% decrease in expected income		2,000.95	96,865,990	
2020/21 expected income (rounded)				
Towns and parishes	49,714	76.44	3,800,338	
District	49,714	175.17	8,708,401	
County	49,714	1,439.46	71,561,314	
Fire	49,714	88.24	4,386,763	
Police	49,714	221.64	11,018,611	
Total (rounded)		2,000.95	99,475,430	

To show the extra Council Tax in 2021/22 that would be collected for varying increases by percentage and value.

Teignbridge Band D Council Tax 2020/21 (excluding parish precepts) £175.17
 Approved Council Tax Base 2021/22 (at 97.5% collection rate) [a] 48,410

Varying increases in Council Tax for 2021/22			Total Band D Council Tax 2021/22	Increase in Council Tax income for 2021/22	[b] Total Council Tax income 2021/22
%	Per Year £	Per Week £	Per Year £	Per Year £	Per Year £
0.00	0.00	0.00	175.17	0	8,479,980
				No council tax freeze grant	0
				Total income	8,479,980
0.30	0.51	0.01	175.68	24,690	8,504,670
0.57	1.00	0.02	176.17	48,410	8,528,390
1.00	1.75	0.03	176.92	84,720	8,564,700
1.14	2.00	0.04	177.17	96,820	8,576,800
1.48	2.60	0.05	177.77	125,870	8,605,850
1.71	3.00	0.06	178.17	145,230	8,625,210
1.99	3.49	0.07	178.66	168,950	8,648,930
2.28	4.00	0.08	179.17	193,640	8,673,620
2.85	5.00	0.10	180.17	242,050	8,722,030

Note:

- [a] Council Tax Base of 48,410 for 2021/22 approved by Council on 14 January 2021
- [b] Total Council Tax income is calculated by multiplying the Band D Council Tax by the recommended Council Tax Base of 48,410
- [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	2020-21 Budget	2020-21 Latest	2021-22 Forecast	2022-23 Forecast	2023-24 Forecast
	£	£	£	£	£
EXPENDITURE					
1 Employees	21,090,490	20,410,050	20,947,310	21,302,790	21,658,510
2 Property	4,655,960	4,633,550	4,919,380	4,992,330	5,079,470
3 Services & supplies	5,300,780	6,050,620	8,654,090	6,872,590	6,411,410
4 Grant payments	27,038,450	31,238,090	25,175,750	24,175,750	23,175,750
5 Transport	801,970	701,550	756,430	764,580	773,140
6 Leasing & capital charges	1,517,130	1,539,770	1,660,430	1,989,960	2,096,560
7 Contributions to capital	567,010	94,400	0	0	0
8 Total expenditure	60,971,790	64,668,030	62,113,390	60,098,000	59,194,840
INCOME					
9 Sales	-764,600	-377,720	-381,450	-389,080	-396,860
10 Fees & charges	-10,297,790	-6,114,870	-10,501,050	-10,816,080	-11,140,560
11 Grants - income	-27,176,480	-36,086,070	-26,544,070	-24,434,320	-23,434,320
12 Property income	-3,282,330	-2,372,880	-3,350,260	-3,822,620	-4,262,090
13 Other income & recharges	-2,961,550	-4,573,580	-2,727,380	-2,781,930	-2,837,570
14 Transfer from (-) / to earmarked reserves	-354,890	840,930	-3,314,200	-2,624,640	0
15 Total income	-44,837,640	-48,684,190	-46,818,410	-44,868,670	-42,071,400
16 Total net service cost	16,134,150	15,983,840	15,294,980	15,229,330	17,123,440
Funding					
17 Council tax	-8,708,400	-8,708,400	-8,722,030	-9,008,890	-9,344,650
18 Council tax/community charge surplus(-) / deficit	-62,360	-62,360	26,200	26,200	26,200
19 Revenue support grant	0	0	0	0	0
20 Rates baseline funding	-3,393,800	-3,393,800	-3,393,800	-3,487,000	-3,563,000
21 Estimated rates retention and pooling gain	-1,677,200	-1,527,200	-1,339,070	-50,000	-100,000
22 New homes bonus	-2,243,880	-2,243,880	-1,484,520	-727,860	0
23 Alternative housing funding	0	0	0	-800,000	-1,500,000
24 Other grants	-48,200	-48,200	-381,760	0	0
25 Budget gap (-) to be found	0	0	0	-1,181,780	-2,641,990
26 Total funding	-16,133,840	-15,983,840	-15,294,980	-15,229,330	-17,123,440
27 -Surplus/shortfall	310	0	0	0	0
28 General reserves at end of year	1,980,199	1,986,659	1,986,659	1,986,659	1,986,659
29 General reserves as % of net revenue budget	12.3%	12.4%	13.0%	14.1%	13.7%

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All Services

		2019-20	2020-21	2021-22
		Actual	Outturn	Budget
		£	£	£
Managing Director/Head Of Service				
Corporate Services				
A Pujol	Business Improvement & Development	593,295	385,130	471,410
A Pujol	Communications	150,807	232,530	249,080
M Flitcroft	Democratic Services	712,185	707,910	747,260
P Shears	Electoral Services	361,310	194,890	223,940
M Flitcroft	Finance	604,404	628,640	722,680
P Shears	Human Resources	485,875	467,560	501,700
M Flitcroft	Internal Audit & Information Governance	181,403	171,790	184,240
M Flitcroft	Legal	368,649	347,200	426,860
M Flitcroft	Procurement	37,015	31,070	38,970
P Shears	Strategic Leadership Team	442,285	460,370	473,620
		3,937,230	3,627,090	4,039,760
Strategic Place				
N Blaney	Building Control	(94,945)	(100,500)	32,050
A Pujol	Customer Services	595,402	674,150	714,750
N Blaney	Development Management	195,637	686,380	703,380
N Blaney	Economy & Assets	8,049	683,170	477,010
A Pujol	Housing	1,082,822	1,244,890	1,513,690
N Blaney	Parking	(2,416,952)	(1,129,420)	(1,512,780)
A Pujol	Revenues & Benefits	882,160	654,830	720,180
N Blaney	Spatial Planning	655,079	420,380	553,510
		907,252	3,133,880	3,201,790
Environment, Health & Wellbeing				
A Pujol	Community Safety	98,739	119,970	128,940
L Montgomery	Environmental Health	946,082	1,045,660	1,193,790
L Montgomery	Green Spaces & Active Leisure	1,147,843	1,201,450	1,160,750
L Montgomery	Leisure	424,231	1,400,580	1,469,220
L Montgomery	Licensing	(50,868)	(18,430)	(11,120)
L Montgomery	Resorts	209,015	112,530	83,890
L Montgomery	Waste, Recycling & Cleansing	5,330,273	5,937,850	6,461,870
		8,105,315	9,799,610	10,487,340
Total all services		12,949,797	16,560,580	17,728,890
Financing Items		2,747,403	(671,140)	(2,433,910)
Totals per actual/budget papers		15,697,200	15,889,440	15,294,980
Contribution to capital		917,207	94,400	0
Totals per actual/budget papers		16,614,407	15,983,840	15,294,980

Notes:

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

Executive Member:	Gary Taylor					
Manager:	Andrew Carpenter					
Activity Area:	Building Control					
		2019-20		2020-21		2021-22
		Actual		Outturn		Budget
		£	FTE	£	FTE	£
	<u>EXPENDITURE</u>					
	Employees	874,982	21.5	896,810	20.0	919,640
	Property	40,165		27,570		29,820
	Services & Supplies	120,994		111,910		142,080
	Grant Payments	-		-		-
	Transport	58,154		56,880		66,050
	Leasing & capital charges	-		-		-
		1,094,295		1,093,170		1,157,590
	<u>INCOME</u>					
	Sales	-		-		-
	Fees & Charges	(971,894)		(874,750)		(917,000)
	Property Income	-		-		-
	Grants - income	-		-		-
	Other income & recharges	(217,346)		(292,120)		(208,540)
	Transfers from earmarked reserves	-		(26,800)		-
		(1,189,241)		(1,193,670)		(1,125,540)
	Service Cost	(94,945)		(100,500)		32,050
	Service cost - £'s per head of population	-0.71		-0.75		0.24

Executive Member:	Martin Wrigley					
Manager:	Lloyd Purchase					
Activity Area:	Business Improvement & Development Team					
		2019-20		2020-21		2021-22
		Actual		Outturn		Budget
		£	FTE	£	FTE	£
	<u>EXPENDITURE</u>					
	Employees	272,146	8.5	181,710	5.5	207,070
	Property	18,919		36,970		13,110
	Services & Supplies	46,249		44,170		109,810
	Grant Payments	255,792		176,770		141,470
	Transport	838		790		520
	Leasing & capital charges	-		-		-
		593,944		440,410		471,980
	<u>INCOME</u>					
	Sales	-		-		-
	Fees & Charges	-		-		-
	Property Income	(567)		(570)		(570)
	Grants - income	-		(30,860)		-
	Other income & recharges	(82)		(9,550)		-
	Transfers from earmarked reserves	-		(14,300)		-
		(649)		(55,280)		(570)
	Service Cost	593,295		385,130		471,410
	Service cost - £'s per head of population	4.47		2.87		3.47

Executive Member:	Alan Connett						
Manager:	Amanda Pujol						
Activity Area:	Communications						
		2019-20		2020-21		2021-22	
		Actual	FTE	Outturn	FTE	Budget	
		£		£		£	
		FTE		FTE		FTE	
<u>EXPENDITURE</u>							
Employees	4.0	100,327	4.0	178,360	5.5	194,850	
Property		4,312		3,180		3,440	
Services & Supplies		46,116		50,650		49,960	
Grant Payments		-		-		-	
Transport		53		360		830	
Leasing & capital charges		-		-		-	
		150,807		232,550		249,080	
<u>INCOME</u>							
Sales		-		-		-	
Fees & Charges		-		-		-	
Property Income		-		-		-	
Grants - income		-		-		-	
Other income & recharges		-		(20)		-	
Transfers from earmarked reserves		-		-		-	
		0		(20)		0	
Service Cost		150,807		232,530		249,080	
Service cost - £'s per head of population		1.14		1.73		1.83	

Executive Member:	Martin Wrigley						
Manager:	Rebecca Hewitt						
Activity Area:	Community Safety						
		2019-20		2020-21		2021-22	
		Actual	FTE	Outturn	FTE	Budget	
		£		£		£	
		FTE		FTE		FTE	
<u>EXPENDITURE</u>							
Employees	2.0	86,872	2.0	110,300	2.5	117,340	
Property		4,534		3,140		1,820	
Services & Supplies		6,776		7,440		7,680	
Grant Payments		39,135		58,340		-	
Transport		2,748		1,610		2,100	
Leasing & capital charges		-		-		-	
		140,065		180,830		128,940	
<u>INCOME</u>							
Sales		-		-		-	
Fees & Charges		-		-		-	
Property Income		-		-		-	
Grants - income		-		-		-	
Other income & recharges		(41,326)		(60,860)		-	
Transfers from earmarked reserves		-		-		-	
		(41,326)		(60,860)		0	
Service Cost		98,739		119,970		128,940	
Service cost - £'s per head of population		0.74		0.89		0.95	

Executive Member:	Martin Wrigley					
Manager:	Tracey Hooper					
Activity Area:	Customer Services					
		2019-20		2020-21		2021-22
		Actual		Outturn		Budget
		£	FTE	£	FTE	£
	<u>EXPENDITURE</u>					
	Employees	461,484	12.5	567,580	22.0	585,610
	Property	15,829		8,870		9,590
	Services & Supplies	119,750		97,700		119,550
	Grant Payments	-		-		-
	Transport	-		-		-
	Leasing & capital charges	-		-		-
		597,063		674,150		714,750
	<u>INCOME</u>					
	Sales	-		-		-
	Fees & Charges	-		-		-
	Property Income	-		-		-
	Grants - income	-		-		-
	Other income & recharges	(1,661)		-		-
	Transfers from earmarked reserves	-		-		-
		(1,661)		0		0
	Service Cost	595,402		674,150		714,750
	Service cost - £'s per head of population	4.48		5.02		5.26

Executive Member:	Richard Keeling					
Manager:	Sarah Selway					
Activity Area:	Democratic Services					
		2019-20		2020-21		2021-22
		Actual		Outturn		Budget
		£	FTE	£	FTE	£
	<u>EXPENDITURE</u>					
	Employees	533,123	3.5	553,930	3.5	580,780
	Property	9,221		4,960		5,360
	Services & Supplies	115,738		118,550		113,000
	Grant Payments	54,053		47,000		47,000
	Transport	350		160		1,120
	Leasing & capital charges	-		-		-
		712,485		724,600		747,260
	<u>INCOME</u>					
	Sales	-		-		-
	Fees & Charges	-		-		-
	Property Income	-		-		-
	Grants - income	-		-		-
	Other income & recharges	(300)		(2,600)		-
	Transfers from earmarked reserves	-		(14,090)		-
		(300)		(16,690)		0
	Service Cost	712,185		707,910		747,260
	Service cost - £'s per head of population	5.36		5.28		5.49

Executive Member: Gary Taylor		2019-20		2020-21		2021-22	
Manager: Ros Eastman		Actual		Outturn		Budget	
Activity Area: Development Management		FTE	£	FTE	£	FTE	£
<u>EXPENDITURE</u>							
Employees	33.0	1,285,660	33.0	1,297,000	32.0	1,265,780	
Property		91,056		56,300		60,260	
Services & Supplies		358,375		290,190		453,530	
Grant Payments		-		-		-	
Transport		24,401		21,420		27,550	
Leasing & capital charges		-		-		-	
		1,759,491		1,664,910		1,807,120	
<u>INCOME</u>							
Sales		-		-		-	
Fees & Charges		(1,408,851)		(831,770)		(1,103,620)	
Property Income		-		-		-	
Grants - income		-		-		-	
Other income & recharges		(155,003)		(113,010)		(120)	
Transfers from earmarked reserves		-		(33,750)		-	
		(1,563,854)		(978,530)		(1,103,740)	
Service Cost		195,637		686,380		703,380	
Service cost - £'s per head of population		1.47		5.12		5.17	

Executive Member: Nina Jeffries/Richard Keeling		2019-20		2020-21		2021-22	
Manager: Stephen Forsey		Actual		Outturn		Budget	
Activity Area: Economy & Assets		FTE	£	FTE	£	FTE	£
<u>EXPENDITURE</u>							
Employees	41.5	1,197,149	42.0	1,335,420	34.5	1,199,200	
Property		695,521		744,710		718,190	
Services & Supplies		652,523		707,320		1,168,420	
Grant Payments		3,525		4,681,640		1,130	
Transport		10,917		9,060		12,760	
Leasing & capital charges		-		-		-	
		2,559,635		7,478,150		3,099,700	
<u>INCOME</u>							
Sales		(17,247)		2,730		(300)	
Fees & Charges		(193,220)		(65,980)		(204,880)	
Property Income		(1,931,064)		(1,391,270)		(2,266,620)	
Grants - income		-		(4,679,510)		-	
Other income & recharges		(410,056)		(518,660)		(150,890)	
Transfers from earmarked reserves		-		(142,290)		-	
		(2,551,586)		(6,794,980)		(2,622,690)	
Service Cost		8,049		683,170		477,010	
Service cost - £'s per head of population		0.06		5.09		3.51	

Executive Member: Manager: Activity Area:	Alan Connett Cathy Ruelens Electoral Services	2019-20 Actual		2020-21 Outturn		2021-22 Budget
		FTE	£	FTE	£	FTE
<u>EXPENDITURE</u>						
Employees		3.0	120,486	3.0	115,810	123,240
Property			53,898		6,890	7,340
Services & Supplies			555,672		135,080	95,230
Grant Payments			-		-	-
Transport			724		290	290
Leasing & capital charges			-		-	-
			730,781		258,070	226,100
<u>INCOME</u>						
Sales			-		-	-
Fees & Charges			(2,560)		(1,730)	(2,160)
Property Income			-		-	-
Grants - income			(15,894)		(1,090)	-
Other income & recharges			(351,016)		(60,360)	-
Transfers from earmarked reserves			-		-	-
			(369,470)		(63,180)	(2,160)
Service Cost			361,310		194,890	223,940
Service cost - £'s per head of population			2.72		1.45	1.65

Executive Member: Manager: Activity Area:	Alistair Dewhirst David Eaton & Paul Nicholls Environmental Health	2019-20 Actual		2020-21 Outturn		2021-22 Budget
		FTE	£	FTE	£	FTE
<u>EXPENDITURE</u>						
Employees		23.0	742,499	22.5	802,520	891,720
Property			54,279		54,580	57,570
Services & Supplies			195,342		242,110	266,530
Grant Payments			-		-	-
Transport			28,212		24,170	32,190
Leasing & capital charges			6,324		6,330	6,330
			1,026,656		1,129,710	1,254,340
<u>INCOME</u>						
Sales			(5,802)		(7,540)	(6,000)
Fees & Charges			(36,625)		(25,750)	(44,040)
Property Income			-		-	-
Grants - income			(4,085)		(12,370)	-
Other income & recharges			(34,061)		(37,310)	(10,510)
Transfers from earmarked reserves			-		(1,080)	-
			(80,574)		(84,050)	(60,550)
Service Cost			946,082		1,045,660	1,193,790
Service cost - £'s per head of population			7.12		7.79	8.78

Executive Member: Manager: Activity Area:	Richard Keeling Martin Flitcroft Finance	2019-20 Actual		2020-21 Outturn		2021-22 Budget	
		FTE	£	FTE	£	FTE	£
<u>EXPENDITURE</u>							
Employees		16.0	546,219	15.0	602,510	15.5	680,380
Property			27,313		18,900		20,440
Services & Supplies			47,541		49,850		41,720
Grant Payments			-		-		-
Transport			1,081		470		870
Leasing & capital charges			-		-		-
			622,155		671,730		743,410
<u>INCOME</u>							
Sales			-		-		-
Fees & Charges			-		-		-
Property Income			-		-		-
Grants - income			-		-		-
Other income & recharges			(17,750)		(31,000)		(20,730)
Transfers from earmarked reserves			-		(12,090)		-
			(17,750)		(43,090)		(20,730)
Service Cost			604,404		628,640		722,680
Service cost - £'s per head of population			4.55		4.69		5.31

