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9 February 2023

## **FULL COUNCIL**

A meeting of the **Full Council** will be held on **Tuesday, 21st February, 2023** in the **Buckland Athletic Football Club, Kingskerswell Rd, Newton Abbot, TQ12 5JU** at **10.00 am**

PHIL SHEARS  
Managing Director

### **Membership:**

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

**Please Note:** The public can view the live streaming of the meeting at [via our Youtube Page](#) with the exception where there are confidential or exempt items, which may need to be considered in the absence of the press and public.

## **AGENDA**

### **Part I**

1. **Apologies for absence**
2. **Minutes** (Pages 5 - 10)  
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.

6. **Budget and Council Tax 2023/24**

(Pages 11 -  
136)

7. **Recommendation from Executive 7 February 2023 - Notice of Motion Closure of Teignmouth Hospital**

To consider the recommendation of Executive [on 7th February, 2023](#).

Background to the Notice of Motion:-

*Across Devon, Community Hospitals such as Teignmouth have played a vital role in healthcare, providing of range of inpatient and outpatient healthcare close to the community.*

*Over the past two decades, Devon has seen a steady and relentless decline in community hospital beds and services. Teignmouth is no exception.*

*Pressures on the acute hospitals, such as Torbay, are immense and made worse by the lack of beds in the community to which patients could be discharged by Torbay.*

*Recent figures from NHS England show an average of 41 beds per day were occupied by people ready to be discharged from Torbay and South Devon NHS Foundation Trust in October – though this was down from 45 the month before, a local media outlet has reported.*

*While positively welcoming the proposed new Health Hub in the centre of Teignmouth, this council also affirms its support for Teignmouth Hospital and believes it should continue to play an integral part in the healthcare provision for the town and the wider district.*

**RECOMMENDED** to Full Council that:-

- (1) the Council asks the Managing Director to write to: The Chairs and Chief Executives of the Torbay & South Devon NHS Foundation Trust, Devon Clinical Commissioning Group, the relevant Members of Parliament and the Secretary of State for Health asking for a review of the hospital closure plans, mindful of the pressures on local acute hospitals through delayed discharges to other appropriate provision;
- (2) The Council contact the Chair of Devon County Council's Health and Adult Social Care Scrutiny Committee - Cllr Randall-Johnson – requesting that the

committee write to the Secretary of State for Health and Social Care to ask for a review of the planned closure of Teignmouth Hospital:-

(3) Overview and Scrutiny Committee (2) to consider undertaking a review of the closure of Cottage Hospitals in the district and:-

(4) The Council write to the Chair of the Integrated Care System for Devon - Dr S Wollaston - the Chief Executive of the Integrated Care System Board - Ms J Milligan – and the Regional Medical Director and Higher Level Responsible Officer for the South Region of NHS England – Dr N Acheson - to ask for a review of Teignmouth Hospital closure plans.

8. **Community Governance Review for Ogwell Parish** (Pages 137 - 140)

9. **Recommendation from Strata Joint Executive 17 January 2023 - Strata Business Plan**

To consider the recommendation of Strata Joint Executive [Tuesday, 17th January, 2023](#)

**RECOMMENDED** that the Strata Business Plan 2023-24 be approved by East Devon District Council, Exeter City Council and Teignbridge District Council.

10. **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.

### **Motion 1**

The following motion on Dartmoor National Park has been presented by Cllr Nutley and supported by Cllrs D Cox, H Cox, Connett, Dewhirst, Goodman-Bradbury, G Hook, Jeffries, Keeling, Parker, Rollason, Swain, Taylor, and Wrigley.

Teignbridge Council joins with the thousands of Devon residents and beyond shocked and appalled by the effective ban on wild camping on Dartmoor arising from a recent court decision.

This Council supports Dartmoor National Park in its rightful and spirited defence of wild camping, a right enjoyed by generations of local people and visitors.

Council condemns the loss of this right and calls on Government to enact urgent legislation to reinstate wild camping and protect the rights of people to fully enjoy Dartmoor.

Council asks the Leader and Managing Director to write in the strongest terms to Members of Parliament for the Teignbridge district, the relevant Secretaries of State and the Prime Minister urging them to act to restore the right to wild camp on

Dartmoor.

**Motion 2:**

The following motion regarding the administration of the Council has been presented by Cllr Patch and supported by Cllrs Bradford, Daws, Eden, Mullone and MacGregor.

In light of the serious, documented and evidenced, *systemic* failings at this Council (including, though not limited to the findings of the Local Government Ombudsman), and the lack of confidence that this Administration will fully and properly address and remedy these failings, this Council resolves to write at the earliest opportunity to the secretary of state for the *Department for Levelling Up, Housing & Communities* to request that he appoint commissioners, or another organisational mechanism, to administer and guide this Council (as set out in the Local Government Act 1999) to take forward the reforms so desperately needed to restore public confidence to this Council; with this administrative arrangement to remain in place until a new administration can be formed following Council elections in May 2023.

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

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

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

## **FULL COUNCIL**

**12 JANUARY 2023**

Present:

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

Apologies:

Councillors Cook, Eden, Foden, Gribble, Hayes, Jenks, Nuttall, Thorne and Tume

Officers in Attendance:

Neil Blaney, Head of Place & Commercial Services  
Trish Corns, Democratic Services Officer  
Martin Flitcroft, Chief Finance Officer & Head of Corporate Services  
Tracey Hooper, Service Lead for Revenue, Benefits and Customer Support  
James Joubert, Planning Officer  
Rob Kelley, Senior Planning Officer  
Michelle Luscombe, Planning Policy Manager  
Christopher Morgan, Trainee Democratic Services Officer  
Kati Owen, Senior Planning Officer  
Nikki Rawley, Council Tax Lead Officer - Revenue & Benefits  
Sarah Selway, Democratic Services Team Leader & Deputy Monitoring Officer  
Trevor Shaw, Senior Planning Officer  
Paul Woodhead, Head of Legal Services & Monitoring Officer to the Council

### **1. MINUTES**

It was proposed by the Executive Member for Sport, Recreation and Culture, seconded by the Executive Member for Recycling, Household Waste and Environmental Health that the minutes be approved.

**RESOLVED** that the minutes of the Extraordinary meeting on 17 November 2022 and the meeting 29 November 2022 be approved and signed as a correct record by the Deputy Chair.

### **2. ANNOUNCEMENTS**

The Vice-Chair wished the Chair Cllr Nuttall a speedy recovery.

**3. DECLARATIONS OF INTEREST**

Cllr Morgan declared a interest in respect of minute no.8 - Teignbridge Proposed Submission Local Plan 2020 to 2040- as she had campaigned on an aspect of the Local Plan and clarified that she would stay, speak and vote on the matter.

**4. COUNCIL TAX BASE 2023/24**

The Executive Member for Corporate Resources presented the report to approve the Council Tax base and thanked the Chief Financial Officer and his team for all their work. He proposed the recommendation, this was seconded by the Leader and carried.

**RESOLVED** that the council tax base of 50,215 for 2023/24 be approved.

**5. RECOMMENDATION FROM EXECUTIVE 6 DECEMBER 2022 - COUNCIL TAX REDUCTION SCHEME 2023/24**

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

The Executive Member for Corporate Services thanked the Service Lead for Revenue, Benefits and Customer Support and the team for their hard work on putting together this scheme.

**RESOLVED** that the Council Tax Reduction Scheme (attached as Appendix A) be adopted for the year 2023-24 with the income amounts uprated in line with any annual uprating in primary benefits.

**6. RECOMMENDATION FROM EXECUTIVE 3 JANUARY 2023 - COUNCIL TAX PREMIUMS**

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

**RESOLVED** that:-

- (a) The application of the current premium of 100% for all dwellings which are unoccupied and substantially unfurnished (empty dwellings) after 1 year instead of 2, with effect from 1<sup>st</sup> April 2024 be approved;
- (b) The application of a premium of 100% for all dwellings which are unoccupied but substantially furnished with effect from 1<sup>st</sup> April 2024 be approved; and
- (c) That the S151 Officer be given delegated powers in consultation with the relevant Executive Member to implement the policy in line with the Council's requirements and any guidance given by the Secretary of State.

**7. IMPLICATIONS OF MICHAEL GOVE MP'S STATEMENT ON CHANGES TO THE PLANNING SYSTEM**

The Executive Member for Planning proposed the recommendation, this was seconded by the Leader and carried.

**RESOLVED to:-**

- (1) Note the content of this report and appendices; and
- (2) Proceed to consider the report on the Local Plan consultation as set out on the agenda.

**8. TEIGNBRIDGE PROPOSED SUBMISSION LOCAL PLAN 2020 TO 2040**

The Executive Member for Planning presented the proposed Submission (Regulation 19) Teignbridge Local Plan 2020 to 2040 and associated documents, with a recommendation to publish them for a minimum 6-week period of public consultation, followed by submission of the Plan and associated documents to the Secretary of State for the Department of Levelling Up, Housing and Communities.

The Executive Member for Planning proposed the recommendation as set out in the circulated report with an amendment to recommendation 9 to read:--

*Following consultation, submit the Proposed Submission Local Plan 2020 to 2040, associated documents, and all representations made to the Plan, to the Secretary of State for the Department of Levelling Up, Housing and Communities to begin proceedings for Public Examination. This will include granting delegated authority to the Head of Place and Commercial Services, in consultation with the Executive Member for Planning and the Chair of the LPWG to recommend minor modifications to the Inspector prior to submission, while any major modifications will be referred to Full Council.*

And an additional recommendation 10 to read:-

*Subject to the current proposed changes to the National Planning Policy Framework coming into effect which relate specifically to housing requirements becoming 'advisory', the Council commits to undertake a review of the district's housing needs immediately following adoption of the 2020-2040 Local Plan, which takes into account forthcoming census-based household and population projections and, if a lower housing requirement is identified, proceed with an urgent partial review of the Plan which reflects a lower housing needs target*

This was seconded by the Leader.

The Planning Policy Manager outlined the process undertaken in the compilation of the plan and the close working with the Local Plan Working Group.

The Local Plan Working Group Chair, Cllr Goodman-Bradbury commented on the input of the members on the allocation of sites and policies.

During debated Members raised queries and concerns on the calculations of the housing numbers for the district, climate change policies and how far they could go to improve the sustainability of new homes, impact on and capacity of drainage/sewage systems, effect of the recession on the building of new homes, the need to look at options for high density housing on brownfield sites and to ensure that sites had sustainable transport links.

The recommendation was put to the vote and carried:-

**RESOLVED** to:-

- (1) Approve the Proposed Submission (Regulation 19) Teignbridge Local Plan 2020 to 2040 (Appendix A) for at least a 6-week period of public consultation;
- (2) Approve the Policies Map (Appendix B) for at least a 6-week period of public consultation;
- (3) Approve the Sustainability Appraisal Report (Appendix C) for at least a 6-week period of public consultation;
- (4) Approve the Habitats Regulations Assessment (Appendix D) for at least a 6-week period of public consultation;
- (5) Approve the Draft Community Infrastructure Levy Charging Schedule (Appendix E) for at least a 6-week period of public consultation;
- (6) Note the content of the Consultation Statement for the Part 1, 2 and 3 Regulation 18 consultations (Appendix F);
- (7) Note the content and conclusion of the Equality Impact Assessment (Appendix G);
- (8) Grant delegated authority to the Head of Place and Commercial Services, in consultation with the Executive Member for Planning, to make minor changes to items (1)-(6) prior to consultation to address any editorial errors and matters of clarification; and
- (9) Following consultation, submit the Proposed Submission Local Plan 2020 to 2040, associated documents, and all representations made to the Plan, to the Secretary of State for the Department of Levelling Up, Housing and Communities to begin proceedings for Public Examination. This will include granting delegated authority to the Head of Place and Commercial Services, in consultation with the Executive Member for Planning and the Chair of the Local Plan Working Group recommend minor modifications to the Inspector prior to submission, while any major modifications will be referred to Full Council.



- (10) Subject to the current proposed changes to the National Planning Policy Framework coming into effect which relate specifically to housing requirements becoming 'advisory', the Council commits to undertake a review of the district's housing needs immediately following adoption of the 2020-2040 Local Plan, which takes into account forthcoming census-based household and population projections and, if a lower housing requirement is identified, proceed with an urgent partial review of the Plan which reflects a lower housing needs target

*Cllr Patch left the meeting before the vote on this item.*

*Cllr Peart arrived during consideration of the item and did not vote on the item*

**9. RECOMMENDATION FROM EXECUTIVE 3 JANUARY 2023 - NOTICE OF MOTION - LASTING MEMORIAL TO THE LATE QUEEN ELIZABETH II AND ACKNOWLEDGES THE ACCESSION OF KING CHARLES III**

The Leader proposed the recommendation, this was seconded by Cllr Bullivant and carried.

The Leader clarified that the submission for Councillor Community fund applications would close on 28 February 2023, it would only be unallocated Councillor Community funds that would be used towards the purchase of the trees.

**RESOLVED** that this Council creates a lasting memorial to our late Queen Elizabeth II and acknowledges the accession of King Charles III by planting two trees (trees of appropriate size and type) in prominent and appropriate locations within the grounds of Old Forde House. One tree to the memory of Queen Elizabeth and one tree to commemorate the accession of King Charles. The cost of acquiring and planting the trees be funded by unspent Councillor Community Funds (when the scheme closes at the end of February 2023) and if required through other budget savings in this financial year.

An invitation be extended to the Lord-Lieutenant of Devon, the Royal Household, the Districts Town Mayors and the Chairs of the Town and Parish Councils to attend the tree planting ceremony.

**10. NOTICE OF MOTION**

Cllr D Cox presented his Notice of Motion regarding Teignmouth Hospital.

The Vice-Chair Cllr Clarence proposed that the matter debated at this meeting, this was seconded by Cllr MacGregor put to the vote and lost as two thirds of the members did not support debate of this matter today. The item was referred to the next Executive.

**11. COUNCILLOR QUESTIONS**

Member questions and responses attached to agenda.

See the live stream – <https://youtu.be/4ejs29Yiz4Y?t=10151>

The meeting started at 10.00 am and finished at 12.48 pm.

Chair

**Teignbridge District Council  
Council  
21 February 2023  
Part i**

**BUDGET AND COUNCIL TAX 2023/24**

**Purpose of Report**

To consider a recommendation from the Executive in relation to the Final Financial Plan Proposals 2022/23 to 2025/26. 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.

**Recommendation(s)**

- a That the Teignbridge band D council tax for 2023/24 is increased by 2.99% or £5.54 to £190.71 per annum**
- b Providing a one-off cost of living payment of £5.54 to households liable to pay council tax on their main home on 1 April 2023 in 2023/24**
- c That general reserves are increased to 13.0% of the net revenue budget for 2023/24 or £2.3 million**
- d 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**
- e All other decisions with regard to budgetary change will be approved by reference to virement rules in the financial instructions**
- f That the summary revenue budget for 2023/24 is £17.6 million as shown at appendix 4. In particular the revenue budget includes:**
  - Assumptions of a 3.0% pay rise for 2023/24**
  - Revenue contributions to fund capital continue are reintroduced at £300,000 to support the capital budget**
  - Voluntary grants are maintained at current levels**
  - A 'Tidy Teignbridge' pot is maintained for year 2 of the scheme for 2023/24 at £20,000**
  - The councillors community fund grant is £1,000 each**
  - A payment of £500,000 to reduce the pension deficit**

- **Provision for an Emergency Planning Officer, Digital Transformation Manager and other temporary resources**
- g** That fees and charges are approved as shown summarised at appendix 6.
- h** That the capital programme as shown at appendix 7 is approved. In particular this includes:
- **Increasing jobs and homes through continuing support for housing whilst backing business and encouraging community-led planning. Work continues on the Teignbridge 100 affordable housing project with two sites in Newton Abbot completed. An increasing rented programme across urban and rural sites has commenced and delivery will continue over the next 3 years of the programme.**
  - **Continuing investment for climate change projects following successful funding bids for low carbon heating and energy system improvements. Schemes have been completed at leisure sites and the Council offices are nearing completion with further provisions under the Carbon Action Plan.**
  - **Infrastructure delivery plan investment contributing to improving education, transport links, sports and open spaces**
- Regeneration investment, including town centre investment and the Government Future High Street Fund grant schemes aimed at improving town centres and stimulating growth in the local economy. 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 an indicative provision for employment site investment to be funded through prudential borrowing. A business case will be brought to members for consideration once it is finalised.**
- i** That the Financial Plan 2023 to 2028 is approved as set out in appendix 8
- j** That the prudential indicators are noted and the prudential limits approved all as set out in appendix 11
- k** That the updated treasury management strategy statement and authorised lending list as set out in appendix 12 is approved together with the capital strategy in appendix 12a
- l** That each scheme will be considered on its merits as explained at the end of appendix 12 to decide the calculation of minimum revenue provision for capital expenditure in 2023/24

- m That the council tax resolutions as recommended in appendix 15 are approved**
- n That the treasury management mid year review for 2022/23 as taken to Executive on 7 February 2023 and shown as appendix 16 is noted**

## **Financial Implications**

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 2022/23 to 2025/26 and the prudential limits.