Executive Member: Manager: Activity Area:	Andrew MacGregor Lorraine Montgomery Green Spaces & Active Leisure	2019-20 Actual		2020-21 Outturn		2021-22 Budget	
		FTE	£	FTE	£	FTE	£
<u>EXPENDITURE</u>							
Employees		13.5	404,193	13.5	466,680	9.5	379,540
Property			983,534		931,540		949,850
Services & Supplies			373,291		251,680		235,720
Grant Payments			4,474		2,750		4,750
Transport			13,515		9,510		10,490
Leasing & capital charges			-		-		-
			1,779,007		1,662,160		1,580,350
<u>INCOME</u>							
Sales			(3,019)		(2,730)		(1,280)
Fees & Charges			(205,180)		(197,680)		(230,290)
Property Income			(171,716)		(160,300)		(165,700)
Grants - income			(73,256)		-		-
Other income & recharges			(177,994)		(83,380)		(22,330)
Transfers from earmarked reserves			-		(16,620)		-
			(631,164)		(460,710)		(419,600)
Service Cost			1,147,843		1,201,450		1,160,750
Service cost - £'s per head of population			8.64		8.96		8.53

Executive Member:	Martin Wrigley					
Manager:	Amanda Pujol					
Activity Area:	Housing					
		2019-20		2020-21		2021-22
		Actual		Outturn		Budget
		£	FTE	£	FTE	£
	<u>EXPENDITURE</u>					
	Employees	1,526,281	31.0	1,564,200	32.0	1,257,520
	Property	366,157		359,270		345,620
	Services & Supplies	624,981		1,147,980		606,400
	Grant Payments	487,493		533,720		516,400
	Transport	30,756		17,170		21,370
	Leasing & capital charges	-		-		-
		3,035,667		3,622,340		2,747,310
	<u>INCOME</u>					
	Sales	(1,200)		(1,430)		(1,200)
	Fees & Charges	(2,420)		(2,660)		(5,210)
	Property Income	(558,903)		(598,660)		(608,990)
	Grants - income	(1,122,167)		(859,210)		(543,310)
	Other income & recharges	(268,155)		(235,090)		(74,910)
	Transfers from earmarked reserves	-		(680,400)		-
		(1,952,844)		(2,377,450)		(1,233,620)
	Service Cost	1,082,822		1,244,890		1,513,690
	Service cost - £'s per head of population	8.15		9.28		11.13

Executive Member:	Alan Connett					
Manager:	Tim Slater					
Activity Area:	Human Resources					
		2019-20		2020-21		2021-22
		Actual		Outturn		Budget
		£	FTE	£	FTE	£
	<u>EXPENDITURE</u>					
	Employees	335,898	7.0	336,140	8.0	369,720
	Property	26,517		14,620		15,720
	Services & Supplies	128,867		116,610		115,730
	Grant Payments	-		-		-
	Transport	758		200		530
	Leasing & capital charges	-		-		-
		492,041		467,570		501,700
	<u>INCOME</u>					
	Sales	-		-		-
	Fees & Charges	-		-		-
	Property Income	-		-		-
	Grants - income	-		-		-
	Other income & recharges	(6,166)		(10)		-
	Transfers from earmarked reserves	-		-		-
		(6,166)		(10)		0
	Service Cost	485,875		467,560		501,700
	Service cost - £'s per head of population	3.66		3.49		3.69

Executive Member:	Richard Keeling					
Manager:	Sue Heath					
Activity Area:	Internal Audit & Information Governance					
		2019-20		2020-21		2021-22
		Actual		Outturn		Budget
		£	FTE	£	FTE	£
	<u>EXPENDITURE</u>					
	Employees	157,774	3.5	158,630	3.5	163,810
	Property	10,807		7,400		8,000
	Services & Supplies	12,785		13,700		12,810
	Grant Payments	-		-		-
	Transport	37		100		180
	Leasing & capital charges	-		-		-
		181,403		179,830		184,800
	<u>INCOME</u>					
	Sales	-		-		-
	Fees & Charges	-		-		-
	Property Income	-		-		-
	Grants - income	-		(80)		-
	Other income & recharges	(0)		(7,960)		(560)
	Transfers from earmarked reserves	-		-		-
		(0)		(8,040)		(560)
	Service Cost	181,403		171,790		184,240
	Service cost - £'s per head of population	1.37		1.28		1.35

Executive Member:	Richard Keeling					
Manager:	Karen Trickey					
Activity Area:	Legal					
		2019-20		2020-21		2021-22
		Actual		Outturn		Budget
		£	FTE	£	FTE	£
	<u>EXPENDITURE</u>					
	Employees	334,864	6.0	302,030	7.0	399,650
	Property	21,798		9,830		10,630
	Services & Supplies	37,704		63,400		48,130
	Grant Payments	-		-		-
	Transport	370		200		440
	Leasing & capital charges	-		-		-
		394,736		375,460		458,850
	<u>INCOME</u>					
	Sales	-		-		-
	Fees & Charges	(22,703)		(22,030)		(30,000)
	Property Income	-		-		-
	Grants - income	-		-		-
	Other income & recharges	(3,384)		(6,230)		(1,990)
	Transfers from earmarked reserves	-		-		-
		(26,087)		(28,260)		(31,990)
	Service Cost	368,649		347,200		426,860
	Service cost - £'s per head of population	2.78		2.59		3.14

Executive Member:	Andrew MacGregor						
Manager:	James Teed						
Activity Area:	Leisure						
		2019-20		2020-21		2021-22	
		Actual		Outturn		Budget	
		£	FTE	£	FTE	£	
	<u>EXPENDITURE</u>						
	Employees	69.5	1,674,804	74.0	1,390,200	69.0	1,899,950
	Property		913,175		783,960		892,710
	Services & Supplies		311,453		284,320		1,351,640
	Grant Payments		15,000		-		15,000
	Transport		3,995		3,070		4,430
	Leasing & capital charges		2,069		2,250		2,010
			2,920,496		2,463,800		4,165,740
	<u>INCOME</u>						
	Sales		(17,182)		(590)		(10,740)
	Fees & Charges		(2,265,203)		(416,490)		(2,509,150)
	Property Income		-		-		-
	Grants - income		-		-		-
	Other income & recharges		(213,879)		(646,140)		(176,630)
	Transfers from earmarked reserves		-		-		-
			(2,496,265)		(1,063,220)		(2,696,520)
	Service Cost		424,231		1,400,580		1,469,220
	Service cost - £'s per head of population		3.19		10.44		10.80

Executive Member:	Alistair Dewhirst						
Manager:	Andrea Furness						
Activity Area:	Licensing						
		2019-20		2020-21		2021-22	
		Actual		Outturn		Budget	
		£	FTE	£	FTE	£	
	<u>EXPENDITURE</u>						
	Employees	3.5	115,215	3.0	106,180	3.0	112,350
	Property		8,177		5,870		6,350
	Services & Supplies		47,164		49,050		84,590
	Grant Payments		-		-		-
	Transport		350	-	100		270
	Leasing & capital charges		-		-		-
			170,907		161,000		203,560
	<u>INCOME</u>						
	Sales		-		-		-
	Fees & Charges		(221,178)		(179,430)		(214,680)
	Property Income		-		-		-
	Grants - income		-		-		-
	Other income & recharges		(597)		-		-
	Transfers from earmarked reserves		-		-		-
			(221,775)		(179,430)		(214,680)
	Service Cost		(50,868)		(18,430)		(11,120)
	Service cost - £'s per head of population		-0.38		-0.14		-0.08

Executive Member: Manager: Activity Area:		Nina Jeffries Stephen Forsey Parking			2019-20 Actual			2020-21 Outturn			2021-22 Budget		
		FTE	£	FTE	£	FTE	£	FTE	£	FTE	£		
<u>EXPENDITURE</u>													
	Employees	9.0	252,725	9.0	252,810	9.0	256,920						
	Property		710,474		747,730		763,290						
	Services & Supplies		301,078		263,260		1,530,930						
	Grant Payments		1,313		-		-						
	Transport		2,593		3,600		3,650						
	Leasing & capital charges		9,164		9,160		9,160						
			1,277,345		1,276,560		2,563,950						
<u>INCOME</u>													
	Sales		-		-		-						
	Fees & Charges		(3,606,822)		(2,321,600)		(3,975,230)						
	Property Income		(28,680)		(19,140)		(61,580)						
	Grants - income		-		-		-						
	Other income & recharges		(58,796)		(65,240)		(39,920)						
	Transfers from earmarked reserves		-		-		-						
			(3,694,298)		(2,405,980)		(4,076,730)						
Service Cost			(2,416,952)		(1,129,420)		(1,512,780)						
Service cost - £'s per head of population			-18.19		-8.42		-11.12						

Executive Member: Manager: Activity Area:		Richard Keeling Rosanna Wilson Procurement & Commissioning			2019-20 Actual			2020-21 Outturn			2021-22 Budget		
		FTE	£	FTE	£	FTE	£	FTE	£	FTE	£		
<u>EXPENDITURE</u>													
	Employees	1.0	57,604	1.0	54,570	1.0	57,110						
	Property		1,860		3,390		3,670						
	Services & Supplies		4,803		3,940		4,070						
	Grant Payments		-		-		-						
	Transport		846		60		60						
	Leasing & capital charges		-		-		-						
			65,113		61,960		64,910						
<u>INCOME</u>													
	Sales		-		-		-						
	Fees & Charges		-		-		-						
	Property Income		-		-		-						
	Grants - income		-		-		-						
	Other income & recharges		(28,097)		(30,890)		(25,940)						
	Transfers from earmarked reserves		-		-		-						
			(28,097)		(30,890)		(25,940)						
Service Cost			37,015		31,070		38,970						
Service cost - £'s per head of population			0.28		0.23		0.29						

Executive Member:	Andrew MacGregor					
Manager:	Sarah Holgate					
Activity Area:	Resorts					
		2019-20		2020-21		2021-22
		Actual		Outturn		Budget
		£	FTE	£	FTE	£
	<u>EXPENDITURE</u>					
	Employees	200,229	8.5	197,020	5.5	169,650
	Property	124,127	9.0	68,030		59,320
	Services & Supplies	141,362		52,690		79,650
	Grant Payments	-		-		-
	Transport	2,852		2,850		4,130
	Leasing & capital charges	-		-		-
		468,570		320,590		312,750
	<u>INCOME</u>					
	Sales	(289)		-		-
	Fees & Charges	(18,130)		(10,310)		(19,550)
	Property Income	(232,988)		(184,770)		(205,990)
	Grants - income	-		-		-
	Other income & recharges	(8,147)		(12,980)		(3,320)
	Transfers from earmarked reserves	-		-		-
		(259,555)		(208,060)		(228,860)
	Service Cost	209,015		112,530		83,890
	Service cost - £'s per head of population	1.57		0.84		0.62

Executive Member:	Richard Keeling					
Manager:	Tracey Hooper					
Activity Area:	Revenues & Benefits					
		2019-20		2020-21		2021-22
		Actual		Outturn		Budget
		£	FTE	£	FTE	£
	<u>EXPENDITURE</u>					
	Employees	883,872	33.5	890,190	30.5	1,005,850
	Property	90,759	39.0	85,550		92,390
	Services & Supplies	818,012		700,490		679,340
	Grant Payments	26,576,853		25,736,020		24,450,000
	Transport	5,058		2,640		2,020
	Leasing & capital charges	-		-		-
		28,374,555		27,414,890		26,229,600
	<u>INCOME</u>					
	Sales	-		-		-
	Fees & Charges	(168,204)		(80,800)		(199,000)
	Property Income	-		-		-
	Grants - income	(26,964,775)		(25,994,490)		(24,882,910)
	Other income & recharges	(359,416)		(597,810)		(427,510)
	Transfers from earmarked reserves	-		(86,960)		-
		(27,492,395)		(26,760,060)		(25,509,420)
	Service Cost	882,160		654,830		720,180
	Service cost - £'s per head of population	6.64		4.88		5.30

Executive Member:	Gary Taylor						
Manager:	Michelle Luscombe/Fergus Pate						
Activity Area:	Spatial Planning						
		2019-20		2020-21		2021-22	
		Actual	FTE	Outturn	FTE	Budget	FTE
		£		£		£	
<u>EXPENDITURE</u>							
Employees	9.5	635,820	10.0	430,910	8.5	376,110	
Property		11,921		8,310		8,990	
Services & Supplies		176,039		98,650		173,680	
Grant Payments		14,098		1,850		-	
Transport		6,596		3,780		4,780	
Leasing & capital charges		-		-		-	
		844,474		543,500		563,560	
<u>INCOME</u>							
Sales		-		-		-	
Fees & Charges		(9,863)		(50)		(10,050)	
Property Income		-		-		-	
Grants - income		(152,446)		(5,000)		-	
Other income & recharges		(27,087)		(20,280)		-	
Transfers from earmarked reserves		-		(97,790)		-	
		(189,395)		(123,120)		(10,050)	
Service Cost		655,079		420,380		553,510	
Service cost - £'s per head of population		4.93		3.13		4.07	

Executive Member:	Alan Connett						
Manager:	Phil Shears						
Activity Area:	Strategic Leadership Team						
		2019-20		2020-21		2021-22	
		Actual	FTE	Outturn	FTE	Budget	FTE
		£		£		£	
<u>EXPENDITURE</u>							
Employees	5.0	406,042	5.0	428,810	5.0	439,810	
Property		17,868		14,000		15,140	
Services & Supplies		16,458		14,820		14,620	
Grant Payments		-		-		-	
Transport		2,047		3,020		4,320	
Leasing & capital charges		-		-		-	
		442,415		460,650		473,890	
<u>INCOME</u>							
Sales		-		-		-	
Fees & Charges		-		-		-	
Property Income		-		-		-	
Grants - income		-		-		-	
Other income & recharges		(130)		(280)		(270)	
Transfers from earmarked reserves		-		-		-	
		(130)		(280)		(270)	
Service Cost		442,285		460,370		473,620	
Service cost - £'s per head of population		3.33		3.43		3.48	

Executive Member:
 Manager:
 Activity Area:

Alistair Dewhirst
 Chris Braines
 Waste, Recycling & Cleansing

		2019-20		2020-21		2021-22
		Actual		Outturn		Budget
	FTE	£	FTE	£	FTE	£
<u>EXPENDITURE</u>						
Employees	175.0	5,020,304	179.5	5,539,090	182.5	5,864,140
Property		609,494		578,450		567,980
Services & Supplies		1,150,335		1,035,220		916,090
Grant Payments		4,763		-		-
Transport		533,553		535,460		597,460
Leasing & capital charges		1,291,505		1,356,600		1,418,840
		8,609,954		9,044,820		9,364,510
<u>INCOME</u>						
Sales		(768,370)		(368,160)		(361,930)
Fees & Charges		(976,547)		(1,083,840)		(1,036,190)
Property Income		(13,150)		(12,400)		(16,790)
Grants - income		-		-		-
Other income & recharges		(1,521,614)		(1,642,570)		(1,487,730)
Transfers from earmarked reserves		-		-		-
		(3,279,681)		(3,106,970)		(2,902,640)
Service Cost		5,330,273		5,937,850		6,461,870
Service cost - £'s per head of population		40.12		44.26		47.51

Glossary

Column Headings

2019-20 Actual – the actual cost of the service for last year

2020-21 Outturn – the likely cost of the service for this year

2021-22 Budget – the budget proposed for the service for next year

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

Expenditure

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

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

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

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

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

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

Income

Sales – income from the sale of items including recycled materials

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

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

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

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

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**Final Proposed Fees and Charges
Income 2021/22**

Appendix 6





Service	Actual 2019/20 £	Probable 2020/21 £	Proposed 2021/22 £	Dept total 2021/22 £ Department	
Building Control	- 971,894	- 874,750	- 917,000	- 917,000	Building Control
Land Charges	- 176,159	- 195,000	- 204,000		
Planning	- 1,216,600	- 642,800	- 889,300		
Planning Admin	- 10,202	- 250	- 2,100		
Street Naming	- 5,889	- 8,220	- 8,220	- 1,103,620	Development Management
Livestock Market	- 5,748	- 4,990	- 8,390		
Old Forde house	- 18,318	- 5,000	- 16,040		
Retail Market	- 169,154	- 55,990	- 180,450	- 204,880	Economy & Assets
Electoral Registration	- 2,560	- 1,730	- 2,160	- 2,160	Electoral Services
Dog Control	- 3,003	- 1,250	- 1,590		
Health & Food Safety	- 7,022	- 1,620	- 8,540		
Health Licence Fees	- 22,232	- 16,640	- 26,930		
Litter Clearance	- 3,680	- 4,100	- 4,700		
Nuisance Parking	- -	- -	- 50		
Private Water Supply Sampling	- 425	- 2,140	- 2,230	- 44,040	Environmental Health
Amenity & Conservation Sites	- 3,178	- 600	- 1,860		
Cemetery Fees	- 131,808	- 145,750	- 151,200		
Shaldon Golf	- 59,139	- 38,190	- 63,120		
Sports Pitches	- 10,641	- 13,140	- 14,110	- 230,290	Green Spaces & Active Leisure
Housing	- 2,420	- 2,660	- 5,210	- 5,210	Housing
Legal Fees	- 21,953	- 22,030	- 30,000	- 30,000	Legal
Broadmeadow Sports Centre	- 79,560	- 19,590	- 101,820		
Dawlish Leisure Centre	- 205,380	- 58,020	- 234,740		
Leisure Childcare	- 94,648	- 140	- 110,610		
Leisure Memberships	- 1,431,778	- 467,220	- 1,526,860		
Newton Abbot Leisure Centre	- 414,307	- 100,230	- 491,710		
Outdoor Pools	- 39,530	- -	- 43,410	- 2,509,150	Leisure
Gambling Act 2005	- 27,359	- 19,750	- 25,080		
Hackney Carriage	- 63,038	- 53,140	- 61,280		
Licensing Act 2003	- 130,781	- 106,540	- 128,320	- 214,680	Licensing
Car Parks	- 3,606,822	- 2,450,600	- 3,975,230	- 3,975,230	Parking
Beach huts	- 9,389	- 810	- 8,550		
Boat Storage	- 8,741	- 11,120	- 10,930		
Leisure Events	- -	- -	- 70	- 19,550	Resorts
Council Tax	- 168,204	- 80,800	- 199,000	- 199,000	Revenue & Benefits
Local Development Framework	- 9,863	- 50	- 10,050	- 10,050	Spatial Planning
Abandoned Vehicles	- 3,628	- 7,110	- -		
Commercial Waste / Household Refuse	- 961,837	- 1,082,930	- 1,027,720		
Composting	- 1,498	- 80	- -		
Toilets for Disabled	- 168	- 30	- 220		
Vehicle Workshop	- 9,415	- 7,910	- 8,250	- 1,036,190	Waste, Recycling & Cleansing
Grand Totals	- 10,107,972	- 6,486,800	- 10,501,050	- 10,501,050	