Martin Flitcroft – Chief Finance Officer

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## **Legal Implications**

Council is required under 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.

Paul Woodhead – Head of Legal Services & Monitoring Officer

Tel: 01626 215139 Email: [paul.woodhead@teignbridge.gov.uk](mailto:paul.woodhead@teignbridge.gov.uk)

## **Risk Assessment**

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 2025/26 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 is required to meet the budget gaps for future years if additional funding is not provided from Government.

Martin Flitcroft – Chief Finance Officer

Tel: 01626 215246 Email: [martin.flitcroft@teignbridge.gov.uk](mailto:martin.flitcroft@teignbridge.gov.uk)

## **Environmental/ Climate Change Implications**

The revenue budget supports the funding of a Climate Change Officer and associated revenue budget and capital projects are highlighted which contribute towards our climate change objectives in appendix 7 – capital programme. Temporary staffing resources continue to be included within the revenue budget to assist with the implementation of various works to meet our climate change aspirations.

David Eaton – Environmental Protection Manager  
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## **Report Author**

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## **Executive Member**

Councillor Richard Keeling – Executive Member for Resources

## **Appendices/Background Papers**

App 1 – Budget timetable 2023/24  
App 2 – Recommended council tax base 2023/24  
App 3 – Council tax calculator 2023/24  
App 4 – Summary revenue plan 2022/23 onwards  
App 5 – Revenue budget detail  
App 6 – Fees and charges summary  
App 7 – Capital programme  
App 8 – Financial plan 2023 - 2028  
App 9 – Financial plan sensitivity and risk analysis  
App 10 – equality impact assessment  
App 11 – recommended prudential indicators  
App 12 – treasury management statement, authorised lending list and minimum revenue provision annual statement  
App 12a – Capital strategy  
App 13 – consultation report  
App 14 – draft minute of the Executive meeting held on 7 February 2023 relating to the final financial plan proposals 2023/24 to 2025/26  
Appendix 15 – council tax resolutions 2023/24  
Appendix 16 – mid year treasury management review 2022/23

Budget and settlement files  
The Constitution

## **1. PURPOSE**

- 1.1** To consider a recommendation from the Executive in relation to the Final Financial Plan Proposals 2023/24 to 2025/26. 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 2023/24 to 2025/26 as per agenda item 8 Overview and Scrutiny 1, 2 February 2023 and agenda item 8 Overview and Scrutiny 2, 2 February 2023 and agenda item 6 Executive 7 February 2022 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 2023/24 and planned in outline for 2024/25 and 2025/26.
- 1.3** Appendices 1 to 8 and 16 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 9 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 10 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 2023/24 of:
  - Teignbridge has received a one year government settlement for 2023/24. The government is now suggesting a review of future core funding with changes from 2025/26. The baseline is likely to be reset. New homes bonus has reduced and identified as being scrapped in future years with no clarity on its replacement. There are no legacy payments on the 2023/24 bonus.
  - 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 second year of Better 2022. Moving forward we will implement the Modern 25 agenda.

**The budget process has required £2.2 million of earmarked reserves to balance the budget in 2023/24, a further use of £0.5 million of earmarked reserves in 2024/25 and £3.4 million in 2025/26. Further work will be required to identify savings/generate income to balance the on-going budget gap and protect our earmarked 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 continues to be fragile with the current economic conditions, post Covid recovery and this has created significant financial uncertainties for the future.
- The assumption of a 3.0% pay rise from 1 April 2023.
- No council tax freeze grants are available for 2023/24. A referendum would be triggered in 2022/23 if the band D council tax increase is equal to or above 3% AND is above £5

2.2 The budget detail in appendix 5 clearly shows the responsible 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 to capital have been reintroduced at £300,000 to support the capital 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 9.

There are enough reserves in the short to medium 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 An equality impact assessment has been carried out on the financial plan 2023/24 and this is shown at appendix 10.
- 2.6 Recommended updated prudential indicators are shown at appendix 11. 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 12. The capital strategy is at appendix 12a. 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 2021 and Treasury Management Code 2021.
  - 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 12 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.
- 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 27 January, 16 and 15 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 2023/24

	October	November	December	January	February
Government (Chancellor) Autumn Spending Round Statement		17th			
Provisional local government settlement			19th		
Town/parish initial budget/precept meeting			15th		
Executive papers sent out - initial budget proposals			16th		
Start of formal six weeks consultation period			16th		
Budget survey emailed to businesses			16th		
Executive - agree initial financial plan proposals including council tax base				3rd	
Overview & Scrutiny 1 & 2 - consider Executive's financial plan				10th	
Council - approve council tax base				12th	
Town/parish follow up budget/precept meeting				19th	
Final settlement expected				31st	
Deadline for business rates retention estimate to government, county and fire				31st	
Police and Crime Panel consider precept and approve				27th	
Overview & Scrutiny 1 & 2 - consider Executive's final financial proposals					2nd
Executive - agree final financial plan proposals, including budget monitoring					7th
County Cabinet 10.30am budget meeting					10th
Devon County Council 2.15pm - set county precept and council tax					16th
Fire Authority - set fire precept and council tax					15th
<b>Council meeting - consider financial proposals and council tax resolution</b>					21st
Reserve county budget meeting 10.30 am if required					21st
Close council tax accounts and start bills print unless delayed if council tax not set					23rd
Reserve Council budget meeting if required					23rd

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## Section 1

Council Tax Base adjustment for Council Tax Support (CTS) and estimated growth						
	Estimated 23/24 Band D Number	22/23 Council Tax £	Estimated Income £	Estimated Collection Rate %	Estimated Net Income £	Estimated 23/24 Base
Full band D at November 2022	55,646.6	2,166.85	120,577,840			
less CTS at November 2022	<u>-4,862.1</u>	2,166.85	<u>-10,535,440</u>			
Starting point based on Nov 2022	50,784.5		110,042,400			
Anticipated growth at 1%	507.8	2,166.85	1,100,330			
<b>Total (rounded)</b>	<b>51,292.3</b>	<b>2,166.85</b>	<b>111,142,730</b>	<b>97.9%</b>	<b>108,808,370</b>	<b>50,215</b>

## Section 2

2023/24 Expected Council Tax (CT) Income at Current Council Tax Levels compared with 2022/23				
Preceptor	Estimated CT Base Number	22/23 Council Tax £	Expected income £	
2023/24 expected income (rounded)				
Towns and parishes	50,215	86.87	4,362,180	
District	50,215	185.17	9,298,310	
County	50,215	1,556.46	78,157,640	
Fire	50,215	91.79	4,609,230	
Police	50,215	246.56	12,381,010	
<b>Total (rounded) shows a 1.2% increase in expected income</b>		<b>2,166.85</b>	<b>108,808,370</b>	
2022/23 expected income (rounded)				
Towns and parishes	49,633	86.87	4,311,620	
District	49,633	185.17	9,190,540	
County	49,633	1,556.46	77,251,780	
Fire	49,633	91.79	4,555,810	
Police	49,633	246.56	12,237,510	
<b>Total (rounded)</b>		<b>2,166.85</b>	<b>107,547,260</b>	



To show the extra Council Tax in 2023/24 that would be collected for varying increases by percentage and value.

Teignbridge Band D Council Tax 2022/23 (excluding parish precepts) £185.17  
 Approved Council Tax Base 2023/24 (at 97.9% collection rate) [a] 50,215

Varying increases in Council Tax for 2023/24			Total Band D Council Tax 2023/24	Increase in Council Tax income for 2023/24	[b] Total Council Tax income 2023/24
%	Per Year £	Per Week £	Per Year £	Per Year £	Per Year £
<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	185.17	0	9,298,310
No council tax freeze grant					0
Total income					<b>9,298,310</b>
0.29	0.53	0.01	185.70	<b>26,620</b>	9,324,930
0.54	<b>1.00</b>	0.02	186.17	<b>50,220</b>	9,348,530
<b>1.00</b>	1.85	0.04	187.02	<b>92,900</b>	9,391,210
1.08	<b>2.00</b>	0.04	187.17	<b>100,430</b>	9,398,740
1.44	2.67	<b>0.05</b>	187.84	<b>134,080</b>	9,432,390
1.62	<b>3.00</b>	0.06	188.17	<b>150,650</b>	9,448,960
<b>1.99</b>	3.68	0.07	188.85	<b>184,790</b>	9,483,100
2.16	<b>4.00</b>	0.08	189.17	<b>200,860</b>	9,499,170
<b>2.70</b>	<b>5.00</b>	<b>0.10</b>	<b>190.17</b>	<b>251,080</b>	9,549,390
<b>2.99</b>	<b>5.54</b>	<b>0.11</b>	<b>190.71</b>	<b>278,190</b>	9,576,500

Note:

- [a] Council Tax Base of 50,215 for 2023/24 approved by Council on 12 January 2023
- [b] Total Council Tax income is calculated by multiplying the Band D Council Tax by the recommended Council Tax Base of 50,215
- [c] No council tax freeze grant. Referendum limit proposed by government as higher of 3% or above £5 for Band D.

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## Revenue Budget Summary

Appendix 4

Revenue Budget	2022-23 Forecast	2022-23 Latest	2023-24 Forecast	2024-25 Forecast	2025-26 Forecast
	£	£	£	£	£
<b>EXPENDITURE</b>					
1 Employees	22,445,940	22,442,440	24,398,970	23,805,150	24,215,330
2 Property	5,054,490	5,246,630	5,721,180	5,861,940	6,010,970
3 Services & supplies	5,593,190	7,294,870	6,768,450	6,323,870	6,420,870
4 Grant payments	21,606,120	22,155,530	19,182,450	17,182,450	15,182,450
5 Transport	811,440	867,790	1,057,840	1,074,170	1,092,140
6 Leasing & capital charges	1,692,160	1,495,720	1,497,950	1,538,540	1,897,350
7 Contributions to capital	0	303,860	300,000	500,000	500,000
<b>8 Total expenditure</b>	<b>57,203,340</b>	<b>59,806,840</b>	<b>58,926,840</b>	<b>56,286,120</b>	<b>55,319,110</b>
<b>INCOME</b>					
9 Sales	-581,450	-1,476,580	-1,467,900	-1,511,940	-1,557,300
10 Fees & charges	-10,280,900	-10,184,560	-10,781,150	-11,212,400	-11,660,900
11 Grants - income	-21,868,660	-22,886,090	-19,388,510	-17,388,510	-15,388,510
12 Property income	-3,100,730	-3,428,880	-3,343,710	-3,476,990	-3,670,200
13 Other income & recharges	-2,621,940	-4,267,070	-4,105,820	-3,610,990	-3,667,820
14 Transfer from (-) / to earmarked reserves	-2,644,030	-1,464,350	-2,205,900	-501,640	-3,371,350
<b>15 Total income</b>	<b>-41,097,710</b>	<b>-43,707,530</b>	<b>-41,292,990</b>	<b>-37,702,470</b>	<b>-39,316,080</b>
<b>16 Total net service cost</b>	<b>16,105,630</b>	<b>16,099,310</b>	<b>17,633,850</b>	<b>18,583,650</b>	<b>16,003,030</b>
<b>Funding</b>					
17 Council tax	-9,190,540	-9,190,540	-9,576,500	-10,061,470	-10,465,930
18 Council tax/community charge surplus(-) / deficit	-62,310	-62,310	-125,550	0	0
19 Revenue support grant	0	0	-245,040	-263,180	-258,520
20 Rates baseline funding	-3,393,800	-3,393,800	-3,520,800	-3,781,860	-4,668,000
21 Estimated rates retention and pooling gain	-1,752,200	-1,986,200	-2,446,200	-2,748,000	-160,000
22 New homes bonus	-1,270,200	-1,270,200	-404,940	-404,940	0
23 Alternative housing funding	0	0	0	0	-400,000
24 Other grants	-436,580	-436,580	-1,314,820	-1,324,200	-50,580
25 Budget gap (-) to be found	0	0	0	0	0
<b>26 Total funding</b>	<b>-16,105,630</b>	<b>-16,339,630</b>	<b>-17,633,850</b>	<b>-18,583,650</b>	<b>-16,003,030</b>
<b>27 -Surplus/shortfall</b>	<b>0</b>	<b>-240,320</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>28 General reserves at end of year</b>	<b>2,059,681</b>	<b>2,300,001</b>	<b>2,300,001</b>	<b>2,300,001</b>	<b>2,300,001</b>
<b>29 General reserves as % of net revenue budget</b>	<b>12.8%</b>	<b>14.1%</b>	<b>13.0%</b>	<b>12.4%</b>	<b>14.4%</b>

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**All Services**

Managing Director/Head Of Service		2021-22	2022-23	2023-24
		Actual	Outturn	Budget
		£	£	£
<b>Corporate Services</b>				
A Pujol	Business Transformation Team	338,435	237,160	527,430
A Pujol	Communications	383,758	453,790	471,480
M Flitcroft	Democratic Services	702,133	756,900	796,760
P Shears	Electoral Services	98,564	195,290	407,170
M Flitcroft	Finance	677,701	789,860	942,930
P Shears	Human Resources	449,709	460,100	717,350
M Flitcroft	Internal Audit & Information Governance	169,685	263,790	278,300
M Flitcroft	Legal	367,287	324,490	449,450
M Flitcroft	Procurement	34,483	34,640	37,500
P Shears	Strategic Leadership Team	490,762	430,770	515,180
		<b>3,712,517</b>	<b>3,946,790</b>	<b>5,143,550</b>
<b>Strategic Place</b>				
N Blaney	Building Control	- 197,242	- 68,010	- 59,780
A Pujol	Customer Services	589,871	645,050	757,060
N Blaney	Development Management	592,670	625,780	694,350
N Blaney	Economy & Assets	- 598,622	355,410	880,270
A Pujol	Housing	788,299	1,304,880	1,435,050
N Blaney	Parking	- 2,736,521	- 3,003,800	- 3,005,550
A Pujol	Revenues & Benefits	241,982	958,870	1,227,970
N Blaney	Spatial Planning	352,668	544,380	574,980
		<b>- 966,896</b>	<b>1,362,560</b>	<b>2,504,350</b>
<b>Environment, Health &amp; Wellbeing</b>				
A Pujol	Community Safety	114,941	118,620	111,060
N Blaney	Environmental Health	906,191	1,224,690	1,280,460
N Blaney	Green Spaces & Active Leisure	744,286	1,032,730	1,213,950
M Flitcroft	Leisure	658,133	968,780	1,272,200
N Blaney	Licensing	- 36,080	- 46,840	- 41,590
N Blaney	Resorts	89,440	219,450	180,780
P Shears	Waste, Recycling & Cleansing	5,276,489	5,187,770	6,315,590
		<b>7,753,401</b>	<b>8,705,200</b>	<b>10,332,450</b>
<b>Total all services</b>		<b>10,499,022</b>	<b>14,014,550</b>	<b>17,980,350</b>
<b>Financing Items</b>		1,710,521	1,780,900	- 646,500
<b>Totals per actual/budget papers</b>		<b>12,209,543</b>	<b>15,795,450</b>	<b>17,333,850</b>
<b>Contributions to Capital</b>		683,622	303,860	300,000
<b>Totals per actual/budget papers</b>		<b>12,893,165</b>	<b>16,099,310</b>	<b>17,633,850</b>