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TEIGNBRIDGE DISTRICT COUNCIL
CAPITAL PROGRAMME 2020-21 TO 2023-24

					32,632	17,182	38,477	35,911	13,088		
Code /bid no.	Asset/Service Area		Description	Bid/ Complete?	C/f ?	ORIGINAL	LATEST	LATEST	LATEST	LATEST	Council Strategy
						BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	
						2020-21	2020-21	2021-22	2022-23	2023-24	
						£'000	£'000	£'000	£'000	£'000	
							(Inc Fees)	(Inc Fees)	(Inc Fees)	(Inc Fees)	
KG1	Bakers Park		Bakers Park development (S106)		√	402	718				8. Out and about and active
KL1	Broadband		Contribution to Superfast Broadband subject to procurement arrangements (RS) (2022/23) subject to satisfactory assurances of funds being spent within Teignbridge area.						250		6. Investing in prosperity
Provision	Broadmeadow Sports Centre		Provision for Broadmeadow Sports Centre Improvement Plan (S106/BC).	*		1,765		1,675			8. Out and about and active
KY3	Broadmeadow Sports Centre		Hot water boiler replacement (RS)		C		20				8. Out and about and active
Provision	Car parks		Replacement of pay on foot with pay and display machines (CR)	*			70				3. Going to town
KM6	Car parks		Machines for new sites and replacement machines where required. (CR)				34				3. Going to town
KJ8	Chudleigh		Pump track (S106)				76				8. Out and about and active
Provision	Churchyards		Provision for Churchyards (CR)	*	√		43				4. Great places to live & work
KY5	Climate Change		Carbon reduction projects (CR)		√	132	232				10. Action on climate
Provision	Climate Change		Provision for heating and fabric improvements at Forde House (PB)	*		340	-	815			10. Action on climate
Provision	Climate Change		Provision for Solar PV (PB)	*				75			10. Action on climate
Provision	Climate Change		Provision for Carbon Action Plan (PB)	*				310	1,200	1,200	10. Action on climate
KY7	Climate Change		Leisure Site Measures (GG)					3,000			10. Action on climate
KR3	Coastal Monitoring		SW Regional Coastal Monitoring Programme. (GG,EC)		√	724	1,532	1,126	1,998	1,880	9. Strong communities
KR5	Coastal Monitoring		Coastal asset review: project management support (GG)		√		77				9. Strong communities
KR6	Coastal Monitoring		Coastal asset review (GG)		√		210				9. Strong communities
KG8	Cycle paths		Teign Estuary Trail (CIL)			100	100				7. Moving up a gear
Provision	Cycle paths		Provision for Other cycling (CIL)	*		280		280	170	250	7. Moving up a gear
Provision	Cycle paths		Dawlish/Teignmouth Cycle Schemes (CIL)	*		65		205	200		7. Moving up a gear
Provision	Cycle paths		Heart of Teignbridge Cycle Provision (CIL)	*		90		90			7. Moving up a gear



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CAPITAL PROGRAMME 2020-21 TO 2023-24

					32,632	17,182	38,477	35,911	13,088		
Code /bid no.	Asset/Service Area		Description	Bid/ Complete?	C/f ?	ORIGINAL	LATEST	LATEST	LATEST	LATEST	Council Strategy
						BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	
						2020-21	2020-21	2021-22	2022-23	2023-24	
						£'000	£'000	£'000	£'000	£'000	
							(Inc Fees)	(Inc Fees)	(Inc Fees)	(Inc Fees)	
KX7	Dawlish		Dawlish link road and bridge (GG)		√	-	-	3,344	1,433		7. Moving up a gear
Provision	Dawlish Leisure Centre		Provision for Dawlish Leisure Centre Improvement Plan (S106,BC).	*		-	-	1,321			8. Out and about and active
KB6	Dawlish Warren		Dawlish Warren Boardwalk (S106)			107	107				4. Great places to live & work
-	Energy Company		Energy Company (CIL)			177	-				9. Strong communities
-	Heart of Teignbridge: Employment		Provision for Heart of Teignbridge Employment Sites (BC: Prudential Borrowing)			425					6. Investing in prosperity
Provision	Heart of Teignbridge: Employment		Provision for employment sites (BC: Prudential Borrowing)	*		2,000		2,000			6. Investing in prosperity
KL2	Heart of Teignbridge: Employment		Newton Abbot employment land feasibility (BC: Prudential Borrowing)		√		17				6. Investing in prosperity
KX8	Heart of Teignbridge		A382 Improvements (CIL) (£5.1 m by 2022-23)				1,000	1,500	2,600		7. Moving up a gear
KW2	Heart of Teignbridge		Houghton Barton Link Rd (Prudential temporary internal Borrowing)				810	440			7. Moving up a gear
KW8	Heart of Teignbridge		Houghton Barton land (EC)		√		146				4. Great places to live & work
JW/JV	Housing		Discretionary - Disrepair Loans & Grants (CR)			24	24	24	50	50	1. A roof over our heads
JW/JV	Housing		Better Care-funded grants re: Housing loans and grants policy, including Disabled Facilities (GG)		√	1,030	1,562	1,000	1,000	1,000	1. A roof over our heads
JV7	Housing		Warm Homes Fund (Park Homes) (GG)		√	234	43	383			1. A roof over our heads
JV8	Housing		Warm Homes Fund (Category 1 Gas and Category 2 Air Source Heat Pumps) (GG)			1,655	166	1,490			1. A roof over our heads
JY7	Housing		Broadhempston Community Land Trust (CR,RS)	C	√		5				1. A roof over our heads
JY3	Housing		Exception site Starcross (CR)			65		65			1. A roof over our heads
JY3	Housing		Additional Social Housing in Newton Abbot (East St) (CR, RS,GG, BC: Prudential Borrowing,S106)		√	890	909				1. A roof over our heads
JY3	Housing		Additional Social Housing in Newton Abbot (Drake Road) (CR,RS,GG,BC: Prudential Borrowing,S106)		√	509	517				1. A roof over our heads
JY3	Housing		Longstone Cross Ashburton (CR)		√		100				1. A roof over our heads
JY3	Housing		Aller Road Kingsteignton (CR)				20				1. A roof over our heads
JY8	Housing		Shared Equity Scheme (S106)			667	668				1. A roof over our heads
Provision	Housing		Provision for Shared Equity Scheme (CR)	*		158	158				1. A roof over our heads
JY3	Housing		Affordable Housing unallocated (CR)			200	-				1. A roof over our heads


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Code /bid no.	Asset/Service Area		Description	Bid/ Complete?	C/f ?	ORIGINAL	LATEST	LATEST	LATEST	LATEST	Council Strategy
						BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	
						2020-21	2020-21	2021-22	2022-23	2023-24	
						£'000	£'000	£'000	£'000	£'000	
							(Inc Fees)	(Inc Fees)	(Inc Fees)	(Inc Fees)	
JY5	Housing		Additional plots Haldon (S106,CR)	C	v		4				1. A roof over our heads
Provision	Housing		Teignbridge 100: Social/Affordable housing (GG; CR; PB; S106)	*				2,197	2,197	2,197	1. A roof over our heads
Provision	Habitat Regulations		Provision for Habitat Regulations infrastructure measures (CIL)	*		179	179	70	88	88	4. Great places to live & work
KV3	IT - provision for Mobile Working		Mobile Working (CR)	C	v	84	86				10. Vital, Viable Council
KV4	IT - Customer Services		Customer Portal (CR)				32	34	6		10. Vital, Viable Council
KV6	IT 17-18 Strata projects		Grounds, Street, Public Realm (CR)		v		16				10. Vital, Viable Council
KV6	IT 17-18 Strata projects		Environmental Health: Idox (CR)		v		13				10. Vital, Viable Council
KV7	IT - Planning		Planning system improvements (CR)				18	18			10. Vital, Viable Council
KV8	IT - Capital contribution		Ongoing contributions towards Strata (CR)			41	41	41	41	41	10. Vital, Viable Council
Provision	IT - Capital contribution		SAN replacement (CR)	*				137			10. Vital, Viable Council
Provision	IT - Capital contribution		Data Centre Relocation (CR)	*				27			10. Vital, Viable Council
Provision	IT - Capital contribution		NCSC Zero Trust (CR)	*				41			10. Vital, Viable Council
KX6	IT - Legal Services		Legal Case Management (CR)		v		11				10. Vital, Viable Council
KV1	IT - Finance		Adelante upgrade (CR)	C			16				10. Vital, Viable Council
Provision	IT - Finance		Provision for Finance Convergence (CR)	*		100	-	167	100		10. Vital, Viable Council
KV6	IT - Finance/HR		Winnix replacement (CR)			13	13				10. Vital, Viable Council
Provision	IT - Property and Assets		Provision for Street Cleansing, Grounds Maintenance and Asset Management (CR)	*		103		-			10. Vital, Viable Council
Provision	IT - Property and Assets		SaM improvements (CR)	*				25			10. Vital, Viable Council
KV5	IT - Corporate: Strata Business Plan 2020-21		Windows 10/ infrastructure resilience measures (CR)				47				10. Vital, Viable Council
KV2	IT - Revenue & Benefits		Civica upgrade (CR)				41				10. Vital, Viable Council
KB3	Kingskerswell		Purchase of land for open space (S106)				17				4. Great places to live & work
KG2	Leisure		Playing Pitch Improvement Plan (S106)				23				8. Out and about and active
KX9	Marsh Barton		Marsh Barton Station (CIL)			1,300	1,300				7. Moving up a gear
KG4	Newton Abbot		3G artificial playing pitch, Coach Road, Newton Abbot (CR)		v		120				8. Out and about and active
Provision	Newton Abbot Leisure Centre		Provision for Newton Abbot Leisure Centre Improvement Plan (S106;CR)	*				350			8. Out and about and active
KF5	Newton Abbot Leisure Centre		Newton Abbot Leisure Centre Gym Equipment (CR,S106)		v	56	96	40	40	40	8. Out and about and active

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						BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	
						2020-21	2020-21	2021-22	2022-23	2023-24	
						£'000	£'000	£'000	£'000	£'000	
							(Inc Fees)	(Inc Fees)	(Inc Fees)	(Inc Fees)	
Provision	Newton Abbot Town Centre Regeneration		Provision for Newton Abbot Town Centre Improvements (GG)	*		400		400			3. Going to town
KX1	Newton Abbot Town Centre Regeneration		Halcyon Rd (BC:Prudential Borrowing)		√	3,381	585	3,000	3,000		3. Going to town
KL9	Newton Abbot Town Centre Regeneration		Cattle Market Enabling Works (CR)		√			200			3. Going to town
KL7	Newton Abbot Town Centre Regeneration		Bradley Lane Enabling Works (CR)		√		32				3. Going to town
KW9	Newton Abbot Town Centre Regeneration		Cinema (CR)		√		18				3. Going to town
KX2	Newton Abbot Town Centre Regeneration		Sherborne House: town centre regeneration/Social Housing (BC: Prudential Borrowing)		√	2,282	309	2,400			3. Going to town
Provision	Newton Abbot Town Centre		Provision for Future High Street Fund projects (GG, CIL, EC, BC: Prudential Borrowing)	*		4,087	230	2,043	11,057	1,654	3. Going to town
KW5	Open Spaces		Cirl bunting land (S106)			250	154	146	146	146	4. Great places to live & work
Provision	Play area equipment/refurb		Provision for Dawlish play space flagship provision (S106)	*		75	75				8. Out and about and active
Provision	Play area equipment/refurb		Provision for Powderham Newton Abbot play space equipment (S106)	*		30		30			8. Out and about and active
Provision	Play area equipment/refurb		Provision for Newton Abbot Play Area (S106)	*		74	74				8. Out and about and active
KJ2	Play area equipment/refurb		Ogwell Play Area (S106)		C		33				8. Out and about and active
KJ4	Play area equipment/refurb		Decoy refurb (S106/CIL)			300	300				8. Out and about and active
Provision	Play area equipment/refurb		Provision for Den, Teignmouth play area overhaul (S106/CIL)	*				200			8. Out and about and active
KJ3	Play area equipment/refurb		Higher Woodway, Teignmouth play area refurb (S106)			30	30				8. Out and about and active
Provision	Play area equipment/refurb		Provision for Meadow Centre Teignmouth play area major refurb (S106)	*				30			8. Out and about and active
Provision	Play area equipment/refurb		Provision for Palace Meadow, Chudleigh play space overhaul (S106)	*		15		15			8. Out and about and active
KJ6	Play area equipment/refurb		Furlong Close, Buckfastleigh (CR)			28	28				8. Out and about and active
Provision	Play area equipment/refurb		Provision for Teignbridge-funded play area refurb/equipment (CR)	*		86	-	86			8. Out and about and active
KB1	SANGS/Open Spaces		SANGS land purchase (GG)		√			611			4. Great places to live & work
KB1	SANGS/Open Spaces		SANGS instatement (GG)		√		68	95		405	4. Great places to live & work
KB1	SANGS/Open Spaces		SANGS endowment (GG)					1,602		1,073	4. Great places to live & work
KB7	SANGS/Open Spaces		SANGS endowment (CIL,S106,Habitat Regulations planning obligations)				1,315				4. Great places to live & work
Provision	South West Exeter		Provision for South West Exeter Transport (2024-29) (CIL)	*							7. Moving up a gear
KW6	South West Exeter		SW Exeter Education (CIL)						1,000	1,950	4. Great places to live & work
KY1	South West Exeter		District Heating (CIL) £2 million loan payment anticipated in 2025.	*		3,000	50				9. Strong communities

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					BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	
					2020-21	2020-21	2021-22	2022-23	2023-24	
					£'000	£'000	£'000	£'000	£'000	
						(Inc Fees)	(Inc Fees)	(Inc Fees)	(Inc Fees)	
Provision	Sport & Leisure	Provision for Sports Provision (CIL)	*		664					8. Out and about and active
-	Sport & Leisure	Provision for Outdoor sport facility to serve Newton Abbot area (S106)	*		230	-				8. Out and about and active
Provision	Teignbridge	Provision for Education (CIL)	*				350	650	1,000	4. Great places to live & work
-	Teignmouth Lido	Provision for Teignmouth Lido boiler replacement (CR)			100		-			8. Out and about and active
KX3	Teignmouth Town Centre	Teignmouth Town Centre Regeneration (includes feasibility budget) (BC: Prudential Borrowing)		v	3,531	2,240	4,784			6. Investing in prosperity
Provision	Teignmouth	Provision for Teignmouth open space (S106)	*				50			4. Great places to live & work
KR1	Teignmouth	Beach Management Plan (GG)		v		77	38			9. Strong communities
KR2	Teignmouth	Eastcliff flood remediation feasibility (CR)				3				9. Strong communities
Provision	Waste Management	Provision for Bulking Station - replace telehandlers 2024-29 (RS)	*		50	-				2. Clean scene
Provision	Waste Management	Provision for Bulking Station - replace Sortline (CR)	*					175		2. Clean scene
Provision	Waste Management	Provision for additional Waste vehicles (PB)	*					200		2. Clean scene
Provision	Waste Management	 Provision for Waste vehicles (PB)	*					8,200		2. Clean scene
Provision	Waste Management	Provision for replacement card baler (2026) (CR)	*							2. Clean scene
KS0	Waste Management	Purchase of Wheeled Bins (CR;RS)			104	124	107	110	114	2. Clean scene
					32,632	17,182	38,477	35,911	13,088	

**TEIGNBRIDGE DISTRICT COUNCIL
CAPITAL PROGRAMME 2020-21 TO 2023-24**

Code /bid no.	Asset/Service Area	Description	Bid/ Complete?	C/f ?	32,632	17,182	38,477	35,911	13,088	Council Strategy				
					ORIGINAL	LATEST	LATEST	LATEST	LATEST					
					BUDGET	BUDGET	BUDGET	BUDGET	BUDGET					
					2020-21	2020-21	2021-22	2022-23	2023-24					
					£'000	£'000	£'000	£'000	£'000					
					(Inc Fees)	(Inc Fees)	(Inc Fees)	(Inc Fees)	(Inc Fees)					
FUNDING GENERAL														
Revenue contributions to reserve towards future expenditure					(44)									
Revenue contributions applied to existing expenditure					(252)									
		Capital Receipts Unapplied - Brought forward			(3,290)	(3,519)	(2,872)	(1,269)	(837)					
		Capital Receipts - Anticipated			(1,700)	(362)	-	-	-					
		Budgeted Revenue Contribution plus additional for specific schemes			(271)	(94)	-	-	-					
		Use of Revenue Contributions Reserve			(26)	-	-	(250)	-					
		Government Grants			(2,507)	(2,193)	(11,714)	(10,003)	(4,225)					
		S106			(1,413)	(1,683)	(758)	(186)	(146)					
		Other External Contributions			(803)	(892)	-	(180)	(24)					
		Community Infrastructure Levy			(6,115)	(3,216)	(2,740)	(4,750)	(3,291)					
		Internal Borrowing			(235)	-	-	-	-					
		Capital Receipts Unapplied - Carried forward			3,776	2,872	1,269	837	642					
		Business cases: Prudential borrowing			(13,614)	(3,619)	(16,003)	(16,863)	(1,960)					
HOUSING														
		Capital Receipts Unapplied - Brought forward			(2,235)	(2,325)	(1,772)	(1,431)	(1,700)					
		Capital Receipts - Anticipated			(50)	(50)	(50)	(50)	(50)					
		Capital Receipts - Right to Buy			(700)	(450)	(600)	(600)	-					
		Better Care Funding and other government grants.			(3,374)	(2,500)	(2,752)	(1,330)	(1,330)					
		S106			(667)	(672)	-	-	-					
		Other External Contributions			-	-	-	-	-					
		Internal or Prudential Borrowing			(801)	(203)	(1,916)	(1,536)	(1,536)					
		Budgeted Revenue Contribution plus additional for specific schemes.			-	-	-	-	-					
		Use of Revenue Contributions Reserve			(34)	(48)	-	-	-					
		Capital Receipts Unapplied - Carried forward			1,427	1,772	1,431	1,700	1,369					
TOTAL FUNDING					(32,632)	(17,182)	(38,477)	(35,911)	(13,088)					

Programme Funding**Budgeted and additional Revenue Contribution****Revenue Contributions earmarked reserve.****Capital Receipts****Section 106****Other External Contribution****Grant****Community Infrastructure Levy****Internal borrowing****Business cases: Prudential borrowing****Total****Balance of capital receipts**

	(271)	(94)	-	-	-
	(60)	(48)	-	(250)	-
	(2,772)	(2,062)	(2,594)	(813)	(576)
	(2,080)	(2,355)	(758)	(186)	(146)
	(803)	(892)	-	(180)	(24)
	(5,881)	(4,693)	(14,466)	(11,333)	(5,555)
	(6,115)	(3,216)	(2,740)	(4,750)	(3,291)
	(235)	-	-	-	-
	(14,415)	(3,822)	(17,919)	(18,399)	(3,496)
Total	(32,632)	(17,182)	(38,477)	(35,911)	(13,088)
Balance of capital receipts	(5,203)	(4,649)	(2,700)	(2,537)	(2,010)

Key:

EC - External Contributions

GG - Government Grant

CR - Capital Receipt

RS - Revenue Savings

BC - Business Case

PB - Prudential Borrowing

C - project complete. Where this relates to payment of a contribution, indicates contribution has been paid.

* - Provisional scheme, pending full approval



Climate Change project

Bold**Denotes a change in the programme**

Financial plan sensitivity and risk analysis (section 25 assessment and report)

The Local Government Act 2003 (section 25) requires that when a local authority is agreeing its annual budget and precept, the Chief Finance Officer must report to it on the robustness of the estimates made for the purposes of the calculations and the adequacy of the proposed financial reserves.

In expressing this opinion the Chief Finance Officer has considered the financial management arrangements that are in place, the level of reserves, the budget assumptions, the overall financial and economic environment, the financial risks facing the Council and its overall financial standing.

The key long term driver is preserving the Councils financial resilience within the financial strategy and the medium term financial plan.

The main risks are around revisions to local authority funding and reductions likely for future years and the continuing impact of Covid 19 and support from Government. These are described below together with potential adverse changes in other income and expenditure streams. The risks are mitigated by careful use of earmarked funding reserves, the ongoing BEST2020 (now 'Better 2022') review of services, action to act more commercially, reviewing Covid recovery plans and monthly monitoring of our financial position and reporting of variances and inclusion of appropriate Covid provisions for loss of income.

1. The budget assumes £14.2 million of income from fees and charges, recycling, property and investments for 2021/22. Against this gross budget target is a Covid 19 provision to cover any potential losses of £3.3 million. Whilst this assumption is realistic for the net income it includes significant rental income from Market Walk and there is always the risk that income could fall further or be less than anticipated. **A drop in income as compared to the net budget of around 10% would result in a loss of £1,092,000.**
2. The small provision of 1% which has traditionally been made for potential losses in council tax collection has been increased to 2.5% in 2021/22 to reflect changing economic circumstances brought about by Covid 19 and which is likely to be more difficult next year with the estimated overall increase of 4.9% in council tax.
3. Inflation on costs is being managed through energy reduction measures and cost effective procurement. An allowance of £189,000 for inflation (excluding pay award provision) is included in the budget which is considered reasonable.
4. Known liabilities have been provided for and there are no significant outstanding claims.
5. The final settlement confirmed significantly reducing figures for New Homes Bonus and legacy payments after 2021/22.
6. Business rates retention income from rates growth above the baseline and some pooling gain has been assumed for part of the four plan years. This is reasonable being largely based on the special grants we get to cover the cost to Teignbridge of government schemes to help businesses and tempered by ongoing uncertainties in relation to projections in growth. Potential 75% retention may arise in 2022/23 but depends on Government funding reforms. A realistic provision of £520,000 has been made for business rates appeals next year. We are only protected against any rates downturn or further rates appeals by a relatively low safety net and **a 10% reduction in funding would be £473,000.**
7. New homes bonus has traditionally been estimated on 620 extra homes per year as in the local plan and a 4 year payment. In addition a 0.4% baseline deduction reduces the figure year on year. The reducing figure of £1.5 million has been used in the budget as legacy

payments fall are eliminated from the funding stream. The Government has intimated eliminating New Homes Bonus and replacing with an alternative form of housing funding. No details of what the changes might be are available at present or whether this will actually take place however there are assumptions built into receiving such funding in 2022/23 and 2023/24.

8. The capital programme is financed over the next three years using realistic estimates of capital receipts, grants, prudential borrowing and other funding including developer contributions such as Section 106 and community infrastructure levy. Major town centre regeneration investment in Teignmouth and Newton Abbot will be funded mainly from prudential borrowing. Government has approved £9.2m grant in principle for Future High Street projects, subject to final scheme approval. Other co-funding includes developer contributions, grant and prudential borrowing. The main provision for social and affordable housing – the Teignbridge 100 is forecast to be funded from a combination of government grant, capital receipts, developer contributions and borrowing. Projects relating to the Carbon Action Plan and a provision for employment site investment are also to be funded through prudential borrowing. The Teignbridge 100, Future High Street project and carbon reduction schemes (with the exception of the grant-funded leisure element) and employment site provision are indicative projects only and not being approved in this budget. Individual business cases will be brought to members for consideration as they are developed.

Summary & conclusion

Significant risks are identified above with a potential total adverse revenue effect for 2021/22 of £1.6 million. However, revenue reserves are planned to be 13.0% of the net revenue budget or £2.0 million. It is anticipated, dependent upon progress of the town centre developments, that external borrowing will be required during 2021/22. Such financing is costed within the budget estimates and in line with the requirements of the Treasury Management Strategy and Prudential Indicators. I therefore confirm the robustness of the budget and the adequacy of the reserves.

Martin Flitcroft, Chief Finance Officer

22 February 2021

Proposal: Budget 2021/22

Conducted by: Martin Flitcroft

Date: 11 February 2021

Aims of the Proposal

The budget proposes to make the best use of diminishing funds in a way that reflects the priorities of the council in the ten year Strategy 2020-30 and the Teignbridge Ten overarching projects.

With no council tax freeze, and reduced grant from government, this budget includes a council tax increase of £5 equivalent to 2.85%, a review of fees and charges, an assumed pay deal of a wage increase of 1.5% whilst continuing to maintain services.

Environment impacts

The proposal indicates the following impacts on the environment.

	<i>Please score</i>
	+3 ← 0 → -3
<p>Natural environment (wildlife, landscape, trees).</p> <p>The capital programme includes a significant contribution towards Suitable Alternative Natural Green Spaces (SANGS) at South West Exeter plus refurbishment of Decoy and Den play areas and provisions for contributions towards habitat and biodiversity improvements.</p> <p>The revenue budget anticipates continued funding of the ongoing Local Plan process, development management and green spaces. All of which can help preserve and enhance the natural environment and mitigate the effect of new development.</p>	+2
<p>Built environment (townscape, design, archaeology, conservation).</p> <p>The revenue budget continued funding of the ongoing Local Plan process, development management and green spaces help preserve and enhance both towns and open spaces as well as mitigate the effect of new development.</p>	+1
<p>Climate change (adaptation, mitigation).</p> <p>The capital programme contains significant provisions for investment which will reduce our use of, and spend on, energy</p> <p>Working with the Environment Agency the programme also includes substantial investment in South West regional coastal monitoring.</p>	+1
<p>Resource use (land, energy, water, minerals).</p> <p>The capital programme contains significant provisions for investment which will reduce our use of, and spend on, energy</p>	+1

Value and financial impacts

The proposal indicates the following financial impacts.

	<i>Please score</i>
	+3 ← 0 → -3

<p>Jobs or training opportunities</p> <p>The capital programme continues the provision for employment land purchase and development with the aim of improving the economy and jobs in the area.</p>	+2
<p>Business investment within the area</p> <p>Mainly inflationary increase in charges for parking and a freeze in Market rental charges may assist local businesses</p> <p>Investment in superfast broadband and a provision for employment sites. Town centre improvements in the capital programme include hotel investment projects in Teignmouth and Newton Abbot which form part of wider regeneration initiatives. There is both in-principle approved grant funding from the Future High Streets Fund and direct Teignbridge co-funding towards Newton Abbot town centre.</p> <p>There are also provisions in the capital programme for investment of Community Infrastructure Levy towards key infrastructure projects including both roads such as the A382, Dawlish Link Road and Houghton Barton Link Road and sustainable travel projects such as cycle and train links.</p> <p>The budget builds on work to use local business within the Teignbridge area where possible and practical.</p>	+2
<p>The supply or quality of housing</p> <p>Housing investment continues with the improvement of private sector housing, including Better Care and Warm Homes Fund schemes.</p> <p>Affordable housing provision is mainly facilitated through the Teignbridge 100. Work has commenced on two sites in Newton Abbot, with a mixture of rural and urban sites of various sizes in the pipeline. The majority of the remainder is being achieved through the Local Plan.</p>	+2
<p>Access to services and benefits</p> <p>Continued provision of housing benefit and council tax support (where the most vulnerable receive 100% council tax support) along with improved 24/7 interactions for customers, and the website with easily accessible information</p> <p>Extra council tax income should help avoid the need for service cuts as main government funding reduces.</p> <p>The increased car park revenue will offset costs such as the increased usage of card facilities in improving payment options for car park users.</p>	+1
<p>Reduce cost or increase income</p>	+1

<p>The review of car park fees and charges and estimates of income increasing by £94,000 which will be used to assist with inflationary costs.</p> <p>Continuing reductions in running costs from the in year savings exercise and savings from the Strata partnership</p> <p>Market Walk rentals continue with reinvestment into the area including regeneration through the Future High Street funding provision.</p> <p>General anticipated reduction in income streams from fees and charges and rental income partially supported by Government funding.</p>	
<p>Increase capital receipts/funding</p> <p>The capital programme is funded by sales of assets, grants and external contributions. Community infrastructure levy funding continues and is increasing. Realistic assumptions about future receipts upon which the programme is dependent have been made. Prudential borrowing is assumed for positive business cases</p>	+2

Social impacts and duties

The proposal indicates the following social impacts and mitigations.

	<i>Please score</i> <div style="border: 1px solid black; padding: 5px; display: inline-block;"> +3 ← 0 → -3 </div>
<p>Age Children (Under 16) – 17%</p> <ul style="list-style-type: none"> - Affordable housing options and increased supply of housing - Sports and other activities targeted at the young - Contributions to education provision proposed for South West Exeter and the wider Teignbridge area. - Provisions for play area improvements. 	+1
<p>Age Young (16-24) – 9%</p> <ul style="list-style-type: none"> - Access to training, work placements and employment - Affordable housing options and increased supply of housing - Sports and other activities targeted at the young - Contributions to education provision proposed for South West Exeter and the wider Teignbridge area. 	+1
<p>Age Working age (25-59) – 43%</p> <ul style="list-style-type: none"> - Access to training, work placements and employment opportunities, predominantly in the urban areas - Provision of a range of affordable housing choices and increased supply supported by adequate infrastructure - A proposed new railway station at Marsh Barton to provide residents access to employment 	+1
<p>Age Older (60+) – 31%</p>	+1

<ul style="list-style-type: none"> - Enhanced opportunities for participation in community life - Support for vulnerable older people to live in their own homes - Sports and activities aimed at older people - New accessible green spaces 	
<p>Men – 48%</p> <ul style="list-style-type: none"> - Access to existing and improved services with no increased or detrimental effect 	0
<p>Women – 52%</p> <ul style="list-style-type: none"> - Parents with young children, predominantly young women, are often socially isolated. Targeted actions in deprived areas and the provision of specific sporting / leisure activities will provide a benefit for this population - Demographically women form the greater part of our population of older people. Actions targeted at older groups may particularly benefit women 	+1
<p>Transgender – c. 1%</p> <ul style="list-style-type: none"> - Access to existing and improved services with no increased or detrimental effect 	0
<p>BAME (Black, Asian, minority ethnic) – 4%</p> <ul style="list-style-type: none"> - Access to existing and improved services with no increased or detrimental effect 	0
<p>LGB (lesbian, gay, bisexual) – c. 5%</p> <ul style="list-style-type: none"> - Access to existing and improved services with no increased or detrimental effect 	0
<p>Marriage and Civil Partnership – 52%</p> <ul style="list-style-type: none"> - Access to existing and improved services with no increased or detrimental effect 	0
<p>Religion and belief – 72%</p> <ul style="list-style-type: none"> - Access to existing and improved services with no increased or detrimental effect 	0
<p>Disability – 21%</p> <ul style="list-style-type: none"> - Improved access to services through 24/7 online/automated web interactions without leaving home - Continued support to adaptations and lifetime design principles in housing 	+1
<p>Pregnancy and Maternity</p>	0
<p>Rural – 27%</p> <ul style="list-style-type: none"> - Support for business may benefit the rural economy - Improved access to services through 24/7 online/automated web interactions without leaving home - Support for the protection and enhancement of the natural and built characteristics of the environment may support the rural economy - Provision of affordable housing is mainly facilitated in rural and/or small sites 	+1

<ul style="list-style-type: none"> - Supporting community transport initiatives - An approved contribution is included towards the Connecting Devon & Somerset partnership project to enhance the Phase 2 Superfast Broadband programme in 2022/23. 	
<p>Economic Deprivation – 22%</p> <ul style="list-style-type: none"> - Actions to improve access to training and jobs - Providing in excess of the statutory national living wage to lower paid Teignbridge staff - Council tax support for those on the lowest household incomes - Improved quality and availability of housing 	+1

* **Bold** = 'Protected characteristics'

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

These specific budget proposals have been publicised and a survey added to the website which has been drawn to the attention of the Residents' Panel and Teignbridge relationship groups. Overview and scrutiny considered the initial proposals on 12 January and met to look at the final proposals on 9 February. In particular the survey was brought to the attention of businesses. Towns and parishes have been advised of the main budget proposals. Responses are generally supportive.

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

Whilst a council tax increase is proposed Teignbridge has an approved council tax support scheme where it is possible to receive 100% reduction in the council tax charge. The small amendments proposed for 2021/22 are to protect claimants from any adverse impacts to the Council Tax Reduction scheme entitlement arising from the measures introduced by the Government to support claimants through the Covid crisis.

There is provision for sports including leisure centre improvements.

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

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

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

Duties

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

- **The elimination of discrimination, harassment, victimisation and other prohibited conduct by....**
 - Working to elimination anti-social behaviour and improve feelings of community safety

- Improving access to services
- **The advancement of equality of opportunity by.....**
- providing decent places to live, work and play that are accessible for all
 - Improving access to services
 - helping people of all ages to get healthy
 - helping the homeless and providing benefit support/debt advice
 - supporting training and skills education, investing in prosperity to make jobs available for all
- **The fostering of good relations between people by.....**
- supporting communities to identify what they need, and how to get it; bring together communities with voluntary groups and assist in finding funding streams for making their places safer, healthier and more vibrant

Managers' evaluation

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

Recommended Actions

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

Sign Off	
Service Manager	Signed: <u>Martin Flitcroft</u> Date: <u>11 February 2021</u>
Community & Safeguarding Manager	Signed: <u>Rebecca Hewitt</u> Date: <u>11 February 2021</u>
	Date the BIA should be reviewed <u>N/A</u>

PRUDENTIAL INDICATORS

Indicator Number	Code Page	Para No.	Indicator	Actual 2019-20	Estimate 2020-21	Budget 2021-22	Forecast 2022-23	Forecast 2023-24
1	22	73	AFFORDABILITY Estimates of the ratio of financing costs to net revenue stream		0.94%	1.37%	4.62%	5.14%
2	22	74	Actual ratio of financing costs to net revenue stream	0.02%	-	-	-	-
3	20	62	PRUDENCE Gross debt and the capital financing requirement (CFR). The Chief Finance Officer reports that the Council complied with this prudential indicator in the current financial year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans and the proposals in this budget report.		Will not exceed CFR		----- >	----- >
4	18	48	CAPITAL EXPENDITURE Estimates of capital expenditure		£17.18 M	£38.48 M	£35.91 M	£13.09 M
5	18	50	Actual capital expenditure	£9.97 M				
6	18	51	Estimates of CFR		£23.07 M	£40.87 M	£58.57 M	£58.75 M
7	18	54	Actual capital financing requirement	£19.94 M				
			Total proportional debt limit as set in capital strategy and commercial strategy. This figure includes forecast "internal borrowing".			£70 M	£70 M	£70 M
			EXTERNAL DEBT					
8	19	55	Authorised limit		£35 M	£40 M	£60 M	£60 M
9	19	56	Operational boundary		£30 M	£35 M	£55 M	£55 M
10	20	60	Actual external debt at 31/3/20 (Borrowing plus long-term liabilities).	£5.387 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%	0%/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%	100%/0%	100%/0%	100%/0%
13			<u>Variable rate borrowing</u>					
			<u>NB: no more than 10% of overall external borrowing</u>					
			under 12 months	0%/0%	0%/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	£0	£10.5 M	£10.5 M	£10.5 M

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TEIGNBRIDGE DISTRICT COUNCIL TREASURY MANAGEMENT: POLICY STATEMENT, CLAUSES TO BE ADOPTED, STRATEGY STATEMENT AND AUTHORISED LENDING LIST FROM 22 FEBRUARY 2021
MINIMUM REVENUE PROVISION ANNUAL STATEMENT

1.1 Background

The Council is required to operate a balanced budget so that cash raised during the year will meet cash expenditure. Part of the treasury management function is to ensure that this cash flow is adequately planned, with cash being available when it is needed to meet spending commitments as they fall due, either on day-to-day revenue or in the longer term for larger capital projects. The capital programme gives an indication of the borrowing need of the Council, essentially longer-term cash flow planning. Management of longer-term cash may involve arranging long or short-term borrowing. Surplus monies are invested in counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return. It is paramount to ensure adequate security of the sums invested, as a loss of principal would result in a loss to the General Fund Balance.