**Notes:**

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

<b>Executive Member:</b>	<b>Gary Taylor</b>					
<b>Manager:</b>	<b>Nigel Hunt</b>					
<b>Activity Area:</b>	<b>Building Control</b>					
		<b>2021-22</b>		<b>2022-23</b>		<b>2023-24</b>
		<b>Actual</b>		<b>Outturn</b>		<b>Budget</b>
		<b>£</b>	<b>FTE</b>	<b>£</b>	<b>FTE</b>	<b>£</b>
	<b><u>EXPENDITURE</u></b>					
	Employees	899,168	21.0	1,054,130	21.0	1,148,580
	Property	32,394		27,150		33,670
	Services & Supplies	107,525		132,730		116,860
	Grant Payments	-		-		-
	Transport	53,788		61,050		55,410
	Leasing & capital charges	-		-		-
		<b>1,092,874</b>		<b>1,275,060</b>		<b>1,354,520</b>
	<b><u>INCOME</u></b>					
	Sales	-		-		-
	Fees & Charges	1,071,391	-	1,084,730	-	1,181,410
	Property Income	-		-		-
	Grants - income	-		-		-
	Other income & recharges	218,724	-	232,770	-	232,890
	Transfers from earmarked reserves	-		25,570		-
		<b>1,290,116</b>		<b>1,343,070</b>		<b>1,414,300</b>
	Service Cost	<b>197,242</b>		<b>68,010</b>		<b>59,780</b>
	Service cost - £'s per head of population	<b>1.46</b>		<b>0.50</b>		<b>0.44</b>

<b>Executive Member:</b>	<b>Martin Wrigley</b>					
<b>Manager:</b>	<b>Lloyd Purchase</b>					
<b>Activity Area:</b>	<b>Business Transformation Team</b>					
		<b>2021-22</b>		<b>2022-23</b>		<b>2023-24</b>
		<b>Actual</b>		<b>Outturn</b>		<b>Budget</b>
		<b>£</b>	<b>FTE</b>	<b>£</b>	<b>FTE</b>	<b>£</b>
	<b><u>EXPENDITURE</u></b>					
	Employees	214,008	7.0	231,470	8.0	383,930
	Property	27,047		12,250		14,930
	Services & Supplies	153,372		170,510		128,400
	Grant Payments	26,676		-		-
	Transport	416		220		740
	Leasing & capital charges	-		-		-
		<b>421,519</b>		<b>414,450</b>		<b>528,000</b>
	<b><u>INCOME</u></b>					
	Sales	-		-		-
	Fees & Charges	-		-		-
	Property Income	567	-	570	-	570
	Grants - income	80,247	-	-	-	-
	Other income & recharges	2,270	-	26,000	-	-
	Transfers from earmarked reserves	-		150,720		-
		<b>83,084</b>		<b>177,290</b>		<b>570</b>
	Service Cost	<b>338,435</b>		<b>237,160</b>		<b>527,430</b>
	Service cost - £'s per head of population	<b>2.51</b>		<b>1.75</b>		<b>3.89</b>

<b>Executive Member:</b>	<b>Alan Connett</b>					
<b>Manager:</b>	<b>Louise Raymond</b>					
<b>Activity Area:</b>	<b>Communications</b>					
		<b>2021-22</b>		<b>2022-23</b>		<b>2023-24</b>
		<b>Actual</b>		<b>Outturn</b>		<b>Budget</b>
		<b>£</b>	<b>FTE</b>	<b>£</b>	<b>FTE</b>	<b>£</b>
	<b><u>EXPENDITURE</u></b>					
	Employees	193,595	5.0	246,310	5.0	265,410
	Property	3,735		3,130		3,920
	Services & Supplies	46,273		62,730		60,190
	Grant Payments	147,720		141,220		141,260
	Transport	-		400		700
	Leasing & capital charges	-		-		-
		<b>391,323</b>		<b>453,790</b>		<b>471,480</b>
	<b><u>INCOME</u></b>					
	Sales	-		-		-
	Fees & Charges	-		-		-
	Property Income	-		-		-
	Grants - income	-		-		-
	Other income & recharges	7,565	-	-		-
	Transfers from earmarked reserves	-		-		-
		<b>7,565</b>		<b>-</b>		<b>-</b>
Service Cost		<b>383,758</b>		<b>453,790</b>		<b>471,480</b>
Service cost - £'s per head of population		<b>2.84</b>		<b>3.36</b>		<b>3.48</b>

<b>Executive Member:</b>	<b>Martin Wrigley</b>					
<b>Manager:</b>	<b>Rebecca Hewitt</b>					
<b>Activity Area:</b>	<b>Community Safety</b>					
		<b>2021-22</b>		<b>2022-23</b>		<b>2023-24</b>
		<b>Actual</b>		<b>Outturn</b>		<b>Budget</b>
		<b>£</b>	<b>FTE</b>	<b>£</b>	<b>FTE</b>	<b>£</b>
	<b><u>EXPENDITURE</u></b>					
	Employees	110,297	2.0	106,760	2.0	98,960
	Property	1,980		1,660		2,070
	Services & Supplies	6,784		8,230		8,060
	Grant Payments	204,018		258,220		-
	Transport	1,045		1,970		1,970
	Leasing & capital charges	-		-		-
		<b>324,125</b>		<b>376,840</b>		<b>111,060</b>
	<b><u>INCOME</u></b>					
	Sales	-		-		-
	Fees & Charges	-		-		-
	Property Income	-		-		-
	Grants - income	169,459	-	237,000		-
	Other income & recharges	39,724	-	21,220		-
	Transfers from earmarked reserves	-		-		-
		<b>209,183</b>		<b>258,220</b>		<b>-</b>
Service Cost		<b>114,941</b>		<b>118,620</b>		<b>111,060</b>
Service cost - £'s per head of population		<b>0.85</b>		<b>0.88</b>		<b>0.82</b>

<b>Executive Member:</b>	<b>Martin Wrigley</b>					
<b>Manager:</b>	<b>Tracey Hooper</b>					
<b>Activity Area:</b>	<b>Customer Services</b>					
		<b>2021-22</b>		<b>2022-23</b>		<b>2023-24</b>
		<b>Actual</b>		<b>Outturn</b>		<b>Budget</b>
		<b>£</b>	<b>FTE</b>	<b>£</b>	<b>FTE</b>	<b>£</b>
	<b><u>EXPENDITURE</u></b>					
	Employees	491,184	19.5	505,470	19.5	615,880
	Property	25,494		8,730		10,920
	Services & Supplies	73,193		130,850		130,260
	Grant Payments	-		-		-
	Transport	-		-		-
	Leasing & capital charges	-		-		-
		<b>589,871</b>		<b>645,050</b>		<b>757,060</b>
	<b><u>INCOME</u></b>					
	Sales	-		-		-
	Fees & Charges	-		-		-
	Property Income	-		-		-
	Grants - income	-		-		-
	Other income & recharges	-		-		-
	Transfers from earmarked reserves	-		-		-
		<b>-</b>		<b>-</b>		<b>-</b>
		<b>-</b>		<b>-</b>		<b>-</b>
Service Cost		<b>589,871</b>		<b>645,050</b>		<b>757,060</b>
Service cost - £'s per head of population		<b>4.37</b>		<b>4.77</b>		<b>5.59</b>

<b>Executive Member:</b>	<b>Richard Keeling</b>					
<b>Manager:</b>	<b>Sarah Selway</b>					
<b>Activity Area:</b>	<b>Democratic Services</b>					
		<b>2021-22</b>		<b>2022-23</b>		<b>2023-24</b>
		<b>Actual</b>		<b>Outturn</b>		<b>Budget</b>
		<b>£</b>	<b>FTE</b>	<b>£</b>	<b>FTE</b>	<b>£</b>
	<b><u>EXPENDITURE</u></b>					
	Employees	550,511	3.0	572,150	3.5	621,670
	Property	7,328		30,350		6,110
	Services & Supplies	108,784		122,990		121,970
	Grant Payments	43,610		56,400		47,000
	Transport	-		10		10
	Leasing & capital charges	-		-		-
		<b>710,233</b>		<b>781,900</b>		<b>796,760</b>
	<b><u>INCOME</u></b>					
	Sales	-		-		-
	Fees & Charges	-		-		-
	Property Income	-		-		-
	Grants - income	-		-		-
	Other income & recharges	8,100		-		-
	Transfers from earmarked reserves	-		25,000		-
		<b>8,100</b>		<b>25,000</b>		<b>-</b>
		<b>-</b>		<b>-</b>		<b>-</b>
Service Cost		<b>702,133</b>		<b>756,900</b>		<b>796,760</b>
Service cost - £'s per head of population		<b>5.20</b>		<b>5.60</b>		<b>5.88</b>

Executive Member:	Gary Taylor	2021-22		2022-23		2023-24
Manager:	Ros Eastman	Actual		Outturn		Budget
Activity Area:	Development Management	FTE	£	FTE	£	£
<b><u>EXPENDITURE</u></b>						
Employees	30.0	1,278,515	30.0	1,330,680	30.0	1,403,970
Property		63,950		55,610		67,370
Services & Supplies		393,126		406,940		271,740
Grant Payments		-		-		-
Transport		17,674		27,280		27,530
Leasing & capital charges		-		-		-
		<b>1,753,265</b>		<b>1,820,510</b>		<b>1,770,610</b>
<b><u>INCOME</u></b>						
Sales	-	2	-	-	-	-
Fees & Charges	-	930,971	-	1,058,540	-	1,075,840
Property Income	-	-	-	-	-	-
Grants - income	-	9,405	-	-	-	-
Other income & recharges	-	220,217	-	44,860	-	420
Transfers from earmarked reserves	-	-	-	91,330	-	-
		<b>1,160,595</b>		<b>1,194,730</b>		<b>1,076,260</b>
Service Cost		<b>592,670</b>		<b>625,780</b>		<b>694,350</b>
Service cost - £'s per head of population		<b>4.39</b>		<b>4.63</b>		<b>5.12</b>

Executive Member:	Nina Jeffries/Richard Keeling	2021-22		2022-23		2023-24
Manager:	Fergus Pate and Tom Phillips	Actual		Outturn		Budget
Activity Area:	Economy & Assets	FTE	£	FTE	£	£
<b><u>EXPENDITURE</u></b>						
Employees	30.0	1,035,482	30.0	1,163,490	30.0	1,597,400
Property		1,008,501		1,044,020		1,156,830
Services & Supplies		660,849		679,750		352,780
Grant Payments		2,902,736		6,150		4,280
Transport		5,582		9,120		9,230
Leasing & capital charges		-		-		-
		<b>5,613,149</b>		<b>2,902,530</b>		<b>3,120,520</b>
<b><u>INCOME</u></b>						
Sales	-	188	-	3,300	-	300
Fees & Charges	-	124,577	-	98,400	-	56,670
Property Income	-	2,047,038	-	2,033,860	-	2,015,780
Grants - income	-	3,017,026	-	-	-	-
Other income & recharges	-	1,022,942	-	411,560	-	167,500
Transfers from earmarked reserves	-	-	-	-	-	-
		<b>6,211,771</b>		<b>2,547,120</b>		<b>2,240,250</b>
Service Cost		<b>598,622</b>		<b>355,410</b>		<b>880,270</b>
Service cost - £'s per head of population		<b>4.43</b>		<b>2.63</b>		<b>6.50</b>

<b>Executive Member:</b>	<b>Alan Connett</b>					
<b>Manager:</b>	<b>Cathy Ruelens</b>					
<b>Activity Area:</b>	<b>Electoral Services</b>					
		<b>2021-22</b>		<b>2022-23</b>		<b>2023-24</b>
		<b>Actual</b>		<b>Outturn</b>		<b>Budget</b>
		<b>£</b>	<b>FTE</b>	<b>£</b>	<b>FTE</b>	<b>£</b>
	<b><u>EXPENDITURE</u></b>					
	Employees	92,920	2.0	92,920	3.0	133,600
	Property	27,425		6,680		8,360
	Services & Supplies	430,727		102,240		267,160
	Grant Payments	-		-		-
	Transport	7,112		210		210
	Leasing & capital charges	-		-		-
		<b>558,184</b>		<b>202,050</b>		<b>409,330</b>
	<b><u>INCOME</u></b>					
	Sales	-		-		-
	Fees & Charges	1,963		2,160		2,160
	Property Income	-		-		-
	Grants - income	-		-		-
	Other income & recharges	457,656		4,600		-
	Transfers from earmarked reserves	-		-		-
		<b>459,619</b>		<b>6,760</b>		<b>2,160</b>
Service Cost		<b>98,564</b>		<b>195,290</b>		<b>407,170</b>
Service cost - £'s per head of population		<b>0.73</b>		<b>1.44</b>		<b>3.00</b>

<b>Executive Member:</b>	<b>Alistair Dewhirst</b>					
<b>Manager:</b>	<b>David Eaton and Paul Nicholls</b>					
<b>Activity Area:</b>	<b>Environmental Health</b>					
		<b>2021-22</b>		<b>2022-23</b>		<b>2023-24</b>
		<b>Actual</b>		<b>Outturn</b>		<b>Budget</b>
		<b>£</b>	<b>FTE</b>	<b>£</b>	<b>FTE</b>	<b>£</b>
	<b><u>EXPENDITURE</u></b>					
	Employees	701,585	22.0	955,810	23.0	981,900
	Property	60,337		54,310		61,830
	Services & Supplies	186,355		255,820		253,960
	Grant Payments	-		-		-
	Transport	24,371		31,890		34,660
	Leasing & capital charges	6,324		3,830		3,000
		<b>978,973</b>		<b>1,301,660</b>		<b>1,335,350</b>
	<b><u>INCOME</u></b>					
	Sales	895		6,000		6,000
	Fees & Charges	43,328		36,070		34,490
	Property Income	-		-		-
	Grants - income	-		-		-
	Other income & recharges	28,559		14,400		14,400
	Transfers from earmarked reserves	-		20,500		-
		<b>72,782</b>		<b>76,970</b>		<b>54,890</b>
Service Cost		<b>906,191</b>		<b>1,224,690</b>		<b>1,280,460</b>
Service cost - £'s per head of population		<b>6.71</b>		<b>9.06</b>		<b>9.45</b>



<b>Executive Member:</b>	<b>Richard Keeling</b>					
<b>Manager:</b>	<b>Martin Flitcroft</b>					
<b>Activity Area:</b>	<b>Finance</b>					
		<b>2021-22</b>		<b>2022-23</b>		<b>2023-24</b>
		<b>Actual</b>		<b>Outturn</b>		<b>Budget</b>
		<b>£</b>	<b>FTE</b>	<b>£</b>	<b>FTE</b>	<b>£</b>
	<b><u>EXPENDITURE</u></b>					
	Employees	16.0	636,579	16.5	720,230	17.0
	Property		22,211		18,610	23,290
	Services & Supplies		52,823		96,920	89,130
	Grant Payments		-		-	-
	Transport		-		20	420
	Leasing & capital charges		-		-	-
			<b>711,613</b>		<b>835,780</b>	<b>963,660</b>
	<b><u>INCOME</u></b>					
	Sales		-		-	-
	Fees & Charges		-		-	-
	Property Income		-		-	-
	Grants - income	-	8,850	-	-	-
	Other income & recharges	-	25,062	-	20,850	20,730
	Transfers from earmarked reserves		-		25,070	-
			<b>33,912</b>		<b>45,920</b>	<b>20,730</b>
Service Cost			<b>677,701</b>		<b>789,860</b>	<b>942,930</b>
Service cost - £'s per head of population			<b>5.02</b>		<b>5.84</b>	<b>6.96</b>

<b>Executive Member:</b>	<b>John Nutley</b>					
<b>Manager:</b>	<b>Neil Blaney</b>					
<b>Activity Area:</b>	<b>Green Spaces &amp; Active Leisure</b>					
		<b>2021-22</b>		<b>2022-23</b>		<b>2023-24</b>
		<b>Actual</b>		<b>Outturn</b>		<b>Budget</b>
		<b>£</b>	<b>FTE</b>	<b>£</b>	<b>FTE</b>	<b>£</b>
	<b><u>EXPENDITURE</u></b>					
	Employees	11.5	381,996	11.5	369,160	11.5
	Property		944,422		925,010	1,023,450
	Services & Supplies		340,202		277,880	219,390
	Grant Payments		4,780		4,850	4,850
	Transport		9,833		10,610	12,510
	Leasing & capital charges		-		-	-
			<b>1,681,233</b>		<b>1,587,510</b>	<b>1,721,840</b>
	<b><u>INCOME</u></b>					
	Sales	-	3,858	-	3,230	1,280
	Fees & Charges	-	277,885	-	259,280	267,690
	Property Income	-	161,394	-	185,770	168,700
	Grants - income	-	25,358	-	3,940	-
	Other income & recharges	-	468,452	-	97,360	70,220
	Transfers from earmarked reserves		-		5,200	-
			<b>936,947</b>		<b>554,780</b>	<b>507,890</b>
Service Cost			<b>744,286</b>		<b>1,032,730</b>	<b>1,213,950</b>
Service cost - £'s per head of population			<b>5.51</b>		<b>7.64</b>	<b>8.96</b>

<b>Executive Member:</b> Martin Wrigley							
<b>Manager:</b> Amanda Pujol							
<b>Activity Area:</b> Housing							
		2021-22		2022-23		2023-24	
		Actual		Outturn		Budget	
	FTE	£	FTE	£	FTE	£	
<b><u>EXPENDITURE</u></b>							
Employees	32.0	1,586,891	32.0	1,568,360	32.0	1,461,140	
Property		398,530		425,510		435,450	
Services & Supplies		630,418		1,039,240		820,890	
Grant Payments		687,531		1,041,680		653,840	
Transport		26,185		19,520		19,810	
Leasing & capital charges		-		-		-	
		<b>3,329,555</b>		<b>4,094,310</b>		<b>3,391,130</b>	
<b><u>INCOME</u></b>							
Sales	-	1,200	-	1,200	-	1,200	
Fees & Charges	-	2,334	-	1,380	-	14,520	
Property Income	-	544,600	-	924,000	-	902,010	
Grants - income	-	1,832,716	-	1,646,810	-	974,620	
Other income & recharges	-	160,407	-	111,650	-	63,730	
Transfers from earmarked reserves	-	-	-	104,390	-	-	
		<b>2,541,257</b>		<b>2,789,430</b>		<b>1,956,080</b>	
Service Cost		<b>788,299</b>		<b>1,304,880</b>		<b>1,435,050</b>	

Service cost - £'s per head of population	<b>5.84</b>	<b>9.65</b>	<b>10.59</b>
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<b>Executive Member:</b> Alan Connett							
<b>Manager:</b> Tim Slater							
<b>Activity Area:</b> Human Resources							
		2021-22		2022-23		2023-24	
		Actual		Outturn		Budget	
	FTE	£	FTE	£	FTE	£	
<b><u>EXPENDITURE</u></b>							
Employees	9.0	300,576	9.0	325,870	9.0	581,830	
Property		17,213		14,310		17,910	
Services & Supplies		133,545		119,720		117,410	
Grant Payments		-		-		-	
Transport		375		200		200	
Leasing & capital charges		-		-		-	
		<b>451,709</b>		<b>460,100</b>		<b>717,350</b>	
<b><u>INCOME</u></b>							
Sales	-	-	-	-	-	-	
Fees & Charges	-	-	-	-	-	-	
Property Income	-	-	-	-	-	-	
Grants - income	-	-	-	-	-	-	
Other income & recharges	-	2,000	-	-	-	-	
Transfers from earmarked reserves	-	-	-	-	-	-	
		<b>2,000</b>		<b>-</b>		<b>-</b>	
Service Cost		<b>449,709</b>		<b>460,100</b>		<b>717,350</b>	

Service cost - £'s per head of population	<b>3.33</b>	<b>3.40</b>	<b>5.29</b>
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<b>Executive Member:</b>	<b>Richard Keeling</b>					
<b>Manager:</b>	<b>Sue Heath</b>					
<b>Activity Area:</b>	<b>Internal Audit &amp; Governance</b>					
		<b>2021-22</b>		<b>2022-23</b>		<b>2023-24</b>
		<b>Actual</b>		<b>Outturn</b>		<b>Budget</b>
		<b>£</b>	<b>FTE</b>	<b>£</b>	<b>FTE</b>	<b>£</b>
	<b><u>EXPENDITURE</u></b>					
	Employees	149,313	2.5	260,400	2.0	253,380
	Property	8,687		7,280		9,110
	Services & Supplies	12,234		14,660		16,370
	Grant Payments	-		-		-
	Transport	-		-		-
	Leasing & capital charges	-		-		-
		<b>170,234</b>		<b>282,340</b>		<b>278,860</b>
	<b><u>INCOME</u></b>					
	Sales	-		-		-
	Fees & Charges	-		-		-
	Property Income	-		-		-
	Grants - income	-		-		-
	Other income & recharges	550	-	560	-	560
	Transfers from earmarked reserves	-		17,990		-
		<b>550</b>		<b>18,550</b>		<b>560</b>
Service Cost		<b>169,685</b>		<b>263,790</b>		<b>278,300</b>
Service cost - £'s per head of population		<b>1.26</b>		<b>1.95</b>		<b>2.05</b>

<b>Executive Member:</b>	<b>Richard Keeling</b>					
<b>Manager:</b>	<b>Paul Woodhead</b>					
<b>Activity Area:</b>	<b>Legal</b>					
		<b>2021-22</b>		<b>2022-23</b>		<b>2023-24</b>
		<b>Actual</b>		<b>Outturn</b>		<b>Budget</b>
		<b>£</b>	<b>FTE</b>	<b>£</b>	<b>FTE</b>	<b>£</b>
	<b><u>EXPENDITURE</u></b>					
	Employees	366,296	7.0	317,630	7.0	440,730
	Property	11,686		9,680		12,110
	Services & Supplies	43,216		44,950		38,650
	Grant Payments	-		-		-
	Transport	-		20		150
	Leasing & capital charges	-		-		-
		<b>421,198</b>		<b>372,280</b>		<b>491,640</b>
	<b><u>INCOME</u></b>					
	Sales	-		-		-
	Fees & Charges	43,119	-	45,800	-	40,200
	Property Income	-		-		-
	Grants - income	-		-		-
	Other income & recharges	10,792	-	1,990	-	1,990
	Transfers from earmarked reserves	-		-		-
		<b>53,912</b>		<b>47,790</b>		<b>42,190</b>
Service Cost		<b>367,287</b>		<b>324,490</b>		<b>449,450</b>
Service cost - £'s per head of population		<b>2.72</b>		<b>2.40</b>		<b>3.32</b>

<b>Executive Member:</b>	<b>John Nutley</b>					
<b>Manager:</b>	<b>James Teed</b>					
<b>Activity Area:</b>	<b>Leisure</b>					
		<b>2021-22</b>		<b>2022-23</b>		<b>2023-24</b>
		<b>Actual</b>		<b>Outturn</b>		<b>Budget</b>
		<b>£</b>	<b>FTE</b>	<b>£</b>	<b>FTE</b>	<b>£</b>
	<b><u>EXPENDITURE</u></b>					
	Employees	1,209,217	65.5	1,384,100	56.5	1,838,390
	Property	786,642		1,058,700		1,176,600
	Services & Supplies	268,758		346,800		348,020
	Grant Payments	15,000		50,160		15,000
	Transport	2,502		3,820		3,820
	Leasing & capital charges	2,413		2,520		2,010
		<b>2,284,532</b>		<b>2,846,100</b>		<b>3,383,840</b>
	<b><u>INCOME</u></b>					
	Sales	7,704	-	10,560	-	10,140
	Fees & Charges	1,394,855	-	1,642,440	-	1,861,310
	Property Income	-	-	-	-	-
	Grants - income	-	-	-	-	-
	Other income & recharges	223,841	-	221,160	-	240,190
	Transfers from earmarked reserves	-	-	3,160	-	-
		<b>1,626,400</b>		<b>1,877,320</b>		<b>2,111,640</b>
	<b>Service Cost</b>	<b>658,133</b>		<b>968,780</b>		<b>1,272,200</b>
	<b>Service cost - £'s per head of population</b>	<b>4.87</b>		<b>7.16</b>		<b>9.39</b>

<b>Executive Member:</b>	<b>Alistair Dewhirst</b>					
<b>Manager:</b>	<b>Andrea Furness</b>					
<b>Activity Area:</b>	<b>Licensing</b>					
		<b>2021-22</b>		<b>2022-23</b>		<b>2023-24</b>
		<b>Actual</b>		<b>Outturn</b>		<b>Budget</b>
		<b>£</b>	<b>FTE</b>	<b>£</b>	<b>FTE</b>	<b>£</b>
	<b><u>EXPENDITURE</u></b>					
	Employees	115,605	3.0	130,900	3.0	128,400
	Property	6,902		5,780		7,230
	Services & Supplies	50,938		57,410		53,320
	Grant Payments	-		-		-
	Transport	267		60		270
	Leasing & capital charges	-		-		-
		<b>173,713</b>		<b>194,150</b>		<b>189,220</b>
	<b><u>INCOME</u></b>					
	Sales	-	-	-	-	-
	Fees & Charges	203,578	-	224,980	-	230,810
	Property Income	-	-	-	-	-
	Grants - income	6,214	-	-	-	-
	Other income & recharges	-	-	-	-	-
	Transfers from earmarked reserves	-	-	16,010	-	-
		<b>209,792</b>		<b>240,990</b>		<b>230,810</b>
	<b>Service Cost</b>	<b>36,080</b>		<b>46,840</b>		<b>41,590</b>
	<b>Service cost - £'s per head of population</b>	<b>0.27</b>		<b>0.35</b>		<b>0.31</b>

<b>Executive Member:</b>	<b>Nina Jeffries</b>					
<b>Manager:</b>	<b>Tom Phillips</b>					
<b>Activity Area:</b>	<b>Parking</b>					
		<b>2021-22</b>		<b>2022-23</b>		<b>2023-24</b>
		<b>Actual</b>		<b>Outturn</b>		<b>Budget</b>
		<b>£</b>	<b>FTE</b>	<b>£</b>	<b>FTE</b>	<b>£</b>
	<b><u>EXPENDITURE</u></b>					
	Employees	238,959	9.0	263,540	9.0	298,390
	Property	725,596		705,720		781,820
	Services & Supplies	327,188		354,300		378,840
	Grant Payments	975		980		980
	Transport	2,414		3,650		4,520
	Leasing & capital charges	9,164		5,870		4,600
		<b>1,304,295</b>		<b>1,334,060</b>		<b>1,469,150</b>
	<b><u>INCOME</u></b>					
	Sales	-		-		-
	Fees & Charges	3,913,723	-	4,196,730	-	4,351,860
	Property Income	64,096	-	69,350	-	51,060
	Grants - income	-		-		-
	Other income & recharges	62,997	-	71,780	-	71,780
	Transfers from earmarked reserves	-		-		-
		<b>4,040,816</b>		<b>4,337,860</b>		<b>4,474,700</b>
Service Cost		<b>2,736,521</b>		<b>3,003,800</b>		<b>3,005,550</b>
Service cost - £'s per head of population		<b>20.26</b>		<b>22.21</b>		<b>22.18</b>

<b>Executive Member:</b>	<b>Richard Keeling</b>					
<b>Manager:</b>	<b>Rosanna Wilson</b>					
<b>Activity Area:</b>	<b>Procurement &amp; Commissioning</b>					
		<b>2021-22</b>		<b>2022-23</b>		<b>2023-24</b>
		<b>Actual</b>		<b>Outturn</b>		<b>Budget</b>
		<b>£</b>	<b>FTE</b>	<b>£</b>	<b>FTE</b>	<b>£</b>
	<b><u>EXPENDITURE</u></b>					
	Employees	57,596	1.0	59,360	1.0	63,470
	Property	3,982		3,340		4,180
	Services & Supplies	4,958		6,050		5,780
	Grant Payments	-		-		-
	Transport	-		60		60
	Leasing & capital charges	-		-		-
		<b>66,536</b>		<b>68,810</b>		<b>73,490</b>
	<b><u>INCOME</u></b>					
	Sales	-		-		-
	Fees & Charges	-		-		-
	Property Income	-		-		-
	Grants - income	-		-		-
	Other income & recharges	32,052	-	34,170	-	35,990
	Transfers from earmarked reserves	-		-		-
		<b>32,052</b>		<b>34,170</b>		<b>35,990</b>
Service Cost		<b>34,483</b>		<b>34,640</b>		<b>37,500</b>
Service cost - £'s per head of population		<b>0.26</b>		<b>0.26</b>		<b>0.28</b>

<b>Executive Member:</b>	<b>John Nutley</b>					
<b>Manager:</b>	<b>Sarah Holgate</b>					
<b>Activity Area:</b>	<b>Resorts</b>					
		<b>2021-22</b>		<b>2022-23</b>		<b>2023-24</b>
		<b>Actual</b>		<b>Outturn</b>		<b>Budget</b>
		<b>£</b>	<b>FTE</b>	<b>£</b>	<b>FTE</b>	<b>£</b>
	<b><u>EXPENDITURE</u></b>					
	Employees	185,729	8.0	255,220	7.0	256,170
	Property	99,266		88,700		65,200
	Services & Supplies	70,463		127,930		78,200
	Grant Payments	-		-		-
	Transport	1,795		3,210		3,940
	Leasing & capital charges	-		-		-
		<b>357,253</b>		<b>475,060</b>		<b>403,510</b>
	<b><u>INCOME</u></b>					
	Sales	-		-		-
	Fees & Charges	16,822		19,100		16,690
	Property Income	246,542		225,840		205,000
	Grants - income	-		-		-
	Other income & recharges	4,449		10,670		1,040
	Transfers from earmarked reserves	-		-		-
		<b>267,813</b>		<b>255,610</b>		<b>222,730</b>
		<b>89,440</b>		<b>219,450</b>		<b>180,780</b>
Service Cost						
Service cost - £'s per head of population		<b>0.66</b>		<b>1.62</b>		<b>1.33</b>

<b>Executive Member:</b>	<b>Richard Keeling</b>					
<b>Manager:</b>	<b>Tracey Hooper</b>					
<b>Activity Area:</b>	<b>Revenues &amp; Benefits</b>					
		<b>2021-22</b>		<b>2022-23</b>		<b>2023-24</b>
		<b>Actual</b>		<b>Outturn</b>		<b>Budget</b>
		<b>£</b>	<b>FTE</b>	<b>£</b>	<b>FTE</b>	<b>£</b>
	<b><u>EXPENDITURE</u></b>					
	Employees	842,416	28.0	935,540	27.0	1,006,700
	Property	100,274		68,190		84,820
	Services & Supplies	641,087		867,460		728,380
	Grant Payments	22,590,682		20,576,200		18,295,240
	Transport	171		150		1,130
	Leasing & capital charges	-		-		-
		<b>24,174,630</b>		<b>22,447,540</b>		<b>20,116,270</b>
	<b><u>INCOME</u></b>					
	Sales	-		-		-
	Fees & Charges	108,777		137,500		137,500
	Property Income	-		-		-
	Grants - income	23,375,887		20,970,240		18,385,790
	Other income & recharges	447,983		374,430		365,010
	Transfers from earmarked reserves	-		6,500		-
		<b>23,932,648</b>		<b>21,488,670</b>		<b>18,888,300</b>
		<b>241,982</b>		<b>958,870</b>		<b>1,227,970</b>
Service Cost						
Service cost - £'s per head of population		<b>1.79</b>		<b>7.09</b>		<b>9.06</b>

Executive Member:	Gary Taylor						
Manager:	Michelle Luscombe/Fergus Pate						
Activity Area:	Spatial Planning						
		2021-22		2022-23		2023-24	
		Actual		Outturn		Budget	
	FTE	£	FTE	£	FTE	£	
<b><u>EXPENDITURE</u></b>							
Employees	8.5	434,995	8.5	525,980	8.5	434,370	
Property		9,769		10,680		10,240	
Services & Supplies	-	16,176		467,780		148,120	
Grant Payments		15,176		1,000		-	
Transport		90		1,870		2,300	
Leasing & capital charges		-		-		-	
		<b>443,854</b>		<b>1,007,310</b>		<b>595,030</b>	
<b><u>INCOME</u></b>							
Sales		-		-		-	
Fees & Charges	-	105	-	50	-	50	
Property Income		-		-		-	
Grants - income	-	25,513	-	20,000	-	20,000	
Other income & recharges	-	65,569	-	40,890	-	-	
Transfers from earmarked reserves		-		401,990		-	
		<b>- 91,187</b>		<b>- 462,930</b>		<b>- 20,050</b>	
Service Cost		<b>352,668</b>		<b>544,380</b>		<b>574,980</b>	
Service cost - £'s per head of population		<b>2.61</b>		<b>4.03</b>		<b>4.24</b>	