1.2 Reporting requirements

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.

CIPFA's *Treasury Management in the Public Services Code of Practice and Cross-Sectoral Guidance Notes 2017* requires local authorities to report annually to Council on their treasury strategy and plan before the start of the year. The Ministry of Housing, Communities and Local Government (MHCLG)'s 2018 *Statutory Guidance on Local Government Investments (3rd Edition)* requires authorities to produce a publicly available investment strategy setting out policies for managing investments. This report fulfils those requirements. A mid-year review and year-end results report are also required and provided to Council at the appropriate time of year.

The *Prudential Code 2017* requires local authorities to set and revise prudential indicators (Appendix 10) and to prepare a capital strategy (Appendix 11a) to provide a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services.

1.3 Review of Treasury Management Policy Statement

The CIPFA *Treasury Management in the Public Services Code of Practice and Cross-Sectoral Guidance Notes 2017* recommends in Section 6 that an organisation's treasury management policy statement adopts the following form of words to define the policies and objectives of its treasury management activities. There has been no change since February 2019, 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.

TEIGNBRIDGE DISTRICT COUNCIL TREASURY MANAGEMENT: POLICY STATEMENT, CLAUSES TO BE ADOPTED, STRATEGY STATEMENT AND AUTHORISED LENDING LIST FROM 22 FEBRUARY 2021
MINIMUM REVENUE PROVISION ANNUAL STATEMENT

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.

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

1.4 Clauses adopted

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

TEIGNBRIDGE DISTRICT COUNCIL TREASURY MANAGEMENT: POLICY STATEMENT, CLAUSES TO BE ADOPTED, STRATEGY STATEMENT AND AUTHORISED LENDING LIST FROM 22 FEBRUARY 2021
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2. Annual Investment Strategy

2.1 Investment categories

Investments can fall into one of the following four categories as listed below – **Loans** and **Non-financial investments** fall outside of the treasury management function and are dealt with in the Commercial Strategy and Capital Strategy.

This authority has defined the list of types of investment instruments that the treasury management team are authorised to use within the **lending list**. There are two categories within the list: '**specified**' and '**non-specified**' investments.

Specified investments (short term, sterling investments made with a body of high quality, the UK government or local authorities). Teignbridge District Council's treasury management transactions fall into this category. They contribute to the objectives stated above in the policy statement. The principles of the TM Code to prioritise security, liquidity and yield, in that order of importance, applies to these investments. The lending list within this report sets out which counterparties the Council may invest with and the lending limits which apply.

Non-specified investments (any financial investment that is not a loan and does not meet the criteria of specified investments). They could potentially be of less high credit quality, for periods in excess of one year, and/or more complex instruments which require greater consideration by members and officers before being authorised for use. Once an investment is classed as non-specified, it remains non-specified all the way through to maturity i.e. an 18 month deposit would still be non-specified even if it has only 11 months left until maturity.

As a result of the change in accounting standards for 2020-21 under IFRS 9, this authority will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. (In November 2018, the Ministry of Housing, Communities and Local Government, [MHCLG], concluded a consultation for a temporary override to allow English local authorities time to adjust their portfolio of all pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years ending 31.3.23).

The Council has determined that its exposure to non-specified investments will be managed through the decision-making framework laid out in its Commercial Strategy, subject to an overall limit of 15% of its agreed borrowing cap (determined as £70m for 2021-22).

Loans (for local enterprises as part of a wider strategy for economic growth). Teignbridge District Council may make loans to public bodies and other organisations which deliver social value or economic growth within the district. These loans should follow the governance procedures laid out in Teignbridge District Council's commercial strategy.

Non-financial investments (generally involving a physical asset that can be realised to recoup the capital investment). Teignbridge District Council does not currently hold any investments purely for financial gain. However, the council has invested in property for regeneration and local economic benefit purposes which also benefit the Council financially.

TEIGNBRIDGE DISTRICT COUNCIL TREASURY MANAGEMENT: POLICY STATEMENT, CLAUSES TO BE ADOPTED, STRATEGY STATEMENT AND AUTHORISED LENDING LIST FROM 22 FEBRUARY 2021
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There are provisions in the capital programme for projects which are for a combination of service delivery, regeneration and local economic benefits.

Where there are projects which would deliver social value, but where equivalent opportunities do not exist within the local functional economic area (for example, renewable energy), then investments outside the area will also be considered.

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 would be considered in detail as part of the due diligence process required by the Capital Review Group process and Commercial Property Investment Board process. The Council's Commercial Strategy and Capital Strategy set out its approach to potential future non-financial investments of this type. Business cases would include market assessments, the nature and level of competition, how market/customer needs will evolve over time and barriers to entry and exit. Specialist consultants will be appointed as necessary to provide detailed analysis required for the due diligence process.

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. Minimum revenue provision is set aside in relation to these investments, mitigating against the possibility of adverse valuation changes and also, ongoing refurbishment or replacements. Revenue budgets are monitored as part of the budget monitoring which feeds into the regular reports provided by the Chief Finance Officer to CMT and Executive. In addition, the estates team track rent receipts and market conditions for early indications of potential problems.

2.2. Managing risk

2.2.1 Risk appetite

The MHCLG and CIPFA have extended the meaning of 'investments' to include both financial and non-financial investments. Guidance from MHCLG and CIPFA places a high priority on 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, including credit and counterparty risk, liquidity risk, interest rate risk and refinancing risk.

This authority has adopted a prudent approach to managing risk and defines its risk appetite by the following means: -

Minimum acceptable **credit criteria** are applied in order to generate a lending list of counterparties with acceptable creditworthiness. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are detailed at 2.2.5 below.

TEIGNBRIDGE DISTRICT COUNCIL TREASURY MANAGEMENT: POLICY STATEMENT, CLAUSES TO BE ADOPTED, STRATEGY STATEMENT AND AUTHORISED LENDING LIST FROM 22 FEBRUARY 2021
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2.2.2 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. In addition, the treasury team will take into account the likely path of interest rates (see interest rate risk below). 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.

2.2.3 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.

Greater returns are usually obtainable by investing for longer periods

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. Where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer term investments will be carefully assessed. If it is thought that Bank Rate is likely to rise significantly within the time horizon being considered, then consideration will be given to keeping most investments as being short term or variable. Conversely, if it is thought that Bank Rate is likely to fall within that time period, consideration will be given to locking in higher rates currently obtainable, for longer periods.

Officers will continue to seek the best rate, balanced against risk, at the time of investment, whether this is for a fixed term deposit with counterparties from the lending list, or use of call, notice and money market fund accounts. These accounts provide access to flexible deposits, with a range of access options and interest rates.

Investment returns expectations.

With the UK and EU having agreed an initial trade deal and Covid-19 vaccines being rolled out, the overall balance of risks to economic growth in the UK is probably skewed to the upside. There are still uncertainties over the effect of any virus mutations and how quickly vaccines might enable the relaxation of restrictions. The combination of economic contraction and government borrowing caused by the pandemic means it is unlikely that the Bank of England will raise interest rates in the short term. The Council's treasury advisors, Link Asset Services forecast that base rate is likely to remain at 0.1% over the next two to three years.

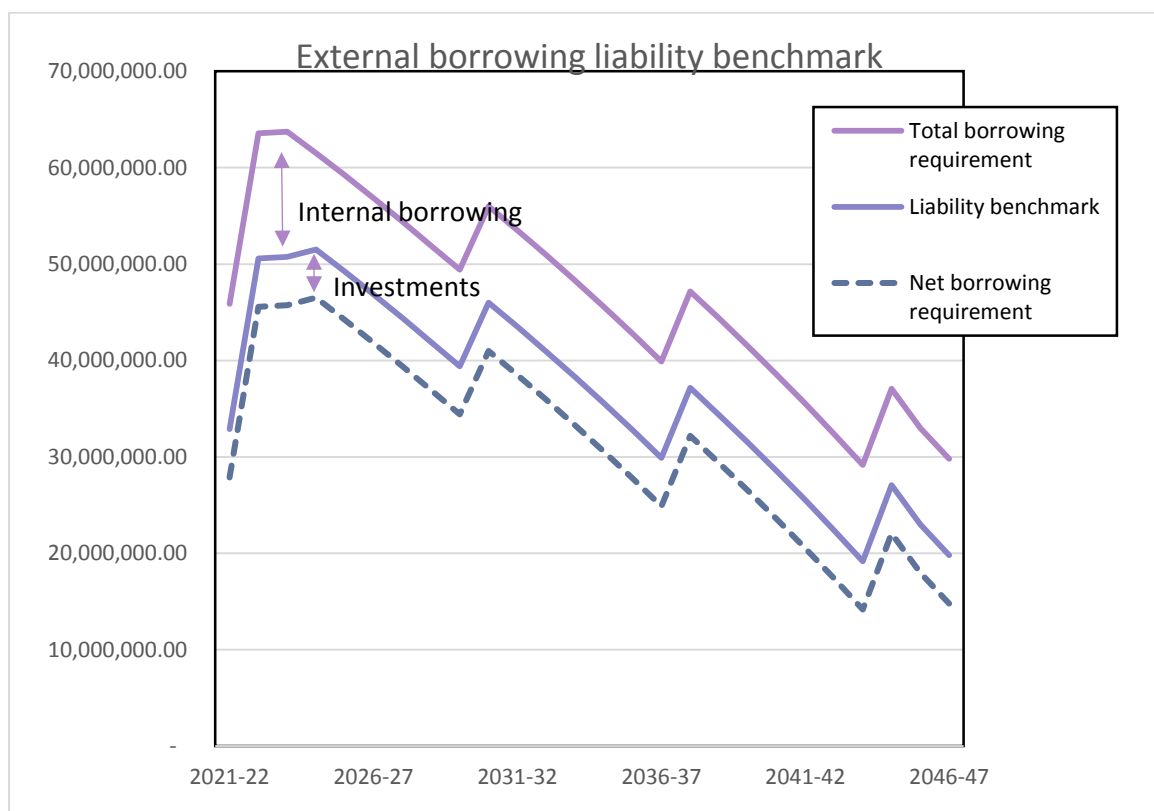
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External borrowing liability

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

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

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



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

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2.2.4 Security

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

"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 specified investments with any one organisation is 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.

Non-specified investments require further due diligence analysis to arrive at an assessment of the security of Council funds and follow the decision making process laid out in the Commercial Strategy.

2.2.5 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, which is updated quarterly, with reference to credit ratings and other information provided by its treasury advisors.

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

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While ratings from all agencies are considered, our scoring system is currently 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.

Other information: ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Council will engage with its advisors to maintain a monitor on market pricing such as "credit default swaps" and overlay that information on top of the credit ratings.

Other information sources used will include the financial press, share price and other such information pertaining to the financial sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties. Daily relevant financial news updates and market commentaries are received by email from treasury advisors, brokers and the Council's bank. These enable assessment of future treasury risks and scenarios in order to develop suitable risk management strategies.

2.2.6 Staff training and treasury management advisors

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.

The Council uses Link Asset Services, Treasury solutions as its external treasury management advisors.

The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon the services of our external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, our treasury advisers.

It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources.

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The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review

The scope of investments within the Council's operations now includes both conventional treasury investments, (the placing of residual cash from the Council's functions), and non-financial investments, such as investment in properties.

In relation to non-financial investments, the Council's Estates team has the experience of RICS-qualified staff. The Council has working relationships with a range of specialist consultants whose areas of expertise include property management, development and infrastructure, investment and valuation. This is crucial for the due diligence required in assessing potential commercial investments. The process for this is set out in the Commercial Strategy.

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3. 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.

Specified Investments

Type of Lender	Details	
1. Current Banker	Lloyds Bank	£3,000,000 limit
2. Local Authorities	All	No limit
3. UK Debt Management Office Deposit Facility (UK government AA-/Aa3/AA rated) no limit.		
4. UK Treasury Bills (UK government AA-/Aa3/AA rated) no limit.		
5. Money market funds, subject to maintenance of AAAmf rating.		
CCLA Public Sector Deposit Fund	AAAmf	£3,000,000 limit
Aberdeen Liquidity Fund	AAAmf	£3,000,000 limit
Blackrock Liquidity Fund	AAAmf	£3,000,000 limit
LGIM Liquidity Fund	AAAmf	£3,000,000 limit
Morgan Stanley Liquidity Fund	AAAmf	£3,000,000 limit
7. Top UK-registered Banks and Building Societies, subject to satisfactory ratings. Updated below to reflect information provided by treasury advisors.		
8. Non-specified: CCLA Property and Diversified Income Funds - £2,000,000 limit		

Institution	Tier	90 day limit	180 day limit	364 day limit	Overall limit
		£	£	£	£
Goldman Sachs International Bank	1	3,000,000	2,000,000	1,000,000	3,000,000
Handelsbanken plc	1	3,000,000	2,000,000	1,000,000	3,000,000
HSBC Bank plc	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
Santander UK plc	1	3,000,000	2,000,000	1,000,000	3,000,000
Sumitomo Mitsui Banking Corporation Europe Ltd	1	3,000,000	2,000,000	1,000,000	3,000,000
Close Brothers Ltd	1	2,000,000	1,000,000		2,000,000
Coventry Building Society	2	2,000,000	1,000,000		2,000,000
Nationwide Building Society	1	2,000,000	1,000,000		2,000,000
NatWest Bank	2	2,000,000	1,000,000		2,000,000
Royal Bank of Scotland	2	2,000,000	1,000,000		2,000,000
Standard Chartered Bank	2	2,000,000	1,000,000		2,000,000
Clydesdale Bank	3	1,000,000			1,000,000
Leeds Building Society	3	1,000,000			1,000,000
Nottingham Building Society	3	1,000,000			1,000,000
Principality 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

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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, in addition to current economic factors, interest rates on most “call” accounts remain low.

Other Non-specified investments

These will be considered on a case-by case basis, using the decision-making framework laid out in the Commercial Strategy.

Investments which may be considered include

Renewable energy/social impact investments

On-lending to key partners/stakeholders in relation to jointly beneficial projects

Lending in instances where doing so would protect the local economy

4. 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 council strategy)
- 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)

4.1 Borrowing Strategy

The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council’s reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk is still an issue that needs to be considered.

Based on the average treasury management interest rate received during the first half of 2020-21, interest foregone due to internal borrowing to cover the Council’s Capital Financing Requirement would be in the region of £11,966 per annum. Investment interest rates are at historic lows and should base rate rise again, this figure would increase. This approach represents good value for money. Had the Council externally borrowed the equivalent amount at (for example) the PWLB’s 10-year rate on 1st April 2020, the annual cost would have been £425k.

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The Council will continue to 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. The Council currently has no external borrowing and does not foresee undertaking any long term external borrowing during the remainder of the 2020-21 financial year. It is anticipated that as external borrowing is required, it will be undertaken as a mixture of short-term funding through money markets (often intra-local authority lending) and longer term borrowing, for which the PWLB currently offers terms which are most favourable and appropriate to the Council's likely level of requirement. This is in line with the Prudential Indicators, which set limits for the maturity spread of external debt.

Forward projections of borrowing are summarised in the Prudential Indicators at appendix 10 and considered in more detail in the capital strategy at appendix 11a. The liability benchmark set out in the Interest Rate Risk section above allows management of interest rate exposure while ensuring that funds are kept available for cash flow requirements.

Acceptable sources of loans as stated in the TM schedules are:

- Public Works Loans Board
- UK Municipal Bonds Agency
- Local authorities
- Public bodies
- UK banks and building societies

Debt capital markets (a market where companies raise funds by trading debit securities such as corporate and government bonds). This could include, for example, insurance companies or pension funds.

In October 2019, the Public Works Loans Board (PWLB) increased the margin over gilt yields by 100 basis points (1%) to 180 basis points (1.8%) on loans lent to local authorities. Following a consultation process, this was reversed in November 2020. At the same time, government implemented a reform of its lending terms with the aim of ending the situation in which a minority of local authorities used PWLB loans to support the acquisition of investment assets primarily for yield. In order to be able to benefit from PWLB lending, local authorities must now provide information about the level and type of planned capital activity, project descriptions and an assurance from the Section 151 officer that the local authority is not borrowing in advance of need and does not intend to buy investment assets primarily for yield. The Council is mindful of these requirements. Officers will keep sources of borrowing under review in conjunction with the Council's treasury management advisors and select those offering the best value for money to the Council at the time the funding is required.