Executive Member:	Alan Connett						
Manager:	Phil Shears						
Activity Area:	Senior Leadership Team						
		2021-22		2022-23		2023-24	
		Actual		Outturn		Budget	
	FTE	£	FTE	£	FTE	£	
<b><u>EXPENDITURE</u></b>							
Employees	5.0	460,921	5.0	400,330	5.0	481,570	
Property		16,444		13,780		17,250	
Services & Supplies		12,534		15,090		13,510	
Grant Payments		-		-		-	
Transport		963		1,670		2,950	
Leasing & capital charges		-		-		-	
		<b>490,862</b>		<b>430,870</b>		<b>515,280</b>	
<b><u>INCOME</u></b>							
Sales		-		-		-	
Fees & Charges		-		-		-	
Property Income		-		-		-	
Grants - income		-		-		-	
Other income & recharges	-	100	-	100	-	100	
Transfers from earmarked reserves		-		-		-	
		<b>- 100</b>		<b>- 100</b>		<b>- 100</b>	
Service Cost		<b>490,762</b>		<b>430,770</b>		<b>515,180</b>	
Service cost - £'s per head of population		<b>3.63</b>		<b>3.19</b>		<b>3.80</b>	

<b>Executive Member:</b>	<b>Alistair Dewhirst</b>					
<b>Manager:</b>	<b>Chris Braines</b>					
<b>Activity Area:</b>	<b>Waste, Recycling &amp; Cleansing</b>					
		<b>2021-22</b>		<b>2022-23</b>		<b>2023-24</b>
		<b>Actual</b>		<b>Outturn</b>		<b>Budget</b>
		<b>£</b>	<b>FTE</b>	<b>£</b>	<b>FTE</b>	<b>£</b>
	<b><u>EXPENDITURE</u></b>					
	Employees	182.5	5,698,421	185.0	5,971,220	185.0
	Property		539,682		604,800	
	Services & Supplies		1,084,122		1,106,700	
	Grant Payments		23,484		18,670	
	Transport		591,689		719,640	
	Leasing & capital charges		1,416,105		1,216,980	
			<b>9,353,502</b>		<b>9,638,010</b>	
	<b><u>INCOME</u></b>					
	Sales	-	1,173,046	-	1,452,290	-
	Fees & Charges	-	1,228,033	-	1,377,400	-
	Property Income	-	14,597	-	18,000	-
	Grants - income	-	23,484	-	-	-
	Other income & recharges	-	1,637,853	-	1,601,170	-
	Transfers from earmarked reserves	-	-	-	1,380	-
			<b>4,077,013</b>		<b>4,450,240</b>	
	<b>Service Cost</b>		<b>5,276,489</b>		<b>5,187,770</b>	
	<b>Service cost - £'s per head of population</b>		<b>39.07</b>		<b>38.37</b>	
						<b>46.61</b>



## **Glossary**

### Column Headings

2021-22 Actual – the actual cost of the service for last year

2022-23 Outturn – the likely cost of the service for this year

2023-24 Budget – the budget proposed for the service for next year

FTE – the budgeted full time equivalent average permanent staff numbers for the year  
The numbers ignore spend on agency staff/temporary 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**













**Appendix 6**

**Income 2023/24**










<b>Service</b>	<b>Actual 2021/22 £</b>	<b>Probable 2022/23 £</b>	<b>Proposed 2023/24 £</b>	<b>Dept Total 2023/24 £</b>	<b>Department</b>
Building Control	- 1,071,391	- 1,084,730	- 1,181,410	- 1,181,410	Building Control
Land Charges	- 238,675	- 212,000	- 229,000		
Planning	- 682,192	- 836,250	- 835,000		
Planning Admin	- 2,894	- 3,550	- 4,500		
Street Naming	- 7,211	- 6,740	- 7,340	- 1,075,840	Development Management
Livestock Market	- 4,728	- 2,860	- 2,590		
Old Forde house	- 12,862	- 9,000	- 9,000		
Retail Market	- 106,987	- 86,540	- 45,080	- 56,670	Economy & Assets
Electoral Registration	- 1,963	- 2,160	- 2,160	- 2,160	Electoral Services
Dog Control	- 526	- 200	- 200		
Health & Food Safety	- 6,636	- 6,760	- 6,900		
Health Licence Fees	- 25,496	- 22,340	- 22,650		
Litter Clearance	- 10,670	- 6,770	- 4,740		
Nuisance Parking	-	-	-		
Private Water Supply Sampling	-	-	-	- 34,490	Environmental Health
Amenity & Conservation Sites	- 1,634	- 2,310	- 2,310		
Cemetery Fees	- 174,242	- 166,320	- 174,630		
Shaldon Golf	- 88,245	- 71,300	- 71,300		
Sports Pitches	- 13,764	- 19,350	- 19,450	- 267,690	Green Spaces & Active Leisure
Housing	- 2,334	- 1,380	- 14,520	- 14,520	Housing
Legal Fees	- 43,119	- 45,800	- 40,200	- 40,200	Legal
Broadmeadow Sports Centre	- 29,425	- 46,430	- 70,410		
Dawlish Leisure Centre	- 160,889	- 189,840	- 193,270		
Leisure Memberships	- 817,461	- 953,870	- 1,097,330		
Newton Abbot Leisure Centre	- 387,079	- 452,300	- 459,460		
Outdoor Pools	-	-	- 40,840	- 1,861,310	Leisure
Gambling Act 2005	- 20,014	- 22,650	- 22,650		
Hackney Carriage	- 56,654	- 70,770	- 73,680		
Licensing Act 2003	- 126,911	- 131,560	- 134,480	- 230,810	Licensing
Car Parks	- 3,913,723	- 4,196,730	- 4,351,860	- 4,351,860	Parking
Beach huts	- 9,404	- 14,920	- 12,510		
Boat Storage	- 6,948	- 4,180	- 4,180		
Leisure Events	- 470	-	-	- 16,690	Resorts
Council Tax	- 108,777	- 137,500	- 137,500	- 137,500	Revenues & Benefits
Local Development Framework	- 105	- 50	- 50	- 50	Spatial Planning
Abandoned Vehicles	- 177	-	-		
Commercial Waste / Household Refuse	- 1,219,789	- 1,368,990	- 1,501,540		
Composting	-	- 50	- 50		
Toilets for Disabled	- 78	- 110	- 110		
Vehicle Workshop	- 7,989	- 8,250	- 8,250	- 1,509,950	Waste, Recycling & Cleansing
<b>Grand Totals</b>	<b>- 9,361,463</b>	<b>- 10,184,560</b>	<b>- 10,781,150</b>	<b>- 10,781,150</b>	

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**TEIGNBRIDGE DISTRICT COUNCIL  
CAPITAL PROGRAMME 2022-23 to 2025-26**

Code /bid no.	Asset/Service Area	Description	Provision ?	C/f ?	26,577	19,610	38,367	29,787	14,961	Council Strategy
					ORIGINAL	LATEST	LATEST	LATEST	LATEST	
					BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	
					2022-23	2022-23	2023-24	2024-25	2025-26	
£'000	£'000	£'000	£'000	£'000						
(Inc Fees)	(Inc Fees)	(Inc Fees)	(Inc Fees)	(inc Fees)						
KL1	Broadband	Contribution to Superfast Broadband subject to procurement arrangements (RS) (2024/25) subject to satisfactory assurances No of funds being spent within Teignbridge area.	No		250	-		250		6. Investing in prosperity
Provision	Broadmeadow Sports Centre	Provision for Broadmeadow Sports Centre Improvement Plan (S106/BC).	Yes					838	837	8. Out and about and active
KF1	Broadmeadow Sports Centre	 Replacement roof (S106,CIL)	No	C V	-	76				8. Out and about and active
KF2	Broadmeadow Sports Centre	Sports Hall Floor (S106)	No	C		113				8. Out and about and active
<b>KM1</b>	<b>Car parks</b>	<b>Machines upgrade - 3g to 4g (CR)</b>	<b>No</b>			<b>21</b>				<b>3. Going to town</b>
KY5	Climate Change	 Carbon reduction projects (CR)	No	V	-	168				10. Action on climate
KY6	Climate Change	 Forde House Decarbonisation and Flexible Working Arrangements (GG,CR,PB,RS)	No	V	1,690	2,526	1,000			10. Action on climate
Provision	Climate Change	 Provision for Carbon Action Plan (PB)	Yes		378		439	439	439	10. Action on climate
Provision	Climate Change	 Provision for Broadmeadow Sports Centre Decarbonisation Phase 2 (GG, PB, S106, RS)	Yes		1,000		200	1,100		10. Action on climate
Provision	Climate Change	 Energy infrastructure and low carbon (CIL)	Yes				2,000		2,000	10. Action on climate
KY7	Climate Change	 Leisure Site Measures (GG)	No	V		841				10. Action on climate
<b>KY8</b>	<b>Climate Change</b>	 <b>UK Shared Prosperity Fund Green Business Grants (GG)</b>	<b>No</b>			<b>81</b>				<b>10. Action on climate</b>
KR1	Coastal Monitoring	SW Regional Coastal Monitoring Programme. (GG,EC)	No	V	1,998	2,564	1,879	1,210	1,674	9. Strong communities
KR5	Coastal Monitoring	Coastal asset review: project management support (GG)	No	V	29	29				9. Strong communities
KR6	Coastal Monitoring	Coastal asset review (GG)	No	V	259	259				9. Strong communities
Provision	Cycle paths	 Teign Estuary Trail (CIL)	Yes							7. Moving up a gear
Provision	Cycle paths	 Provision for Other cycling (CIL)	Yes	V	170	450	250	250	250	7. Moving up a gear
Provision	Cycle paths	 Dawlish/Teignmouth Cycle Schemes (CIL)	Yes	V	200	-	205	200		7. Moving up a gear
Provision	Cycle paths	 Heart of Teignbridge Cycle Provision (CIL)	Yes	V			90			7. Moving up a gear
KX7	Dawlish	Dawlish link road and bridge (GG)	No	V	549	373	4,253			7. Moving up a gear
Provision	Dawlish	Dawlish link road and bridge (CIL)	Yes				1,300			7. Moving up a gear
Provision	Dawlish Leisure Centre	Provision for Dawlish Leisure Centre Improvement Plan (S106,BC).	Yes					661	660	8. Out and about and active
KG3	Dawlish	Sandy Lane Clubhouse (RS)	No			27				8. Out and about and active
KP2	Decoy	Grill replacement (S106, RS)	No			15				9. Strong communities
Provision	Habitat Regulations	Provision for Habitat Regulations infrastructure measures (CIL)	Yes	V	337	337	88	88	88	4. Great places to live & work
Provision	Heart of Teignbridge: Employment	Provision for employment sites (BC: Prudential Borrowing)	Yes				2,000			6. Investing in prosperity
KL2	Heart of Teignbridge: Employment	Newton Abbot employment land feasibility (BC: Prudential Borrowing)	No	V		17				6. Investing in prosperity
KX8	Heart of Teignbridge	A382 Improvements (CIL)	No	C	2,600	2,600				7. Moving up a gear





**TEIGNBRIDGE DISTRICT COUNCIL  
CAPITAL PROGRAMME 2022-23 to 2025-26**

Code /bid no.	Asset/Service Area	Description	Provision ?	C/f ?	26,577	19,610	38,367	29,787	14,961	Council Strategy
					ORIGINAL	LATEST	LATEST	LATEST	LATEST	
					BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	
					2022-23	2022-23	2023-24	2024-25	2025-26	
					£'000	£'000	£'000	£'000	£'000	
(Inc Fees)	(Inc Fees)	(Inc Fees)	(Inc Fees)	(inc Fees)						
Provision	Heart of Teignbridge	A382 Improvements (CIL)	Yes				900			7. Moving up a gear
KX0	Heart of Teignbridge	Jetty Marsh Link Road (CIL)	No		600	500				7. Moving up a gear
KW1	Heart of Teignbridge	 Levelling up Cycling Routes (CIL)	No, if funding bid successful				250	250		7. Moving up a gear
KW8	Heart of Teignbridge	Houghton Barton land (EC)	No	V	-	52				4. Great places to live & work
KW8	Heart of Teignbridge	Houghton Barton land (GG)	No	V	-		585			4. Great places to live & work
KW4	Heart of Teignbridge	Mineral Rights (S106)	No	V	-	-	85			4. Great places to live & work
JW/JV	Housing	Discretionary - Disrepair Loans & Grants (CR)	No		24	24	24	24	24	1. A roof over our heads
JW/JV	Housing	Better Care-funded grants re: Housing loans and grants policy, including Disabled Facilities (GG)	No	V	1,250	1,923	1,250	1,250	1,250	1. A roof over our heads
JV7	Housing	 Warm Homes Fund (Park Homes) (GG)	No	V	127	75				1. A roof over our heads
JV3	Housing	 Warm Homes Fund (Category 1 Gas and Category 2 Air Source Heat Pumps) (GG)	No	V	994	400				1. A roof over our heads
JV2	Housing	 Green Homes Fund (GG)	No	V		180				1. A roof over our heads
JY3	Housing	Teign Housing: Widecombe in the Moor (GG)	No	V		24	71			1. A roof over our heads
JY3	Housing	 Additional Social Housing in Newton Abbot (East St) (CR, RS,GG, BC: Prudential Borrowing,S106)	No	C V	-	43				1. A roof over our heads
JX1 - JX4	Housing	 Teignbridge 100: Social/Affordable Housing Chudleigh (S106, GG, CR, PB)	No			1,024				1. A roof over our heads
Provision	Housing	 Teignbridge 100: Social/Affordable housing (GG; CR; PB; S106): Phase 1	Yes		4,261	-	4,001	4,260		1. A roof over our heads
JX5	Housing	 Teignbridge 100: Social/Affordable housing - Sherborne House (CR)	No			260				1. A roof over our heads
JY4	Housing	Teignbridge 100: Social/Affordable housing (GG; CR; PB; S106) Dawlish Shared Housing	No	V		153				1. A roof over our heads
JY1	Housing	Teignbridge 100: Social/Affordable housing (GG; CR; PB; S106) Dawlish 1 Rough Sleeper Accommodation	No	V		125				1. A roof over our heads
JY2	Housing	Teignbridge 100: Social/Affordable housing (GG; CR; PB; S106) Teignmouth 1 Rough Sleeper Accommodation	No	V		10				1. A roof over our heads
JY6	Housing	Teignbridge 100: Social/Affordable housing (GG; CR; PB; S106) Newton Abbot Rough Sleeper Accommodation	No	V		141				1. A roof over our heads
JY9	Housing	Teignbridge 100: Social/Affordable housing (GG; CR; PB; S106) Dawlish 2 Rough Sleeper Accommodation	No			182				1. A roof over our heads
JY5	Housing	Teignbridge 100: Social/Affordable housing (GG; CR; PB; S106) Teignmouth 2 Rough Sleeper Accommodation	No			130				1. A roof over our heads
Provision	Housing	Teignbridge 100: Social/Affordable housing (GG; CR; PB; S106) Rough Sleeper Accommodation	Yes	V		91				1. A roof over our heads
Provision	Housing	Orchard Lane, Dawlish (GG)	Yes		275		275			1. A roof over our heads
Provision	Housing	 Social Housing Capital Replacements (Roofs/Fabric improvements/Heating/Furniture, fixtures & fittings etc) (RS)	Yes				30	30	30	1. A roof over our heads
KV3	IT - Corporate	Mobile devices (CR)	No			11				Vital, Viable Council
KV4	IT - Customer Services	Customer Portal (CR)	No	V	6	-				Vital, Viable Council

**TEIGNBRIDGE DISTRICT COUNCIL  
CAPITAL PROGRAMME 2022-23 to 2025-26**

Code /bid no.	Asset/Service Area	Description	Provision ?	C/f ?	26,577	19,610	38,367	29,787	14,961	Council Strategy
					ORIGINAL	LATEST	LATEST	LATEST	LATEST	
					BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	
					2022-23	2022-23	2023-24	2024-25	2025-26	
					£'000	£'000	£'000	£'000	£'000	
(Inc Fees)	(Inc Fees)	(Inc Fees)	(Inc Fees)	(inc Fees)						
KV6	IT - Strata	GIS, Wi-fi (RS)	No			12				Vital, Viable Council
KV7	IT - Planning	Planning system improvements (CR)	No	√	-	29				Vital, Viable Council
KV8	IT - Capital contribution	Ongoing contributions towards Strata (CR)	No		41	41	41	41	41	Vital, Viable Council
KU1	IT - Capital contribution	SAN replacement (CR)	No		137	137				Vital, Viable Council
KU2	IT - Capital contribution	Data Centre Relocation (CR)	No		27	-		27		Vital, Viable Council
KU3	IT - Capital contribution	NCSC Zero Trust (CR)	No		41	-	25			Vital, Viable Council
KU4	IT - Capital contribution	System upgrade costs - 2012 server replacement (CR)	Yes		27	27				Vital, Viable Council
KU5	IT - Capital contribution	Office 365 (CR)	Yes		27	27				Vital, Viable Council
KV9	IT - Finance	Provision for Finance Convergence (CR)	No	√	247	89	89	89		Vital, Viable Council
Provision	IT - Property and Assets	SaM improvements (CR)	Yes		25			25		Vital, Viable Council
Provision	IT - communications	PSTN migrations (CR)	Yes				15			Vital, Viable Council
Provision	IT - Corporate	Anticipated Software Upgrade Costs 2023-2025 (CR)	Yes				22	11		Vital, Viable Council
Provision	IT - Corporate	Microsoft Power Apps (CR)	Yes				27			Vital, Viable Council
Provision	IT - Revenue & Benefits	Civica Open Revenues License (RS)	Yes				175			Vital, Viable Council
KU6	IT - Housing	Homelessness System Replacement (CR)	No				10			1. A roof over our heads
<b>KU7</b>	<b>IT - Waste Management</b>	<b>Bartec separate databases (CR)</b>	<b>No</b>				<b>10</b>			<b>2. Clean scene</b>
KF3	IT - Leisure	Leisure Gate Access (S106)	No			100				8. Out and about and active
KG4	Newton Abbot	3G artificial playing pitch, Coach Road, Newton Abbot (CR)	No	√		34				8. Out and about and active
Provision	Newton Abbot Leisure Centre	Provision for Newton Abbot Leisure Centre Improvement Plan (S106;CR) (2025-30)	Yes							8. Out and about and active
KF5	Newton Abbot Leisure Centre	Newton Abbot Leisure Centre Gym Equipment (CR,S106)	No	√	40	176	40	40	40	8. Out and about and active
KL8	Newton Abbot Town Centre Regeneration	Newton Abbot Town Centre Improvements (GG)	No		400	400				3. Going to town
KX1	Newton Abbot Town Centre Regeneration	Halcyon Rd (BC:Prudential Borrowing)	No	√			6,375			3. Going to town
KL9	Newton Abbot Town Centre Regeneration	Cattle Market Enabling Works (CR)	No	√			200			3. Going to town
KL7	Newton Abbot Town Centre Regeneration	Bradley Lane Enabling Works (CR)	No	√		32				3. Going to town
KX2	Newton Abbot Town Centre Regeneration	Sherborne House: town centre regeneration/Social Housing (BC: Prudential Borrowing)	No		200	-				3. Going to town
KO3	Newton Abbot Town Centre	 Future High Street Fund project: Market Improvements (GG, BC: Prudential Borrowing)	No	√	335	182	2,149	1,535		3. Going to town
KO2	Newton Abbot Town Centre	 Future High Street Fund project: Gateway to the Town Centre and Queen Street (GG, CIL, EC)	No	√	657	286	453			3. Going to town
KO1	Newton Abbot Town Centre	 Future High Street Fund project: National Cycle Network Improvements (GG, CIL)	No	√		119	-	-		3. Going to town

**TEIGNBRIDGE DISTRICT COUNCIL  
CAPITAL PROGRAMME 2022-23 to 2025-26**

Code /bid no.	Asset/Service Area		Description	Provision ?	C/f ?	26,577	19,610	38,367	29,787	14,961	Council Strategy
						ORIGINAL	LATEST	LATEST	LATEST	LATEST	
						BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	
						2022-23 £'000 (Inc Fees)	2022-23 £'000 (Inc Fees)	2023-24 £'000 (Inc Fees)	2024-25 £'000 (Inc Fees)	2025-26 £'000 (inc Fees)	
KO4	Newton Abbot Town Centre		Future High Street Fund project: Cinema development (GG, BC: Prudential Borrowing)	No	V	5,429	279	4,669	2,834		3. Going to town
KG5	Open Spaces		Courtenay Park band stand roof refurbishment (RS)	No	V		20				4. Great places to live & work
KW5	Open Spaces		Cirl bunting land (S106)	No	V	146	211	146	81		4. Great places to live & work
<b>KB2</b>	<b>Open Spaces</b>		<b>Stover Park improvements (S106)</b>	<b>No</b>				<b>20</b>			4. Great places to live & work
KJ1	Play area equipment/refurb		Provision for Dawlish play space flagship provision (S106)	No	V	75	143				8. Out and about and active
Provision	Play area equipment/refurb		Provision for Powderham Newton Abbot play space equipment and wider park improvements (S106, EC)	Yes					100		8. Out and about and active
KJ5	Play area equipment/refurb		Ashburton Rd, Newton Abbot play area (S106)	No		150	150				8. Out and about and active
KJ7	Play area equipment/refurb		Clifford Park, Kingsteignton (S106)	No			34				8. Out and about and active
KJ9	Play area equipment/refurb		Den, Teignmouth play area overhaul (S106/CIL)	No	C	280	283				8. Out and about and active
KJ6	Play area equipment/refurb		Furlong Close, Buckfastleigh (CR)	No	V			28			8. Out and about and active
Provision	Play area equipment/refurb		Prince Rupert Way, Heathfield (S106)	Yes				40			8. Out and about and active
Provision	Play area equipment/refurb		Provision for Teignbridge-funded play area refurb/equipment (CR)	Yes		86		86			8. Out and about and active
KB1	SANGS/Open Spaces		SANGS land purchase (South West Exeter) (GG)	No	V	128	130	345			4. Great places to live & work
KB1	SANGS/Open Spaces		SANGS instatement (South West Exeter) (GG)	No	V	100	196	200	60		4. Great places to live & work
KB1	SANGS/Open Spaces		SANGS endowment (South West Exeter) (GG)	No		457	-	560		410	4. Great places to live & work
Provision	SANGS/Open Spaces		New Countryside Parks (CIL)	Yes						3,000	4. Great places to live & work
Provision	South West Exeter		Provision for South West Exeter Transport (CIL)	Yes					500		7. Moving up a gear
Provision	Teignbridge		Provision for Education (CIL)	Yes					5,000	4,050	4. Great places to live & work
KX5	Teignmouth Town Centre		George Street Car Park (CR)	No			60	480			3. Going to town
KR2	Teignmouth		Beach Management Plan (GG)	No	V		25	82			9. Strong communities
KP1	Teignmouth		Eastcliff drainage improvements (RS)	No			38				9. Strong communities
KL5	Teignmouth		Den temporary toilets enabling (RS)	No			43				9. Strong communities
Provision	Transport		Transport Hubs and Public Transport (CIL)	Yes				750	750		7. Moving up a gear
Provision	Waste Management		Provision for Bulking Station - replace telehandlers 2028-31 (RS)	Yes							2. Clean scene
Provision	Waste Management		Provision for Bulking Station - replace Sortline (CR)	Yes		175	-		175		2. Clean scene
KT2	Waste Management		Replace Sortline Conveyor (RS)	No			27				2. Clean scene
Provision	Waste Management		Provision for additional Waste vehicles (PB)	Yes		200	200				2. Clean scene
KS1	Waste Management		Provision for Waste vehicles (PB)	No					7,509		2. Clean scene
KT1	Waste Management		Waste fleet IC100 units (RS)	No			62				2. Clean scene
Provision	Waste Management		Provision for replacement card baler (2028) (CR)	Yes							2. Clean scene
KS0	Waste Management		Purchase of Wheeled Bins (CR;RS)	No		150	173	155	160	168	2. Clean scene
						<b>26,577</b>	<b>19,610</b>	<b>38,367</b>	<b>29,787</b>	<b>14,961</b>	



**TEIGNBRIDGE DISTRICT COUNCIL  
CAPITAL PROGRAMME 2022-23 to 2025-26**

Code /bid no.	Asset/Service Area	Description	Provision ?	C/f ?	26,577	19,610	38,367	29,787	14,961	Council Strategy
					ORIGINAL	LATEST	LATEST	LATEST	LATEST	
					BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	
					2022-23	2022-23	2023-24	2024-25	2025-26	
					£'000	£'000	£'000	£'000	£'000	
					(Inc Fees)	(Inc Fees)	(Inc Fees)	(Inc Fees)	(inc Fees)	

FUNDING GENERAL								
Capital Receipts Unapplied - Brought				(2,033)	(2,341)	(1,693)	(719)	(191)
Revenue Contributions Reserve - Brought				-	(1,350)	(587)	(483)	(105)
Budgeted Revenue Contribution				-	-	(300)	(500)	(500)
Capital Receipts - Anticipated				-	(1,095)	-	-	-
Additional specific Revenue Contributions from Repairs & Maintenance/other budgets towards planned works eg. decarbonisation; additional waste containers.				(250)	(304)	(145)	(145)	-
Revenue Contributions Reserve - revenue support.					131	38	153	38
Balance of Revenue Contributions Reserve - carried forward					587	588	105	327
Government Grants				(9,659)	(5,976)	(14,583)	(2,712)	(2,084)
S106				(477)	(1,099)	(546)	(417)	(40)
Other External Contributions				(163)	(10)	-	-	-
Community Infrastructure Levy				(4,162)	(4,246)	(5,833)	(7,038)	(9,388)
Capital Receipts Unapplied - Carried forward				508	1,693	719	191	191
Business cases: Prudential borrowing				(3,411)	(816)	(10,405)	(12,688)	(1,935)
HOUSING								
Capital Receipts Unapplied - Brought				(2,782)	(3,330)	(3,669)	(2,536)	(1,282)
Capital Receipts - Anticipated				(50)	(56)	(141)	(20)	(20)
Capital Receipts - Right to Buy				(600)	(600)	-	-	-
Better Care Funding and other government				(3,165)	(3,145)	(2,121)	(1,775)	(1,250)
S106				(464)	(1,062)	(464)	(464)	-
Other External Contributions				-	-	-	-	-
Internal or Prudential Borrowing				(2,021)	(260)	(1,761)	(2,021)	-
Capital Receipts Unapplied - Carried forward				2,152	3,669	2,536	1,282	1,278
<b>TOTAL FUNDING</b>				<b>(26,577)</b>	<b>(19,610)</b>	<b>(38,367)</b>	<b>(29,787)</b>	<b>(14,961)</b>

**Programme Funding**

<b>All Revenue contributions</b>	(250)	(936)	(405)	(870)	(240)
<b>Capital Receipts</b>	(2,805)	(2,060)	(2,249)	(1,802)	(24)
<b>Section 106</b>	(941)	(2,161)	(1,010)	(881)	(40)
<b>Other External Contribution</b>	(163)	(10)	-	-	-
<b>Grant</b>	(12,824)	(9,121)	(16,704)	(4,487)	(3,334)
<b>Community Infrastructure Levy</b>	(4,162)	(4,246)	(5,833)	(7,038)	(9,388)
<b>Business cases: Prudential borrowing</b>	(5,432)	(1,076)	(12,166)	(14,709)	(1,935)
<b>Total</b>	<b>(26,577)</b>	<b>(19,610)</b>	<b>(38,367)</b>	<b>(29,787)</b>	<b>(14,961)</b>
<b>Balance of capital receipts</b>	<b>(2,660)</b>	<b>(5,367)</b>	<b>(3,256)</b>	<b>(1,473)</b>	<b>(1,469)</b>

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

**Summary of expenditure by strategic priority**

<b>1. A roof over our heads</b>	6,931	4,785	5,661	5,564	1,304
<b>2. Clean scene</b>	525	462	165	7,844	168
<b>3. Going to town</b>	7,021	1,379	14,326	4,369	-
<b>4. Great places to live &amp; work</b>	1,168	946	2,029	5,229	7,548
<b>5. Health at the heart</b>	-	-	-	-	-
<b>6. Investing in prosperity</b>	250	17	2,000	250	-
<b>7. Moving up a gear</b>	4,119	3,923	7,998	1,950	250
<b>8. Out and about and active</b>	631	1,136	194	1,639	1,537
<b>9. Strong communities</b>	2,286	2,973	1,961	1,210	1,674
<b>10. Action on climate</b>	3,068	3,616	3,639	1,539	2,439
<b>Vital, Viable Council</b>	578	373	394	193	41
<b>Totals</b>	<b>26,577</b>	<b>19,610</b>	<b>38,367</b>	<b>29,787</b>	<b>14,961</b>

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## **Teignbridge District Council**

### **Financial Plan**

**2023 to 2028**

## 1. About this Plan

Our Financial Plan looks at the position of the revenue budget and considers the General Fund <sup>1</sup> position in terms of general reserves and earmarked reserves and the Capital Programme <sup>2</sup> and the inter-relationship between the two.

The purpose of this Plan is to define how the Council will structure and manage its finances over the next five years in order to deliver services to residents and support the objectives detailed within the Council Plan.

The Financial Plan also links with other key plans and documents of the Council including Service Plans, Asset Management and Disposal policies, the Digital Strategy we are developing, Procurement and Treasury Management. Input will also be provided through the Overview & Scrutiny Committees review of budget priority and savings work and the Council's Senior Leadership Team.

The Financial Plan comprises of two parts;

➤ **Part 1 - The Medium Term Financial Plan (MTFP)** *(page 3)*

This is a key element of the budget setting process. The MTFP provides a financial model and forecast of the cost of providing services over a rolling five year period, together with an estimate of the financial resources that are likely to be available to the Council. The process is designed to provide an early warning of any potential deficit in the required level of resources and interaction with earmarked reserves if available to smooth funding where appropriate.

As well as considering the revenue implications and the General Fund balance, the MTFP also reviews the affordability of the Council's capital investment programme, matching forecast funding against planned capital spending over a five year horizon. The capital programme is easier to control as individual schemes can be approved or not by Council to match resources available. Clearly this has its own implications in meeting the Council Plan objectives but does not have the same degree of organisation complexity as the General Fund involving significant staff numbers, team interaction and service delivery.

➤ **Part 2 – Financial Viability Process (FVP)** *(page 14)*

This part of the Financial Plan considers how the Council will attempt to balance its finances over the coming years to continue to provide service for its residents and customers. It ensures we are achieving Value for Money throughout the Council within each service, it evidences this and seeks improvement and savings where possible. The process involves review of service plans with a team of key staff from the Business Transformation Team, Finance and Performance to aid us in this process. They work with the relevant services to discover likely savings to pursue, viability, time scales and resources required to implement.

Depending on the outcome of this work and savings achieved, consideration will then need to be given as to whether service reductions are required to balance the books in order to achieve financial sustainability and viability.

**Definition Note:**

1. The General Fund records day to day revenue spending and income on the delivery of Council services.
2. Capital programme spending relates to purchases or enhancements of assets, expenditure that has benefit greater than a year and is over £10k.

➤ **Part 1 - The Medium Term Financial Plan (MTFP)**

**2. Introduction**

The development of a five year financial model is based upon a number of assumptions and perceived risks which clearly become more difficult to predict as the period covered lengthens. In recent years we have been subject to one year only financial settlements from Government, there have been fundamental funding reviews proposed, delayed and then cancelled on a number of occasions making even short term planning difficult. We now have a one year settlement for 2023/24 with some clarity on what will happen in year two (2024/25) so greater clarity for 2023/24 and 2024/25 before central funding is reviewed again in 2025/26. Any plan built over a period greater than 5 years becomes more unpredictable as assumptions about future financial indicators lengthen.

In broad terms the model has been developed on the basis of 'reasonable and prudent' forecasts and assumptions in accordance with sound accounting practice.