4.2 Limits to borrowing activity

Borrowing limits are included within the Prudential Indicators. The operational boundary is the limit which external debt is not normally expected to exceed. The authorised limit represents a control on the maximum level of borrowing. This represents a legal limit beyond which external debt is prohibited.

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The Council's Commercial Strategy and Capital Strategy also sets a proportional debt limit, which has been assessed as approximately £70 million. This figure has been arrived at after consideration of benchmarking provided by external expertise, based on overall debt compared to cost of service and the financing liabilities this would place upon the council. This overall limit encompasses both internal and external borrowing activity.

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.

5. Prudential indicators

The Council's capital expenditure plans are the key driver of treasury management activity. They are reflected in the prudential indicators, which include both capital and treasury elements.

The Prudential Code requires local authorities to set prudential indicators for capital finance for the forthcoming and following years and to monitor actual figures from previous years where required.

The setting of indicators is done before the beginning of the forthcoming year as part of the budget process. The prudential indicators may be revised at any time, following due process and taking into account their affordability. The prudential and treasury indicators in appendix 10 take into account the affordability of the Council's capital finance plans, ensuring that borrowing remains within prudent and sustainable levels and that treasury management decisions are taken in accordance with good practice.

Further detail is available within the Council's capital strategy. This takes a long-term view of proposed borrowing to fund capital expenditure, together with the financing costs (interest and Minimum Revenue Provision).

6. 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. These amounts make up the Council's capital financing requirement (CFR).

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.

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- 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. The four methods are:

Option 1 – regulatory method.

Option 2 – CFR method

Both option 1 and option 2 are only available in relation to capital expenditure incurred before 1 April 2008 or after April 2008 that the authority is satisfied forms part of its Supported Capital Expenditure for Revenue Support Grant purposes. Neither of these applies to Teignbridge.

Option 3 – asset life method

This option is applied to particular items of capital expenditure and sets up a simple framework for spreading the expenditure over the estimated useful life of the asset. Revenue provision is then calculated one of two ways – equal instalments or annuity method. The equal instalments method divides the cost equally over a number of years. The annuity method differs from the equal instalment method in that the amounts payable start low and increase over time. This is because it is a method often used to calculate loan repayments, where it is required that the total amount of principal and interest repaid each year is a common amount. It is therefore suited to investments where revenues will increase over time. It also takes into account the time value of money by growing approximately with inflation over time.

Option 4 – the depreciation method

This method places reliance on standard depreciation accounting procedures in setting MRP charges. This means the future profile of charges will be matched to the consumption of the relevant assets, however potentially creates uncertainty in the charges which would apply each year as assessments of useful life change over time.

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

In 2021-22 it is proposed to continue to adopt option 3, the asset life (annuity) method.

The Council does not rule out alternative methods of prudent provision as per the regulations. For example, in the case of giving a loan to an external body, MRP would be made to match the repayment of principal on that loan.

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

Teignbridge District Council Capital Strategy

Background

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

- a Treasury Management Strategy Statement which is primarily concerned with treasury (financial) investments

- a Capital Strategy, which also covers non-financial investments (for example, investments in property).

Purpose

The capital strategy is intended to give an overview of how the Council plans and delivers its capital expenditure, capital financing, treasury management and investment activities. It shows how these activities are carried out with the aim of fulfilling the priorities set out in key strategic documents such as the ten year council strategy and local plan. It is a key document for the Council and forms part of the annual budget papers.

As part of its budget papers, the Council produces a Medium Term Financial Plan. It shows how in recent years the Council has been demonstrating a prudent approach to prepare for grant reductions. For 2021-22, the Medium Term Financial Plan is heavily influenced by the Covid-19 pandemic. As well as loss of income for the Council, the pandemic has affected the provisional local government finance settlement, which is short-term for one year only due to the uncertainties in the economic landscape. The ongoing Business Efficiency Service Transition programme (BEST 2020), is now focused on recovery and relabelled "Better 2022". Previous savings plans and restructuring efficiencies continue to benefit the Council. However, the future funding scenario and significant impact of Covid-19 mean that a savings exercise was needed in addition to Government support for losses from sales, fees and charges. The savings have been built into future years where appropriate to ensure the Council's future financial stability.

The Capital Strategy shows how the Council intends to focus its capital investment to further meet its strategic objectives, including investment in infrastructure, housing and reducing the impacts of climate change. It provides the framework which will allow the Council to achieve its vision of shaping Teignbridge as a place which is economically resilient, delivering good quality services while addressing the funding challenges outlined above.

Teignbridge District Council Capital Strategy

The Treasury Management Strategy and performance indicators, along with the Capital Strategy provide information on Teignbridge's approach to managing the risks associated with capital investment and financing decisions taken.

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 ten year Council strategy. Recently updated to cover the period 2020-2030, this sets out the Council's key objectives:

- A carbon neutral district
- Better quality and affordable housing
- Wages and jobs growth
- Active and sustainable travel choices
- Encouraging our young people to stay
- A healthier population living in resilient communities
- A clean, green and safe environment
- An open council

The capital programme is continually reviewed with a particular focus on the primary goals of affordable housing, carbon neutrality and wages and jobs growth.

A provision of £6.6 million is included for the first half of the Teignbridge 100 housing scheme for affordable and social housing. This work has already commenced as the programme covers schemes at Drake Road and East Street Newton Abbot, which are underway. The pipeline covers a range of urban and rural sites, including the Dartmoor National Park. Houses, apartments and bungalows are included and scheme sizes range from 2 to 30. The intention is to deliver a rented programme across urban and rural locations on Teignbridge land.

The Council's Climate Change Officer continues to develop the Carbon Action Plan, supported in the capital programme with a provision of £3.6 million over 3 years for measures to reduce the authority's carbon footprint. This investment, to be funded from borrowing, is in addition to grant bids under the Public Sector Decarbonisation Scheme covering leisure sites Newton Abbot Leisure Centre, Broadmeadow Sports Centre and Teignmouth Lido. A separate bid is being pursued to cover the cost of replacing the Forde House gas boiler system.

There are also significant provisions for town centre investment, including the successful Future High Streets Fund bid, for which the Council has received an in-principle funding offer of £9.2 million. This was 69% of the original bid due to the funding being oversubscribed. It will make a significant contribution to the infrastructure of Newton Abbot town centre. Along with a provision of £2 million for employment infrastructure, the aim is to help stimulate growth in the local economy and ensure it is an attractive and well-connected environment for local businesses.

Teignbridge District Council Capital Strategy

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 and enabling a new bridge and link road in Dawlish and a link road at Houghton Barton. There are provisions for contributions to education facilities in South West Exeter and the wider Teignbridge area, and projects to create and improve 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 carbon reduction projects, including fabric and heating improvement at Forde House and provisions refurbishment and carbon reduction measures at leisure sites. The capital programme is supported by any capital receipts arising from the disposal of assets.

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

Strategic Service Planning – The council is in the sixth year of Business Efficiency Service Transition (BEST) 2020, now being refined and relabelled as “Better 2022” This process incorporates service business plans. In addition to identifying potential savings, the focus is on defining strategic direction, examining the nature of services provided and whether they provide clear social or economic value. As part of this, future projects and asset management options are considered, which will shape the future shape of the capital programme.

Commercial Strategy – The commercial strategy is intended to support the Council's financial sustainability. It takes a broad view of the concept of commercialisation, to include service and charging reviews and process redesigns; financial management, investment and procurement initiatives; housing and regeneration projects, asset management and income generation. While it does not relate exclusively to the capital programme, it has links to the capital strategy in terms of the larger projects within the Key Priorities of Regeneration and Commercial Property, Asset Management and Housing. Delivery of these projects is integral to the Council strategy aims of providing affordable housing and delivering jobs and wages growth. They are supported by the Council's approach to investments and the borrowing which is critical to funding them. This is relevant to the Key Priority of Financial Management and must be taken into account within the Council's treasury management strategy.

Teignbridge District Council Capital Strategy

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

1.2 Governance

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

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

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

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

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.

The Commercial Strategy, as approved by Full Council in February 2020. It includes an explanation of the role of the **Commercial Property Investment Board**.

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. This allows a corporate approach to capital planning and expenditure, along with the use of property assets throughout the organisation. 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)

Teignbridge District Council Capital Strategy

- 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. Stage 2 of the flow chart ensures the correct level of approval as per the Council's constitution.

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

The CRG also monitors the existing capital programme to ensure its continued relevance, consider the progress of schemes including variations and re-phasing and to identify or reallocate unused resources.

SPAR.net is used to identify potential risks and to highlight causes for concern, whether budgetary or progress-related. In addition, it provides a reference resource of historical information which can help to inform current decisions and allows lessons to be learned from past experience.

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

1.3 Commercial Activity

The Council's approach to commercial activity is dealt with in its Commercial Strategy. This takes a broad view of commercialisation, so as well as capital investments such as housing and regeneration projects, it also deals with service and charging reviews and process redesigns, financial investments, asset management and income generation.

The goal of the commercial strategy is to enable the Council to become financially self-sufficient against the backdrop of reduced central government funding for local authorities. This is essential to providing the stability which will allow it to focus on the provision of good quality services and achieving the key objectives of the Council strategy.

During 2020-21, the Covid-19 pandemic has resulted in significant loss of income for the Council, but also focused attention on recovery. A budget gap of £1.2 million is forecast from 2022-23, rising to £2.6m in 2023-24. As part of a savings exercise, revenue contributions to the capital programme have been eliminated over the duration of the medium term financial plan. By acting in a commercially aware manner, the Council aims to

Teignbridge District Council Capital Strategy

contribute towards its vision for Teignbridge and reduce the significant budget gap which has been identified.

The core aim of the commercial strategy which most directly relates to the capital plans of the Council is:

- Increasing financial and social benefits through delivery of regeneration initiatives which stimulate economic growth, and local Housing. This will help ensure local residents find the support they need to thrive and that the right conditions are created for existing and new businesses to grow and be financially independent.

The core aims which underpin the Council's approach to these investments are as follows:

- Being socially responsible – investments and practices which support local prosperity, social and environmental benefits. In line with the Public Services (Social Values) Act 2012 – if business cases have similar returns, look to deliver those initiatives which provide best social or environmental outcome whilst paying due attention to equality, wellbeing and safeguarding.
- Investing within the district is the first priority, but it is recognised that there are benefits to investing within the local functional economic area. Many residents and businesses commute or trade between Teignbridge and the area of the Greater Exeter Strategic Plan (GESP), or the wider Heart of the South West Local Enterprise Partnership area, comprising Devon, Plymouth, Somerset and Torbay.
- Securing external funding and working in partnership

Following the core aims are five specific key priority areas. Relating to capital are the following:

Key Priority 1: Regeneration and Commercial Property Investment

Within the capital programme are significant town centre regeneration projects which focus on the transformation of our town centres away from places simply to shop and towards being destinations for leisure and focal points for communities. As well as delivering new hotels in Newton Abbot and Teignmouth the Council is working towards broader regeneration of Newton Abbot town centre and has received in principle approval of £9.2m funding from the Future High Street fund. This will positively influence the economic prosperity of the district, helping to provide growth in local jobs, attracting businesses to the area and contributing towards local vibrancy. In turn, this encourages people to both work and spend leisure time locally, which should help reduce carbon emissions.

Key Priority 2: Asset Management

To ensure the Council maximises the available benefits of its assets, whether as operational sites, to generate rental income, to re-purpose or sell. Carbon neutrality is considered in relation to asset management, with provisions for measures from the Carbon Action Plan to be implemented.

Key Priority 3: Commercialisation and strong, agile operating practices

Although largely relating to operational procedures, there are links to the capital programme via the purchase of the equipment and software to enable digital transformation projects.

Teignbridge District Council Capital Strategy

Key Priority 4: Financial Management

Treasury management is crucial to ensuring cash is available when needed, including longer term for capital projects which may be funded from borrowing. Investments which are not covered by the Treasury Strategy lending list follow the approvals route described within the commercial strategy. This also encompasses activity which falls outside the treasury management function, including loans to key partners and stakeholders which deliver social value or economic growth within the district.

Key Priority 5: Housing

The Teignbridge 100 will deliver affordable and social housing across a range of urban and rural sites on Teignbridge land.

Due diligence and risk

The council is working to develop commercial skills, promoting risk-awareness. Teignbridge's appetite for risk seeks to be proportional to its role as a district council. The commercial strategy promotes the development of risk awareness by the use of business cases which must demonstrate the consideration and mitigation of risk factors (an appendix is provided to aid this process), focus on due diligence and consultation where appropriate

Governance and decision-making

Commercial activity is subject to the Council's governance arrangements, with legal advice to be sought on a case-by-case basis. There are provisions for urgent decisions to be taken by the Chief Finance Officer in consultation with the Commercial Property Investment Board, if it would be contrary to the financial interests of the Council to delay. The intention is to allow a quick response to opportunities where appropriate, while adhering to a strict due diligence process.

1.4 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.

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.

Teignbridge District Council Capital Strategy

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

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

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

1.5 Capital Expenditure Plans and Financing Strategies

The Capital Programme – the capital programme sets out planned capital expenditure over the medium term financial plan period of 3 years. It shows how each project is linked to a Council Strategy priority and summarises planned expenditure and funding. It is approved annually along with the budget papers, with quarterly updates to Executive Committee

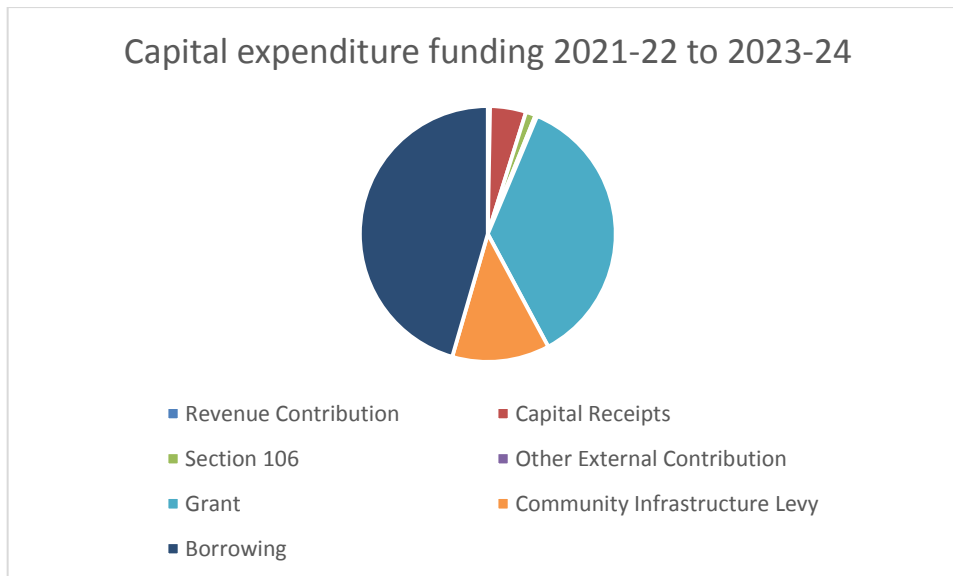
The Council's capital expenditure plans for the current 3 years of the Medium Term Financial Plan amount to £87.5 million, summarised in the table below:

Capital Expenditure and Financing (Estimate)	2021-22	2022-23	2023-24	2021-24 Total
	£'000	£'000	£'000	£'000
Planning and Development	20,461	19,740	4,604	44,805
Flood Alleviation and Environment	5,471	11,883	3,194	20,548
Open spaces and Leisure	6,896	644	2,002	9,542
Central support services / IT	490	397	41	928
Housing grants and affordable housing	5,159	3,247	3,247	11,653
Total Expenditure	38,477	35,911	13,088	87,476
Revenue Contribution (earmarked reserve)	-	-250	-	-250
Capital Receipts	-2,594	-813	-576	-3,983
Section 106	-758	-186	-146	-1,090
Other External Contribution	-	-180	-24	-204
Grant	-14,466	-11,333	-5,555	-31,354
Community Infrastructure Levy	-2,740	-4,750	-3,291	-10,781
Borrowing	-17,919	-18,399	-3,496	-39,814
Total Funding	-38,477	-35,911	-13,088	-87,476

Sources of funding

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

Teignbridge District Council Capital Strategy



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

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

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

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

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

Teignbridge District Council Capital Strategy

£5.8 million capital receipts at the start of 2020-21. It is currently forecast that General Fund capital receipts will be £0.6 million by the end of the current Medium Term Financial Plan. In order for Teignbridge to continue to benefit from capital investment in the future, the council will look to reinstate **Revenue Contribution** to capital. This has been withdrawn (with limited earmarked exceptions) due to revenue pressures caused by the loss of income attributable to the Covid-19 pandemic. Projects funded by capital receipts and revenue contributions include contributions to superfast Broadband provision, improvements to Council buildings and equipment including IT projects and waste management, discretionary housing grants and affordable housing.

Borrowing

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

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

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

Projects funded from borrowing 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, industrial sites, affordable housing and carbon reduction measures.

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

This strategic approach ensures that the Council's business and property plans support its key objectives and inform its spending decisions. The alignment of the corporate vision

Teignbridge District Council Capital Strategy

with service business plans, the Medium Term Financial Plan and Capital Strategy provides a stable context in which to make informed decisions and deliver the right outcomes.

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

- a) For the purpose of direct service delivery (such as parks, gardens and leisure centres);
- b) To support service delivery (for example administrative offices and depots); and
- c) To support the Council's wider policy objectives. This part of the portfolio is varied: Many assets have been made available for social or sporting purposes or are retained for a range of reasons such as a potential to contribute to future regeneration schemes or provide workspace for local employment provision. In addition, the portfolio provides a valuable revenue income, (approx. £3 million), which in turn helps to support the Council in delivering important services to its residents.