**3. Fundamental principles**

Underpinning this plan, the following fundamental principles have been adopted:

- To secure the financial viability and stability of the Council in accordance with the Chief Finance Officers (CFO) responsibility to protect the Council's finances.
- Annually, a balanced revenue budget will be set with expenditure to be limited by the amount of available resources.
- Where a balanced revenue budget cannot be achieved in the short term use of earmarked funding reserves will be used to balance the budget but by exception.
- The General Fund balance will be maintained at the agreed adopted level as advised by the Chief Finance Officer.

- If earmarked reserves are not available to balance the budget resources will be redirected from low to high priority services to meet objectives set out in the Council Plan and maintain statutory functions.
- Council Tax increases will be kept within annually announced government guidelines to ensure a local referendum is not triggered.

In considering the capital budget, the Council will continue to follow the methodology of assessing schemes against their contribution to the corporate strategy, service improvement and long-term impacts on budget as well as deliverability within finite staff resources. The Council will also seek to maximise the use of its assets.

#### **4. Financial background**

The Government has cut core funding significantly for a number of years.

Additional support was provided during the Pandemic but this has now been withdrawn and the underlying funding for local authorities is historically low.

There are significant financial pressures to consider with current high inflation rates, increasing interest rates, high energy and food costs and a recession likely to take place. As a consequence the indications are higher national pay awards and other direct cost implications mainly associated with contractor and partner costs. There has been low investment income received however this is increasing significantly with the increases in base rate but has an adverse impact on borrowing costs for capital schemes. Profiling debt can smooth out some of these short term change in rates. Ambitions remain to pursue our carbon reduction programme and improve services through further investment. This all brings significant financial challenges and a requirement for us to act more commercially to generate more income.

These factors have shaped the finances of the Council over recent years and placed it in a continuous difficult position of setting balanced budgets.

The Council needs to address its continuing budget gaps on the revenue budget and mitigate use of funding earmarked reserves which could be redirected to other activities. Member support is key to achieving this objective.

The Council has facilitated and encouraged business and housing growth in the district to deliver its ambitions and benefited in additional government funding through New Homes Bonus and extra Business Rate income which to date has put the Council in a stronger financial position than a number of other councils. This has enabled continued significant investment in non-statutory services to benefit the district. The Council has also embarked on building its own housing to facilitate moving towards its affordable housing target aspirations.

#### **5. Medium Term Financial Plan**

The base for the MTFP is the 2022/23 approved budget and the current cost of ongoing services, adjusted to take account of a range of unavoidable costs such as pay increases, inflationary pressures, the implementation of any approved changes to the budget and any costs arising from new legislation and associated regulations or changes in resident

demand. The updated MTFP takes account of any forecast variations in the level of both investment and fee income.

The Plan also considers and makes reasonable assumptions about the likely incomes from council tax and central government funding.

The MTFP is designed to model likely outcomes and to aggregate the sum of all potential financial inputs, to determine whether the Council will have sufficient resources to achieve its objectives, or indeed whether action is required to bridge a funding gap.

In formulating these calculations a number of assumptions have been made and a range of external influences considered. The various risks and pressures are detailed at the end of the Plan with commentary on their potential impact. The consequence of the pandemic was a significant risk but high inflation with the impact on our finances and the public is now the central concern.

Appendix A to the Financial Plan contains the best estimates of the 5 year costs and incomes.

A similar exercise has been undertaken in respect of future capital expenditure, detailing the anticipated level of resources required, together with potential funding sources available to the Council to support its planned programme of works and where there are revenue implications these have been acknowledged within the Plan.

## **6. MTFP – Revenue Position**

The position on General Fund services is extracted in the table below in section 8 and shows the current year 2022/23 for comparison and forms the basis from which future assessments have been made. The 2022/23 position is the set budget from February 2022 and then the latest position for 2022/23, the implications effecting this budget are considered going forward.

Some key areas to note in this calculation:

**Service Budgets** - This position is calculated based on current service provision adjusted where there are known resident demand changes, contract agreements or legislative requirements. This position does not include any growth in service or staffing to the Council's current service level with the exception of:

- Inclusion of £0.5 million as a one off to pay an element of the pension fund deficit and reduce future deficit funding contributions.
- Additional temporary resources for to deliver significant projects, climate change, service reviews, business/systems improvements, estate management, governance etc and for the Modern 25 work and scrutiny function.
- £20,000 pot for year 2 for the Tidy Teignbridge initiative for 2023/24.
- Extensions to the vehicle leasing contracts.

- The 2022/23 budget for staff salaries was based on an assumed 2% increase. At the time of developing the MTFP the latest offer of a flat sum payment of £1,925 per employee (based on a full time individual) has been agreed and implemented. This equates to a net cost over the budgeted sum in the General Fund of £982,000 for 2022/23 and over £1 million for future years. This additional cost has been added to the model.
- Each of the 3 owners of Strata are requiring additional support to meet the various work demands and objectives requiring IT support and development. This will lead to an increase in cost. The base budget will include the provisional sums known and be amended when the relevant approvals have been provided.
- One off cost of living payment for 2023/24.
- An emergency planning officer and digital transformation manager

The Council's previous full set of budget papers [Agenda for Full Council on Tuesday, 22nd February, 2022, 10.00 am - Teignbridge District Council](#) is a useful historical reference as it details significant information about the service provision currently provided; costs and income received for revenue (appendix 4 and appendix 5), staffing resources involved in each area (appendix 5) and the capital programme (appendix 7).

**Government Funding General** - The 2022/23 Local Government Finance Settlement was a one-year spending round only. This put on hold again planned reforms; changes to both the local government funding formula and the re-basing and implementation of a new business rate retention scheme.

The Government continued to follow this policy in the 2023/24 Settlement with one year funding and guidance on elements of funding for 2024/25 and has announced it still intends to undertake a review of local authority funding and this is suggested to be 2025/26.

Understanding this funding position and the implication on other core funding mechanisms (Business Rate Growth and New Homes Bonus) is critical to determining the MTFP position but there is uncertainty.

The MTFP now assumes a fall to baseline funding for the Council from 2025/26; taking away any growth in business rates (2023/24 budget £2.4 million (including pooling gain) and £2.7 million assumed for 2024/25 and the fall of NHB from £1.27 million per annum in 2022/23 with an assumption of £0.4 million in 2023/24 & 2024/25) and nothing



thereafter. A provision of £0.4 million is included for 2025/26 as an alternative for the repurpose of NHB. In terms of the possible reductions as stated the timing is unclear and the cliff edge in funding reduction has been assumed in the model as worst case because there is likely to be transitional funding introduced to smooth out the reductions for authorities like Teignbridge.

The Local Government Finance Settlement is announced normally late November/early December and for 2023/24 was announced on 19 December which makes planning extremely difficult as councils initial budget processes are finalised at that point. The finance policy statement published on 12 December 2022 only outlined some of the key principles for 2023/24 and 2024/25. The provisional settlement identified only minor changes to the assumptions made.

The implications of the Levelling Up and Regeneration Bill and any change to the shape of local government going forward, particularly in Devon, has not been addressed in the MTFP as it seems no fundamental change in the short term is likely but this position will need to be kept under review.

## **5. Business Rate income**

This has been assumed under the existing arrangements; the 50% rate retention scheme. The Government had intended to introduce a 75% retention scheme but this has now been dropped with a review at some stage still being the Government's stated intention.

The MTFP assumes in 2023/24 the Council will be £2.446 million above the baseline funding level (retained growth) including pooling gains. This is considered reasonable based on current levels of income and projected growth. The Council does maintain a bad debt provision and a business rate funding reserve to mitigate annual fluctuations in rating assessments.

The greater, more fundamental risk is Government changing the regime and us losing the business rate growth in future years which has been built up. Because the timing and degree of risk is unknown the Council currently holds a Funding Reserve to cover these fluctuations and the existing gaps in the revenue budget which is not balanced. This will be used to continue to meet service costs in the budget in the short term if the worst case scenario happened. This would take place if the Government announce in any December Settlement that all growth income from business rates will be lost in the following year – highly unlikely especially without some transition protection but this reserve is available to give time to cut costs in an orderly manner to best protect the residents of Teignbridge should the worst happen.

## **6. Council Tax**

The Government has for a number of years determined district councils can increase their council tax by £5 a year or up to 2% whichever is the greatest before triggering a

local referendum. This is the level of income the Government assess is available to the Council and the MTFP applies this increase annually. The Government assumes that the Council will increase its Council tax by these limits when setting its allocation of other funding streams. The latest proposals allow an increase of 2.99% before a referendum is triggered for 2023/24 (£5.54 for 2023/24).

**7. New Homes Bonus (NHB)**

Income retained in the General Fund to support revenue costs has been included in the annual budgets for a number of years but continuously reducing and currently £1.27 million. The scheme is supposedly ending in its current form with the annual amount reducing; this gives £1.27 million available in 2022/23 which is then estimated to fall to £0.4 million for 2023/24 and 2024/25 and then potentially not replaced so zero for 2025/26 onwards. There are still no guarantees about future years after 2023/24 or whether a replacement will be available.

A replacement for NHB was consulted on over two years ago with the Government wishing to sharpen the incentivising of housing growth in the most effective way, no announcement of a replacement scheme has been made so it is assumed the scheme will continue in its reduced form with just an annual sum paid based on one year's growth and then end. A provision of £0.4 million has been included for potential repurpose of the NHB funding stream. At the height of the scheme the Council was paid the annual growth sum for 6 years – in 2016/17 the Council received £3.848 million (the most received in any one year).

**8. MTFP numbers**

The MTFP is provided annually in the budget papers as appendix 4. This provides the latest numbers for the current year and the following 3 years. Future years are extremely uncertain however an attempt to calculate our budget gaps extended to year 5 is shown below the 3 year projection replicated below.

<b>Revenue Budget Summary</b>					<b>Appendix 4</b>
<b>Revenue Budget</b>	<b>2022-23</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>
	<b>Forecast</b>	<b>Latest</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>
<b>EXPENDITURE</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Employees	22,445,940	22,442,440	24,398,970	23,805,150	24,215,330
Property	5,054,490	5,246,630	5,721,180	5,861,940	6,010,970
Services & supplies	5,593,190	7,294,870	6,768,450	6,323,870	6,420,870
Grant payments	21,606,120	22,155,530	19,182,450	17,182,450	15,182,450
Transport	811,440	867,790	1,057,840	1,074,170	1,092,140
Leasing & capital charges	1,692,160	1,495,720	1,497,950	1,538,540	1,897,350
Contributions to capital	0	303,860	300,000	500,000	500,000
<b>Total expenditure</b>	<b>57,203,340</b>	<b>59,806,840</b>	<b>58,926,840</b>	<b>56,286,120</b>	<b>55,319,110</b>
<b>INCOME</b>					
Sales	-581,450	-1,476,580	-1,467,900	-1,511,940	-1,557,300
Fees & charges	-10,280,900	-10,184,560	-10,781,150	-11,212,400	-11,660,900
Grants - income	-21,868,660	-22,886,090	-19,388,510	-17,388,510	-15,388,510
Property income	-3,100,730	-3,428,880	-3,343,710	-3,476,990	-3,670,200
Other income & recharges	-2,621,940	-4,267,070	-4,105,820	-3,610,990	-3,667,820
Transfer from (-) / to earmarked reserves	-2,644,030	-1,464,350	-2,205,900	-501,640	-3,371,350
<b>Total income</b>	<b>-41,097,710</b>	<b>-43,707,530</b>	<b>-41,292,990</b>	<b>-37,702,470</b>	<b>-39,316,080</b>
<b>Total net service cost</b>	<b>16,105,630</b>	<b>16,099,310</b>	<b>17,633,850</b>	<b>18,583,650</b>	<b>16,003,030</b>
<b>Funding</b>					
Council tax	-9,190,540	-9,190,540	-9,576,500	-10,061,470	-10,465,930
Council tax/community charge surplus(-) / deficit	-62,310	-62,310	-125,550	0	0
Revenue support grant	0	0	-245,040	-263,180	-258,520
Rates baseline funding	-3,393,800	-3,393,800	-3,520,800	-3,781,860	-4,668,000
Estimated rates retention and pooling gain	-1,752,200	-1,986,200	-2,446,200	-2,748,000	-160,000
New homes bonus	-1,270,200	-1,270,200	-404,940	-404,940	0
Alternative housing funding	0	0	0	0	-400,000
Other grants	-436,580	-436,580	-1,314,820	-1,324,200	-50,580
Budget gap (-) to be found	0	0	0	0	0
<b>Total funding</b>	<b>-16,105,630</b>	<b>-16,339,630</b>	<b>-17,633,850</b>	<b>-18,583,650</b>	<b>-16,003,030</b>
<b>-Surplus/shortfall</b>	<b>0</b>	<b>-240,320</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>General reserves at end of year</b>	<b>2,059,681</b>	<b>2,300,001</b>	<b>2,300,001</b>	<b>2,300,001</b>	<b>2,300,001</b>
<b>General reserves as % of net revenue budget</b>	<b>12.8%</b>	<b>14.1%</b>	<b>13.0%</b>	<b>12.4%</b>	<b>14.4%</b>

The table below shows annual budget position over the 5 year period – see appendix A for more detail.

**Table: MTFP Model – Annual budget shortfall**

General Fund	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000	2030/31 £000	2031/32 £000	2032/33 £000
Budget Shortfall/(Surplus)	2,206	502	3,371	2,958	2,539	Not costed	Not costed	Not costed	Not costed	Not costed



Shortfalls are covered by earmarked reserves. 2025/26 is when rebasing of business rates is expected creating a significant business rates funding reduction. Early identification of savings will ensure the funding reserve is not expended as this is required in the medium term to assist with ongoing variations. By using the model different scenarios can be shown to guide the annual budget setting process.

The Model identifies the pressures and influences on the Council’s revenue budgets and highlights a shortfall between the Council’s spending requirements and the amount of finance available. Actions will need to be taken to meet these shortfalls and the need to keep finding savings year on year is not to be underestimated.

**9. MTFP Revenue - The Way Forward**

The funding gap for 2023/24, 2024/25 and 2025/26 needs to be addressed working with SLT, senior officers and Members – ultimately eliminating the ongoing gap in 2025/26 when reset of funding is now indicated to take place. Savings should be filtered into the budget process each year as part of the annual budget process but also in year as savings ideas are formulated, worked on and delivered.

A key area to explore is what savings/increased income can be achieved by working through service reviews and proposed savings options, this being before more fundamental decisions are made on whether there is a need to explore cutting services to the public. Working through the service plans and proposals from Ignite, eliminating quick wins, working more commercially will help towards achieving this goal. Clarifying the appropriate level of investment in IT to reconstruct our organisational structure will be vital and identify staff savings through automation of procedures. These are some initiatives that will help as well as the normal scrutiny through the budget process. This Plan also proposes that we kick off with the actions in the Financial Viability Process.

The Plan proposes a two stage approach which is linked to the uncertainty of Government funding for local authorities and possibly even the shape of local government going forward.

- Over the following year/18 months we will undertake service reviews to ensure we are delivering VFM, drive efficiencies to see what savings can be achieved and to form an evidence base that we have done what we can, challenging ourselves on cost effective delivery of services. This will also be combined with looking at suggestions from the Ignite report and savings suggestions identified from review of previous unspent budgets and invest to save – such as IT investment to deliver more automation. A review of our assets including disposal, re-use etc will be explored and all commercial opportunities to generate more income.

- If the funding gap estimated in 2025/26 of £3.4 million materialises, which is dependent on Government direction, then efficiencies and income generation are not going to drive that level of savings and we will need to propose significant service reductions. But this comes at a point when we know how much we need to find and when, before radical service decisions are made. As stated we have an earmarked Funding Reserve in place to protect us against any immediate changes should Government carry out reforms without good notice and support existing revenue budget gaps.

This gap should not be ignored and what actions could be taken should be considered and formulated. If savings are not found over the next 3 years then the Funding Reserve will be significantly reduced leaving insufficient funds to address future significant variations in funding or budget pressures. Early identification of savings and their introduction would allow unspent earmarked funding reserves to potentially be reallocated.