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

Teignbridge District Council Capital Strategy

TEIGNBRIDGE COUNCIL CORPORATE ASSET MANAGEMENT OVERVIEW

Our Strategic Property aim is:

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

Our asset priorities are:

Understand our assets and how they perform	Challenge whether we have the right assets in the right place and in a condition to meet service delivery needs	Dispose of the assets we no longer need	Acquire new assets if we need them	Maintain and invest in property	Make assets more efficient to run	Reduce the carbon footprint of our assets	Make the most of our assets
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We deliver these priorities by:

Retention of a Corporate Asset Database with continued programme to rationalise property information into one place	Asset Challenge Review	Compliance with Property Disposal & Acquisition Policy and Procedures	Investing in a prioritised programme of Planned Maintenance and Capital Programme projects	Proactive estates management
Measuring and monitoring asset data and information to show how our assets perform	Service Business Planning		Delivery of a prioritised programme of strategic property projects set out in the Capital Programme	Ensuring 'best consideration' in all our property transactions
	One Teignbridge Transformation Programme		Compliance with statutory and health & safety legislation	Clear Property Policies and Procedures

Teignbridge District Council Capital Strategy

We keep track of progress & performance with:

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

This work is led by:

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

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

Teignbridge District Council Capital Strategy

2. Debt, Borrowing and Treasury Management

2.1 Projection of borrowing requirements

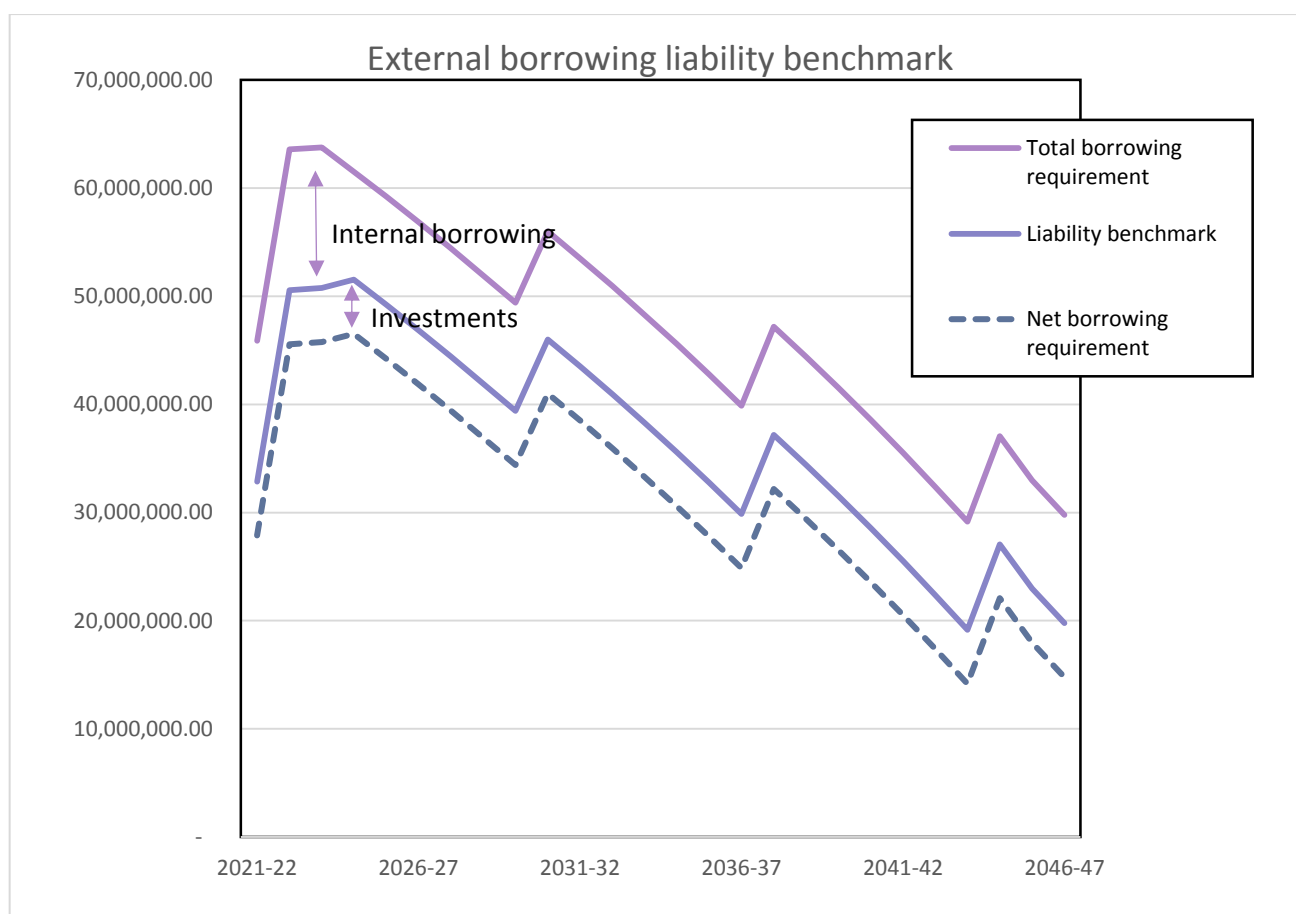
Previous capital projects such as the purchase of Market Walk mean that Teignbridge District Council has an underlying need to borrow. In addition, the capital programme contains projects which would not be immediately funded by grants, contributions, capital receipts or revenue contributions. When taken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

	2021-22	2022-23	2023-24
	£'000	£'000	£'000
Estimated Capital Financing Requirement should provisional schemes be approved (total cumulative underlying need to borrow).	40,871	58,569	58,749
Estimated internal borrowing	-13,000	-13,000	-13,000
Liquidity cash flow buffer & contingency	7,000	7,000	7,000
Estimated external borrowing	34,871	52,569	52,749

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

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

Teignbridge District Council Capital Strategy



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

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

	2021-22	2022-23	2023-24
	£'000	£'000	£'000
Operational boundary	35,000	55,000	55,000
Authorised limit	40,000	60,000	60,000

The Council's Commercial Strategy also sets a proportional debt limit, which has been assessed as approximately £70 million. This figure has been arrived at after consideration of benchmarking provided by external expertise, based on overall debt compared to cost of service and the financing liabilities this would place upon the council. This overall limit encompasses both internal and external borrowing activity.

Teignbridge District Council Capital Strategy

2.2 Implications of borrowing

2.2.1 Minimum Revenue Provision (MRP)

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

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

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

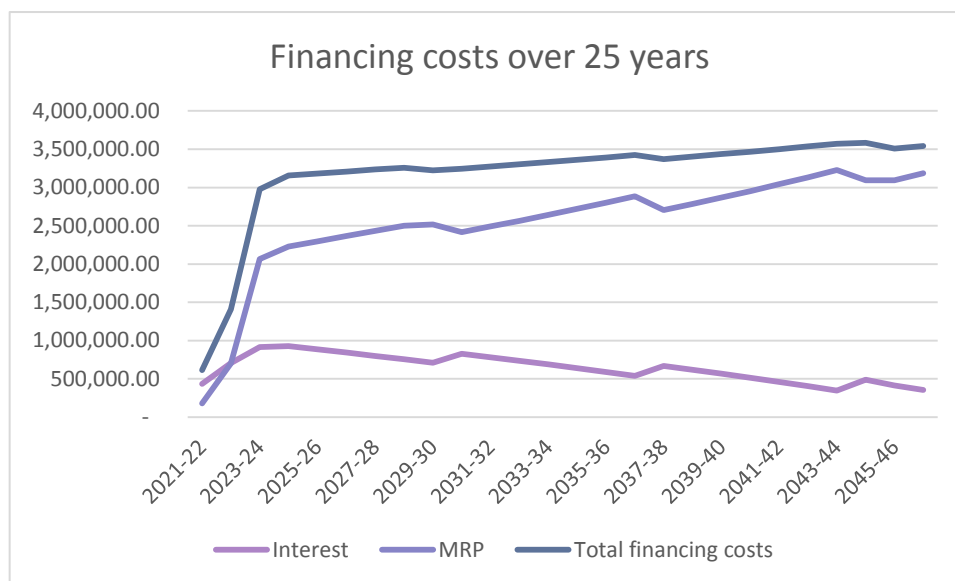
For 2021-22 the Council's MRP statement continues to adopt option 3, the asset life (annuity) method. This is a method often used to calculate loan repayments, where it is required that the total amount of principal and interest repaid each year is a common amount. Principal amounts start low and increase over time. It is therefore suited to investments where revenues will increase over time. It also takes into account the time value of money.

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

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2.2.2 Interest payable

Based on the projected borrowing discussed above (should provisional schemes be approved and all schemes delivered without slippage) and a maturity structure which is spread to mitigate against interest rate risk, it is calculated that interest payable would be £434k in 2021-22, rising to £708k in 2022-23 and £913k in 2023-24. The following chart shows financing costs (interest and MRP) over 25 years. It should be borne in mind that the business cases for each project would need to demonstrate that they would achieve sufficient return to cover interest costs and any MRP.



2.2.3 Proportionality

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

The proportional debt limit for the council has been assessed as approximately £70 million. This figure has been arrived at after consideration of benchmarking provided by external expertise, based on overall debt compared to cost of service and the financing liabilities this would place upon the council.

Neither the Council's historic investments nor its future capital investment plans are purely commercial. They are focused on delivering the housing, regeneration and economic benefits laid out in the Council's Strategy. They do however create an underlying need to borrow and contribute to the Capital Financing Requirement (CFR). The three main items which make up the Council's existing CFR are the costs of purchasing Market Walk, Sherborne House and an industrial unit in Newton Abbot. The Council has chosen to forego treasury management interest in order to fund the underlying need to borrow from other balances in the medium term. Based on the average treasury management interest rate received during the first half of 2020-21, interest foregone would be in the region of £11,966 per annum. Investment interest rates are at historic lows and should base rate rise

Teignbridge District Council Capital Strategy

again, this figure would increase. This approach represents good value for money. Had the Council externally borrowed the equivalent amount at (for example) the PWLB's 10-year rate on 1st April 2020, the annual cost would have been £425k.

Current debt to net service expenditure ratio:

	2020-21
	£'000
External debt	0
Net service expenditure	15,984
Ratio	0

Should all forecast borrowing occur during 2021-22:

	2021-22
	£'000
External debt	34,871
Net service expenditure	15,295
Ratio	2.3

Commercial income

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

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

2.2.4 Prudential Indicators

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

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

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

Teignbridge District Council Capital 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

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

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

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

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

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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.

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

The treasury management strategy is designed to be "risk aware" rather than the traditional "risk averse". This has been approached in a measured way to mitigate against risk, recognising a balance within the overall priorities of security, liquidity and yield. Property and diversified income funds are included as non-specified investments within the authorised lending list, while other non-specified investments such as renewable energy/social impact investments and on-lending to key partners and stakeholders would follow the approvals route laid out in the Commercial Strategy.

The council's Treasury Management schedules require that specified investment 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 it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Council will engage with its advisors to maintain a monitor on market pricing such as "credit default swaps" and overlay that information on top of the credit ratings.

Other information sources used will include the financial press, share price and other such information pertaining to the financial sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties. Daily relevant financial news updates and market commentaries are received by email from treasury advisors, brokers and the Council's bank. These enable assessment of future treasury risks and scenarios in order to develop suitable risk management strategies.

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

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

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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, UK Municipal Bonds Agency, local authorities, public bodies, UK banks and building societies and debt capital markets.

In October 2019, the Public Works Loans Board (PWLB) increased the margin over gilt yields by 100 basis points (1%) to 180 basis points (1.8%) on loans lent to local authorities. Following a consultation process, this was reversed in November 2020. At the same time, government implemented a reform of its lending terms with the aim of ending the situation in which a minority of local authorities used PWLB loans to support the acquisition of investment assets primarily for yield. In order to be able to benefit from PWLB lending, local authorities must now provide information about the level and type of planned capital activity, project descriptions and an assurance from the Section 151 officer that the local authority is not borrowing in advance of need and does not intend to buy investment assets primarily for yield. The Council is mindful of these requirements. Officers will keep sources of borrowing under review in conjunction with the Council's treasury management advisors and select those offering the best value for money to the Council at the time the funding is required.

The Treasury Management Mid-Year and Year End Reviews report on activities undertaken and provides key information on performance including average interest rates achieved. In addition, the Chief Finance Officer receives regular reports, which form part of financial reports received by the Executive and Corporate Leadership Team. Historically, these used the 7-day London Interbank Bid Rate (LIBID, or the interest rate at which banks are willing to borrow from other banks) as a benchmark. This has been reinstated following a brief period of using LIBOR (which relates to bank lending) because it was a publicly-available indicator. The Council's treasury advisors now provide the LIBID rate, which is a more appropriate benchmark for lending.

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

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.

Teignbridge District Council Capital Strategy

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

During 2019-20, a tender process was undertaken to appoint treasury management advisors. The Council uses Link Asset Services. This decision recognises the value in employing external providers to acquire access to specialist skills and resources, especially in the light of the Council's anticipated borrowing requirement. However, responsibility for treasury management decisions remains with Teignbridge District Council at all times and officers will ensure that undue reliance is not placed upon the services of our external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, our treasury advisers.

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

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

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

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

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

Teignbridge District Council
Treasury Management Mid-Year Review 2020-21

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

Activities Undertaken: Daily lending and borrowing from 1 April to 30 September 2020:

Fixed-term lending

Borrower	Terms %	Amount Lent £	Dates	Total Days Lent in year	Interest Earned to 30/9/20 £
Debt Management Office	0.100	44,000,000	01/04/20 – 08/04/20	7	843.84
Debt Management Office	0.040	5,000,000	08/04/20 – 09/04/20	1	5.48
Debt Management Office	0.045	4,500,000	08/04/20 – 14/04/20	6	33.29
Debt Management Office	0.095	34,500,000	08/04/20 – 16/04/20	8	718.36
Debt Management Office	0.055	1,000,000	14/04/20 – 17/04/20	3	4.52
Debt Management Office	0.080	1,000,000	15/04/20 – 23/04/20	8	17.53
Debt Management Office	0.080	1,500,000	15/04/20 – 27/04/20	12	39.45
Debt Management Office	0.040	12,500,000	16/04/20 – 17/04/20	1	13.70
Debt Management Office	0.045	18,000,000	16/04/20 – 20/04/20	4	88.77
Debt Management Office	0.080	500,000	17/04/20 – 29/04/20	12	13.15
Debt Management Office	0.040	1,400,000	20/04/20 – 21/04/20	1	1.53
Debt Management Office	0.045	2,000,000	20/04/20 – 22/04/20	2	4.93
Debt Management Office	0.055	1,000,000	20/04/20 – 23/04/20	3	4.52
Debt Management Office	0.060	5,000,000	20/04/20 – 24/04/20	4	32.88
Debt Management Office	0.080	7,200,000	20/04/20 – 27/04/20	7	110.47
Debt Management Office	0.080	1,000,000	22/04/20 – 29/04/20	7	15.34
Debt Management Office	0.080	3,000,000	24/04/20 – 30/04/20	6	39.45
Debt Management Office	0.080	6,500,000	27/04/20 – 04/05/20	7	99.73
Debt Management Office	0.080	1,000,000	29/04/20 – 11/05/20	12	26.30
Debt Management Office	0.080	1,100,000	30/04/20 – 19/05/20	19	45.81
Debt Management Office	0.080	1,400,000	30/04/20 – 22/05/20	22	67.51
Debt Management Office	0.055	2,000,000	01/05/20 – 26/05/20	25	75.34
Debt Management Office	0.055	1,500,000	01/05/20 – 27/05/20	26	58.77
Debt Management Office	0.040	1,000,000	04/05/20 – 06/05/20	2	2.19
Debt Management Office	0.040	1,000,000	04/05/20 – 12/05/20	8	8.77
Debt Management Office	0.050	3,400,000	04/05/20 – 19/05/20	15	69.86
Debt Management Office	0.040	400,000	11/05/20 – 27/05/20	16	7.01
Debt Management Office	0.040	1,000,000	12/05/20 – 27/05/20	15	16.44
Debt Management Office	0.040	2,000,000	14/05/20 – 27/05/20	13	28.49
Debt Management Office	0.040	1,000,000	15/05/20 – 18/05/20	3	3.29
Debt Management Office	0.040	4,500,000	15/05/20 – 27/05/20	12	59.18
Debt Management Office	0.050	1,000,000	15/05/20 – 08/06/20	24	32.88
Debt Management Office	0.050	2,500,000	15/05/20 – 22/06/20	38	130.14
Debt Management Office	0.040	1,000,000	19/05/20 – 20/05/20	1	1.10
Debt Management Office	0.040	1,000,000	19/05/20 – 23/06/20	35	38.36

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Borrower	Terms %	Amount Lent £	Dates	Total Days Lent in year	Interest Earned to 30/9/20 £
Debt Management Office	0.040	1,400,000	19/05/20 – 26/06/20	38	58.30
Debt Management Office	0.020	1,000,000	26/05/20 – 28/05/20	2	1.10
Debt Management Office	0.020	1,000,000	29/05/20 – 24/06/20	26	14.25
Debt Management Office	0.035	1,000,000	01/06/20 – 03/06/20	2	1.92
Debt Management Office	0.020	1,000,000	01/06/20 – 10/06/20	9	4.93
Debt Management Office	0.020	1,000,000	01/06/20 – 02/07/20	31	16.99
Debt Management Office	0.020	1,000,000	10/06/20 – 07/08/20	58	31.78
Debt Management Office	0.020	4,000,000	15/06/20 – 02/07/20	17	37.26
Debt Management Office	0.020	4,500,000	15/06/20 – 07/08/20	53	130.68
Debt Management Office	0.010	1,000,000	24/06/20 – 02/07/20	8	2.19
Debt Management Office	0.010	1,000,000	26/06/20 – 02/07/20	6	1.64
Debt Management Office	0.010	2,500,000	01/07/20 – 02/07/20	1	0.68
Debt Management Office	0.010	1,000,000	02/07/20 – 06/07/20	4	1.10
Debt Management Office	0.010	4,000,000	15/07/20 – 20/07/20	5	5.48
Debt Management Office	0.010	1,000,000	15/07/20 – 23/07/20	8	2.19
Debt Management Office	0.010	2,000,000	15/07/20 – 07/08/20	23	12.60
Debt Management Office	0.010	1,000,000	23/07/20 – 29/07/20	6	1.64
Debt Management Office	0.010	500,000	29/07/20 – 21/08/20	23	3.15
Debt Management Office	0.010	1,000,000	31/07/20 – 07/08/20	7	1.92
Debt Management Office	0.010	1,000,000	03/08/20 – 07/08/20	4	1.10
Debt Management Office	0.010	500,000	03/08/20 – 12/08/20	9	1.23
Debt Management Office	0.010	1,250,000	03/08/20 – 19/08/20	16	5.48
Debt Management Office	0.010	1,000,000	07/08/20 – 14/08/20	7	1.92
Debt Management Office	0.010	1,000,000	12/08/20 – 19/08/20	7	1.92
Debt Management Office	0.010	500,000	14/08/20 – 26/08/20	12	1.64
Debt Management Office	0.010	500,000	17/08/20 – 28/08/20	11	1.51
Debt Management Office	0.010	250,000	17/08/20 – 04/09/20	18	1.23
Debt Management Office	0.010	250,000	17/08/20 – 09/09/20	23	1.58
Debt Management Office	0.010	2,000,000	17/08/20 – 15/09/20	29	15.89
Debt Management Office	0.010	2,500,000	17/08/20 – 21/09/20	35	23.97
Debt Management Office	0.010	1,250,000	17/08/20 – 23/09/20	37	12.67
Debt Management Office	0.010	1,500,000	01/09/20 – 14/09/20	13	5.34
Debt Management Office	0.010	2,000,000	01/09/20 – 30/09/20	29	15.89
Debt Management Office	0.010	250,000	08/09/20 – 25/09/20	17	1.16
Debt Management Office	0.010	1,000,000	09/09/20 – 12/10/20	33	6.03
Debt Management Office	0.010	1,500,000	15/09/20 – 19/10/20	34	6.58
Debt Management Office	0.010	500,000	18/09/20 – 28/09/20	10	1.37
Debt Management Office	0.010	1,000,000	21/09/20 – 22/09/20	1	0.27
Debt Management Office	0.010	1,000,000	22/09/20 – 21/10/20	29	2.47
Debt Management Office	0.010	1,250,000	23/09/20 – 23/10/20	30	2.74
Sub-total fixed lending					3,200.15

Deposits were also made into the following call accounts and money market funds, dependent upon cash flow:

Bank	Account terms	Interest Earned £
Clydesdale Bank	0.05% - 0.2%	0.28

Appendix 12

Royal Bank of Scotland	0.01% - 0.19%	0.33
Santander UK plc	Base rate less 0.10% - 0.012%	0.00
Public Sector Deposit Fund	0.1145% - 0.4089%	3,735.87
Lloyds plc 95-day notice	0.30% - 0.45%	1,724.45
Lloyds plc 32-day notice	0.10% - 0.45%	739.82
Lloyds plc Deposit account	Base rate less 0.10%	0.00
Aberdeen Standard	0.0874% - 0.4089%	3,535.33
Lloyds plc current account	Base rate less 0.10%	0.85
Sub-total call accounts and money market funds		9,736.93
Grand total all lending		12,937.08

Temporary Borrowing 1 April to 30 September 2020:

Lender	Terms %	Amount lent £	Dates	Days lent in year	Interest paid in year £
Lloyds Bank	Base + 1%	Variable	Overdraft agreement	2	0.98

Teignbridge District Council Interim Performance Report for the Period 1 April to 30 September 2020

	Apr-Sep 2019-20	Apr-Sep 2020-21
(i) Short Term Funds Invested		
Interest received and receivable for the period	£57,490	£12,937
Maximum period of investment on any one loan made in the period	179 days	58 days
“Fixed” investment rates in period.	0.50% - 0.89%	0.01% - 0.10%
(ii) Short Term Funds Borrowed		
Interest paid and payable for the period	£3.04	£0.98
Number of new “fixed” loans borrowed in the period	0	0
Maximum period of borrowing on any one “fixed” loan borrowed in the period.	0	0
“Fixed” borrowing rates.	n/a	n/a
(iii) Average Net Interest Rate Earned	0.81 %	0.06%
(iv) Average Short Term Net Lending	£14,124,098	£21,245,873

Appendix 12

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

The interest forecast predicts total net interest receivable for the year of £15,230. This compares to £120,625 in 2019-20. This forecast decrease is mainly due to the reduction in interest rates. Base rate was reduced to 0.10% on 19th March 2020 as part of the measures taken by the Bank of England (BOE) to support the economy during the Covid 19 pandemic. During the first half of the year, there has been an increase in the funds available for lending out (average daily lending is £21.2 million in 2020-21 compared to £14.1 million at the same stage in 2019-20. This is mainly due to funding received from Government to enable the payment of business grants. This could not be invested long-term. The average net interest rate achieved is 0.06% in 2020-21, compared to 0.81% at the same point in 2019-20). Average benchmark 7-day LIBID rate has been negative since 3rd July 2020.

Treasury Management Indicators

These are part of the Prudential Indicators, as agreed at Full Council on 24 February 2020. They are available on request or on the Teignbridge website agenda for that meeting.

Teignbridge District Council - Budget Consultation Report

Date:	22nd February 2021
From:	Communications Team
Subject:	Consultation feedback to Executive Committee

Methodology

The Communications Team were tasked to consult with the council's Residents' Panel 'Talking Teignbridge', and on the website, about the budget proposals assisted by staff from the Housing department.

The consultation ran from 23rd December 2020 to 2nd February 2021 and below you will find a short summary of the results so that full Council on 22nd February has the opportunity to take into account residents' feedback when considering the final budget recommendations from Executive.

The survey

The following budget questions were put to Teignbridge residents:

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

1. Continue to increase council tax to help maintain essential services. The current recommendation is a 2.85% increase, (£5 per year, for a Band D property taking the council tax to £180.17 for the year).
2. Back business and improve town centres.
3. Invest in infrastructure for employment, education, transport links, sports and open spaces.
4. Continue to support housing as a priority by enabling affordable housing, improving poor quality homes and tackling homelessness and rough sleeping
5. Continue to reduce our carbon footprint and promote energy efficiencies throughout the local area for both businesses and homes

The table below shows a detailed breakdown of the results.

	Increase council tax	Back business & improve town centres	Invest in infrastructure	Support housing	Reduce carbon footprint
Strongly Agree	25%	23%	29%	31%	31%
Agree	41%	42%	42%	30%	34%
Neither Agree nor disagree	13%	18%	17%	19%	23%
Disagree	9%	12%	9%	12%	8%
Strongly disagree	12%	5%	3%	8%	4%

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

Generating more income to re-invest in council services	70% agree
Make more budget savings	45% agree
Reducing the services we provide	13% agree
Increasing council tax further	31% agree
Increasing fees and charges	29% agree

EXTRACT
EXECUTIVE MINUTES
11 FEBRUARY 2021

Minute No.6 - Final Budget Proposals 2021/22 to 2023/24

The Executive Member for Corporate Resources presented the report to consider the final financial plan proposals 2021/22 to 2023/24 for recommendation to Council on 22 February. These proposals included recommended revenue and capital budgets for 2021/22 and planned in outline for 2022/23 and 2023/24. He advised of the budget gap for 2022/23 of £1.2 m and 23/24 of £2.6m and thanked all staff for their work in reaching a balanced budget.

The Chief Finance Officer advised that the final settlement for 2021/22 was the same as the provisional settlement which the Council had been notified of in December. He reported on the medium term financial position and the significant budget gaps for 2022/23 and 2023/24 amounting to £3.8m.

The Leader thanked the Overview and Scrutiny Committees and the Town and Parish Councils for their contributions in the budget setting process. The Council had no choice but to increase council tax by £5 to ensure a balanced budget and to continue to provide services to the residents of Teignbridge.

RECOMMENDED that Council:-

- (1) Approve the final budget for 2021/22 and the outline plan for the subsequent years 2022/23 and 2023/24;
- (2) Note the mid-year review of Treasury Management shown at appendix 8.

The vote was unanimous.

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**TEIGNBRIDGE DISTRICT COUNCIL
FULL COUNCIL
14 JANUARY 2021**

Report Title	Members Allowances 2021/22
Purpose of Report	To consider the Independent Remuneration Panel's (IRP) recommendations regarding Special Responsibilities Allowance(s) following the recent changes to the committee structure, approved at the adjourned Annual Council on 3 September 2020.
Recommendation(s)	<p>The IRP RECOMMENDS to Full Council that the following changes to the Members' Allowances Scheme with effect from 3 September 2020:</p> <p>(1) The Special Responsibility Allowance for the Chairs of Overview and Scrutiny Committee be a multiplier of 1.1 and Vice Chairs of Overview & Scrutiny Committees be a multiplier of 0.3:</p> <p>(2) The Special Responsibility Allowance for the Chair of Licensing and Regulatory Committee be a multiplier of 0.75 and the Vice Chair of Licensing and Regulatory Committee be a multiplier of 0.40: and</p> <p>(3) The Special Responsibility Allowance for the voting Executive Member without portfolio be a multiplier of 1.1.</p>
Financial Implications	<p>The new SRA structure agreed on the 3 September 2020 is currently causing a budget pressure of £14,068 if the IRP Recommendations are adopted then this budget pressure will be reduced to £7,177.</p> <p>Systems Accountant Email: Chris.Ormerod@Teignbridge.gov.uk</p>
Legal Implications	<p>Before making any changes to its Allowances Scheme the Council must have regard to the recommendations of an independent remuneration panel. The scheme for 2021-2022 should also be approved by full Council before the commencement of the revised scheme.</p> <p>Solicitor to the Council Email: Karen.Trickey@teignbridge.gov.uk</p>
Report Author	Democratic Services on behalf of the Independent Remuneration Panel
Executive Member	Corporate Resources – Cllr Keeling
Appendix	Appendix 1 – proposed changes to SRA

1. BACKGROUND

- 1.1 Teignbridge District Council has an established Independent Remuneration Panel (IRP), comprising of five representatives from the business and voluntary sector and a remuneration scheme, which provides for a reasonable recompense for the time, commitment and duties involved in being an Elected Member. This scheme also includes Special Responsibility Allowances (SRA) for Members that undertake additional roles such as an Executive Member or Committee Chair.

2. REPORT DETAILS

- 2.1 The Council's IRP met in November 2020 to consider the current multipliers applied to the Basic Allowance for the SRA's for the changes approved at the Adjourned Annual Council 3 September 2020 as below:-
- Formation of two Overview and Scrutiny Committees consisting of 13 Members each. (The eight Executive Member portfolios were equally divided between the two committees).
 - The merger of the Licensing Committee and the Regulatory and Appeals Committee to form the Licensing and Regulatory Committee
 - Appointment of a voting Executive Member without a portfolio.
- 2.2 A questionnaire was circulated prior to the IRP meeting to the Chair and Vice Chairs of the Overview and Scrutiny Committees and Licensing Committee, and a separate questionnaire to the Executive Member without a portfolio. Responses to the questionnaire provided information regarding the amount of time members considered they spent undertaking their Special Responsibilities. Councillors Bullivant, H Cox and Purser also attended the Panel meeting to support their responses to the questionnaire.
- 2.3 The Panel considered that whilst the areas of responsibility of the Overview and Scrutiny Committees had halved, the amount of work that the Chairs were now undertaking had not reduced proportionally, with the work of the Committees now being more in depth, focused and the formation of more review groups.
- 2.3 Therefore, in recognising the work that the Chairs and Deputy Chairs of the Overview and Scrutiny Committee were undertaking the Panel felt it appropriate that an SRA for the Chairs of a multiplier of 1.1 (£6,316 pa) and the Deputy Chairs a multiplier of 0.3 (£1,722 pa) be applied.
- 2.4 The Panel also considered the merger of the Licensing Act 2003 Committee and the Regulatory and Appeals Committee to form the Licensing and Regulatory Committee. It was noted by the Panel that employee staff appeals are no longer within the remit of this committee and that objections to Tree Preservation Orders are now considered by Planning Committee.
- 2.5 The Panel therefore concluded that the Chair of Licensing and Regulatory Committee should receive a multiplier of 0.75 (£4,307 pa) and the Deputy Chair a multiplier of 0.40 (£2,297 pa) this being the same SRA as the Chair and Deputy Chair of the previous Licensing Act 2003 Committee.
- 2.5 When considering the newly appointed position of the Executive Member without portfolio which has voting rights. It was acknowledged that the Executive Member has a variety of useful skills and experience and as such has a broad remit, working with colleagues on the Council's response to Covid, and acting as ~~an~~ advocate to the Executive. In recognition of the

work that this new role was undertaking the Panel were of the view that a SRA of a multiplier of 1.1 (£6,316 pa) would be applicable.

- 2.6 The Panel considered it was relevant to make recommendations on the new positions only, and not to consider all SRA's. The latter was best placed with the full review of the Members Allowance Scheme before the next elections.
- 2.7 The incorporation of the recommended SRAs in the adopted Scheme of Members Allowances ensures that the Council supports the democratic process of transparency and accountability. It also ensures all interested persons are aware of the remuneration levels available to Councillors.

3. ALTERNATIVE OPTIONS

- 3.1 The Council can decide not to follow the recommendations of the IRP and propose alternative SRA's.

BASIC ALLOWANCE 478.50 5742.00

Original SRA Budget

SRA	Monthly	Annual
Group Leader Allowance	1.00	478.50 5742
Leader of the Council	3.50	1674.75 20097
Deputy Leader	1.75	837.38 10049
Chairman of Planning	1.40	669.90 8039
Chairman of the Council	1.00	478.50 5742
Executive Committee Member	1.50	717.75 8613
Executive Committee Member	1.50	717.75 8613
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Executive Committee Member	1.50	717.75 8613
Executive Committee Member	1.50	717.75 8613
Executive Committee Member	1.50	717.75 8613
Executive Committee Member	1.50	717.75 8613
Chairman of Overview & Scrutiny Committee	1.40	669.90 8039
Vice Chairman of the Council	0.40	191.40 2297
Vice Chairman of Planning	0.50	239.25 2871
Chairman of Regulatory and Appeals Committee	0.60	287.10 3445
Deputy Chairman of Overview & Scrutiny Committee	0.40	191.40 2297
Vice Chairman of Regulatory and Appeals Committee	0.25	119.63 1436
Chairman of Licensing 2003 Committee	0.75	358.88 4307
Vice Chairman of Licensing 2003 Committee	0.40	191.40 2297
Audit Scrutiny Chairman	0.50	239.25 2871
		131205

Cost	Extra Cost
Original SRA Budget	131205
Proposed Cost - New SRAs	145273 -14068
Proposed Cost - IRP Recommendations	138382 -7177

Proposed Cost - New SRAs

SRA	Monthly	Annual
Group Leader Allowance	1.00	478.50 5742
Leader of the Council	3.50	1674.75 20097
Deputy Leader	1.75	837.38 10049
Chairman of Planning	1.40	669.90 8039
Chairman of the Council	1.00	478.50 5742
Executive Committee Member	1.50	717.75 8613
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Executive Committee Member	1.50	717.75 8613
Executive Committee Member	1.50	717.75 8613
Executive Committee Member	1.50	717.75 8613
Executive Committee Member - Opposition	1.50	717.75 8613
Chairman of Overview & Scrutiny Committee (Natural Environment)	1.40	669.90 8039
Chairman of Overview & Scrutiny Committee (Built Environment)	1.40	669.90 8039
Vice Chairman of the Council	0.40	191.40 2297
Vice Chairman of Planning	0.50	239.25 2871
Chairman of Licensing 2003 & Regulatory Appeals Committee	0.75	358.88 4307
Deputy Chairman of Overview & Scrutiny Committee (Natural Environment)	0.40	191.40 2297
Deputy Chairman of Overview & Scrutiny Committee (Built Environment)	0.40	191.40 2297
Vice Chairman of Licensing 2003 & Regulatory Appeals Committee	0.40	191.40 2297
Audit Scrutiny Chairman	0.50	239.25 2871
		145273

Proposed Cost - IRP Recommendations

SRA	Monthly	Annual
Group Leader Allowance	1.00	478.50 5742
Leader of the Council	3.50	1674.75 20097
Deputy Leader	1.75	837.38 10049
Chairman of Planning	1.40	669.90 8039
Chairman of the Council	1.00	478.50 5742
Executive Committee Member	1.50	717.75 8613
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Executive Committee Member	1.50	717.75 8613
Executive Committee Member	1.50	717.75 8613
Executive Committee Member	1.50	717.75 8613
Executive Committee Member	1.50	717.75 8613
Executive Committee Member - Opposition	1.10	526.35 6316
Chairman of Overview & Scrutiny Committee (Natural Environment)	1.10	526.35 6316
Chairman of Overview & Scrutiny Committee (Built Environment)	1.10	526.35 6316
Vice Chairman of the Council	0.40	191.40 2297
Vice Chairman of Planning	0.50	239.25 2871
Chairman of Licensing 2003 & Regulatory Appeals Committee	0.75	358.88 4307
Deputy Chairman of Overview & Scrutiny Committee (Natural Environment)	0.30	143.55 1723
Deputy Chairman of Overview & Scrutiny Committee (Built Environment)	0.30	143.55 1723
Vice Chairman of Licensing 2003 & Regulatory Appeals Committee	0.40	191.40 2297
Audit Scrutiny Chairman	0.50	239.25 2871
		138382

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