**Key areas of budget proposals to be agreed are as follows and can be monitored and developed through an Overview & Scrutiny work plan:**

- a. **Approval of Council tax increases at the maximum allowed – historically £5 or 1.99% (now increased to £5.54 (2.99%) for 2023/24)**
- b. **Agreement of our asset strategy and determining best use of our assets – disposal/transfer/re-use and re-model**
- c. **Pursuit of maximum asset disposal proceeds**
- d. **Exploring commercial investment opportunities including charging policy**
- e. **Maximising income from existing fees and charges**
- f. **Exploring new opportunities for setting fees and charges**
- g. **Reviewing the savings options from the Ignite work**
- h. **Investing in our IT provision to deliver more automation and efficiencies**
- i. **Review our policy for earmarked reserves and funding budget gaps**
- j. **Reviewing support for third sector grants and support**
- k. **Identifying other voluntary grants and future support**
- l. **Reviewing quick wins and budgets no longer required**
- m. **Periodic review of the capital programme and alignment to strategic priorities**
- n. **Agreement to provide a revenue contribution to capital – currently proposed at £300,000 per annum in 2023/24 and £500,000 per annum for future years**
- o. **Determining adequate borrowing limits including headroom for the capital programme through approval of the appropriate treasury management indicators**
- p. **Councillors community fund budget**
- q. **Further payments to reduce the pension fund deficit**
- r. **Minimum level of general reserves – currently suggested at £2.3 million**
- s. **Limit use of earmarked reserves to bridge budget gaps**
- t. **Considering new funding models**
- u. **Timeline for delivery of savings**

## 10. Capital

The Council maintains a programme of capital expenditure designed to improve a wide range of community facilities and local infrastructure. The forward funding projections below only include rolling items and projects identified early by managers; **there will be proposals missing from this list** that will need to be considered for funding out of available resources as they come forward.

There will be a disparity between the Council's capital spending aspirations being greater than the amount of finance available. In producing these figures agreed principles have/will be applied:

- A capital bid process is in place whereby appraisal forms are completed for each scheme and an assessment methodology applied to prioritise expenditure within resources available. This prioritisation is overseen by the Corporate Projects Board.

### MTFP Model – Capital Expenditure and Funding Position

Strategic Priority	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
A roof over our heads	4,785	5,661	5,564	1,304	1,304
Clean scene	462	165	7,844	168	176
Going to town	1,379	14,326	4,369	-	-
Great places to live and work	946	2,029	5,229	7,548	1,088
Health at the heart	-	-	-	-	-
Investing in prosperity	17	2,000	250	-	-
Moving up a gear	3,923	7,998	1,950	250	1,750
Out and about and active	1,136	194	1,639	1,537	40
Strong communities	2,973	1,961	1,210	1,674	1,666
Action on climate	3,616	3,639	1,539	2,439	-
Vital, viable council	373	394	193	41	41
<b>Total Capital Expenditure</b>	<b>19,610</b>	<b>38,367</b>	<b>29,787</b>	<b>14,961</b>	<b>6,065</b>
<b>Borrowing</b>	<b>(1,076)</b>	<b>(12,166)</b>	<b>(14,709)</b>	<b>(1,935)</b>	<b>-</b>
<b>Capital Receipts</b>	<b>(2,060)</b>	<b>(2,249)</b>	<b>(1,802)</b>	<b>(24)</b>	<b>(24)</b>
<b>Revenue contributions (includes specific sums)</b>	<b>(936)</b>	<b>(405)</b>	<b>(870)</b>	<b>(240)</b>	<b>(247)</b>
<b>Grants / external contributions</b>	<b>(9,131)</b>	<b>(16,704)</b>	<b>(4,487)</b>	<b>(3,334)</b>	<b>(2,916)</b>
<b>CIL</b>	<b>(4,246)</b>	<b>(5,833)</b>	<b>(7,038)</b>	<b>(9,388)</b>	<b>(2,838)</b>
<b>S.106</b>	<b>(2,161)</b>	<b>(1,010)</b>	<b>(881)</b>	<b>(40)</b>	<b>(40)</b>
<b>Total Funding</b>	<b>(19,610)</b>	<b>(38,367)</b>	<b>(29,787)</b>	<b>(14,961)</b>	<b>(6,065)</b>

The Programme expenditure includes those schemes already approved by Council and rolling items and provisions. **Bids will come through the annual budget process giving a different picture to that given above and there will be choices to make in order to keep expenditure within resources available.**

The above has been produced using the latest budget monitoring position and it is clear from observation that periodically the programme needs to be re-profiled with the budget

managers. There are a number of schemes which will not be delivered in part or full in the year the budget is allocated. From the view of the MTFP it's the overall position that can be considered taking all years into account.

The programme assumes £30 million of borrowing between 2022/23 and 2026/27 in addition to the current underlying need to borrow of £20 million. Cash flow monitoring and balance sheet review exercises indicate no immediate need to borrow externally over the next 2-3 years. This is reviewed periodically alongside interest rate monitoring, so that when long-term external borrowing is required, it is undertaken in a controlled way in line with the Council's treasury strategy. This position has been factored into the revenue model in terms of costs of borrowing/lost external interest/minimum revenue provision etc. Any new borrowing will need to be considered in conjunction with existing borrowing commitments, maximum borrowing limits and a comfortable headroom for borrowing.

The above capital receipts line is based on the most recent activity and forecast information.

Key issues to consider for this Plan in terms of capital are:

- Only approved schemes and provisions from the February 2022 budget process and subsequent approvals brought to Members are included. The current position shows General Fund capital receipts largely being used by 2025/26. If any new projects or schemes do come forward, it is assumed they will attract sufficient funding and/or have a positive business case with a minimum return of 1%.
- Any scheme inclusion in the Programme over and above this core annual expenditure needs to be considered carefully for inclusion in future programmes. This happens on a case-by-case basis to determine if they meet corporate objectives. Business cases must evidence the required 1% return in the case of self-funded schemes, or show delivery in conjunction with other agencies/partners. Some schemes will come with no funding but may still be necessary.
- The introduction of £300,000 per year as a revenue contribution to capital in 2023/24 (then increasing to £500,000 in future years) will assist in supporting the capital programme and for any spends without a sufficient supporting business case.

### **The Way Forward – Capital programme**

- There is a clear necessity for the continuation of the Corporate Projects Board to consider the allocating of capital resources against competing capital scheme bids.
- The programme needs to be populated with realistic expenditure estimates into the future; further work has been undertaken on Council assets costs and a review of our asset management policies and use of assets.

- The Project Management Guidelines will continue to be used to inform the capital bid process through detailed capital appraisal forms and Project Initiation Document (PID). There will be continued monitoring of progress on key projects through the Council's Corporate Projects Board.

## ➤ **Part 2 – Financial Viability Process (FVP)**

### **11. Aim of the FVP**

This part of the Finance Plan considers how the Council will balance its finances over the coming years to continue to provide service for its residents and customers. We will ensure we are achieving Value for Money throughout the Council within each service, we will evidence this and seek improvements and savings where possible. We have key dedicated resources to aid us in this process and available to work with services.

Depending on the outcome of this work, and the savings achieved, as identified in 9 above we will then need to look at reductions in service delivery necessary to balance the books going forward to deliver financial viability and sustainability.

This will all be looked at against the backdrop of the risks and challenges that have implications for the Council's financial position in the medium term.

The major risks and pressures are:

Changing government funding  
Inflation  
Increasing interest rates  
Cost of living crisis and impact on services/income  
Ongoing impact following the Covid pandemic and recovery  
Existing budget gaps and limited earmarked reserves  
Staff resources  
Additional demands from Government

### **12. Modern 25 Programme**

TDC accepts that to achieve the level of savings required, it needs to change the way things are done and alter its operating model, whilst ensuring that the customer is still at the heart of council services. Independent consultants were commissioned through a procurement process to work in partnership with Teignbridge Senior Leadership Team to deliver:

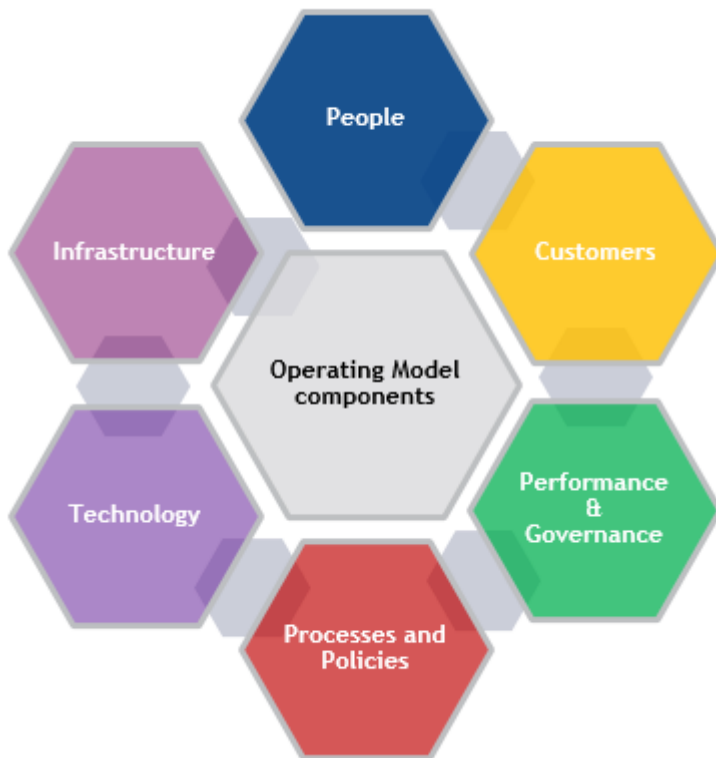
- A strategic alignment review
- Recommendations for a new Target Operating Model

The objective of the programme is to deliver a new operating model for the council. An operating model encompasses all aspects of the way the organisation delivers its core purpose and includes

- People and Organisation – the activities that our staff carry out and how they are managed and organised



- Technology and Infrastructure – the software, physical ICT infrastructure and physical assets that are in place to support how people carry out the council’s work
- Ways of Working – the processes, policies, procedures, performance, governance, leadership and management that is in place
- Culture & Behaviours – Creating a work environment which supports delivery of strategic priorities and core services to our customers and an organisation that invests in its people
- Strategic Priorities – the strategic portfolio of programmes and projects that are in place to deliver the council’s strategic priorities



From their recommendation we have developed our Modern 25 programme which aims to deliver a new operating model for the council delivering £2.6 million of phased benefit savings by April 2026 and implementing the changes across the whole council in line with agreed design principles. The programme focuses on delivery of 3 main workstreams

#### 1. Customer and Service Design - Lead Tracey Hooper

This will digitalise services that the users of our services want and design support mechanisms for customers who need help to make a request or support service users who have complex needs.

Our services will be designed to be more sustainable through:

- Shifting our service users to less expensive digital channels in line with our current demand, through active promotion and nudges

- Designing services that are easy for users to access and make a request
- Maximising the value provided by our front line staff in helping residents with complex needs
- Creating excellent online information and guidance for our service users
- Proactively and passively keeping service users informed throughout their service journey

## 2. Technology and Digital - Amanda Pujol

This will define and develop the technology and digital requirements to support the new operating model by:

- Defining the key technologies that will support the new operating model and ways of working
- creating a roadmap for delivering these capabilities
- Defining the digital capabilities required and running a procurement exercise to fill the capability gaps
- Provide resources in skills to configure new digital capabilities and integrate them, in line with our technology roadmap

It is underpinned by our Digital Strategy adopted in 2021 built around six themes:

1. Customer access and service
2. Digital and mobile work force
3. Digital democracy
4. High-quality, accessible data
5. Digital and Net Zero
6. Responsive, resilient and secure infrastructure and systems

## 3. People and Organisational Design - Tim Slater

We will design, develop and deliver a new council structure that supports the new operating Model for the delivery of services to our customers and the delivery of our strategic portfolio. This will include a review of current HR policies and procedures, including performance management, to support the implementation of the new operating model and define:

- The spans of control for managers and the scope of management responsibilities for changes to the organisational structure
- The creation and evaluation of any new roles that will be created to support the delivery of the new operating model
- The programme will review HR policies and procedures, including performance management to support the implementation of the Target Operating Model
- The governance structures that will support performance management

#### 4. Strategic portfolio - Martin Flitcroft

This will define and develop business cases, statements of works and specific individual projects to deliver against a revised strategic portfolio which is aligned with the Council's priorities and strategy. The programme will oversee:

- all implementation and change activities associated with the deliverables from the strategic portfolio projects
- Monitoring of projects progress as part of overall programme governance
- alignment of project outcomes with the new operating model

In order to deliver this programme of work there will be an upfront investment to provide additional temporary staffing resources and capital investment in digital infrastructure and systems. The new structure will result in a reconfiguration of services and new posts and roles being created. The Council is also undertaking a pay structure review which will result in a new pay scale and job evaluation process being developed and implemented to ensure the Council remains competitive and can attract the staff with the key skills to deliver the best service for residents in the District.

We are developing a Digital Strategy and we are now working with Strata and our other partner authorities to ensure the outcomes can be defined and delivered. The Strategy is built around six themes

Customer access and service  
Digital and mobile work force  
Digital democracy  
High-quality, accessible data  
Digital and Net Zero  
Responsive, resilient and secure infrastructure and systems

#### 5. Performance Management Data: Lead – Jack Williams

It is crucial we use relevant data to inform our business decisions. Performance data needs to be readily available and used by managers, SLT, CMT and members to drive decisions and be clear where action is needed/not needed and how we are performing for our residents, identifying and resolving issues quickly. Importantly this needs to link with system thinking to ensure we measure the right things.

It is necessary to understand cost, performance and activities of services and undertake appropriate comparisons to be clear where we are providing Value for Money and where we are not. Help identify where improvements are needed or to determine we are comfortable and understand the variances.

We have a Performance and Data Analyst but also services have their own resources in this area and we need to share and oversee the whole.

## **6. Asset Management: Lead – Tom Phillips**

In reviewing our services there are some services where asset management is relevant and areas it is not. There are key elements to be considered by services;

- a) Understanding the financial and non-financial performance of assets and using this to drive asset management decisions.
- b) Proactive asset management – Maximising the returns from assets and disposing of assets that have a poor financial / non-financial return and at market value where appropriate.
- c) Investing in assets only where there's a strong business case.
- d) Supporting wider objectives – Being clear where and how asset management is supporting wider objectives, such as benefitting the community, shaping the built landscape, supporting the Council in its service delivery and proactively supporting our commitment to tackling climate change.
- e) Encouraging asset transfer where appropriate.

There can be a quick analysis within each service to determine scope of opportunities.

## **7. Income Maximisation: Lead – Steve Wotton**

It is viewed that members are supportive of ensuring where fees and charges are made that these are set at appropriate rates and reviewed regular to keep pace with costs. It is also considered there is support to develop existing services areas where there is opportunity and customer demand for additional or enhanced services to be offered that can generate surpluses for the Council. An average 5% increase is proposed for 2023/24 to recoup inflationary costs. Any charges below an average for the service need to be increased accordingly and a more commercial view pursued for the charging of activities and services.

Again there can be a quick analysis within services to determine scope for opportunity.

## EXTERNAL INFLUENCES AND KEY ASSUMPTIONS WITHIN THE REVENUE MTFP MODEL

- Inflation**

Inflation rates are based on the latest available data.

Although the financial model is based upon what are believed to be a series of prudent assumptions, there is inevitably a risk that some or all factors applied could be inaccurate. The table below summarises the impact of any such inaccuracies that would have a detrimental effect upon the financial plan. Inflation in recent times as not been a high risk but currently rates are historically high with Bank of England projecting inflation to remain high in the short to medium term driven by food and energy costs. Contract costs, pay rises and a pay review of salaries are likely to cause some of the biggest pressures for future years.

### Financial impact of changes in inflation assumptions 2023/24.

Factor	MTFP Predicted Inflation Costs £000	Worse by 1% £'000	Worse by 2% £'000
Pay, N.I & Pension & other employee costs + other costs	1,002	190	380

- Investment Returns**

The approach adopted, of budgeting for investment income remains prudent. Investment return predictions have been factored in with significant increases starting to be reflected in the current year but reducing after 2023/24.

- Council Tax Income**

The MTFP follows recent Government practice of allowing a £5 a year increase. This has been modified to reflect the change in percentage to 2.99% for 2023/24 = £5.54.

### Financial impact of changes in council tax levels (2022/23).

Level of council Tax increase	Predicted council tax income £000	Loss of income in MTFP 2023/24 £'000
Council tax yield at £5 (2.70%) increase	(9,549)	Nil
Yield at 2.0%	(9,484)	65
Yield at 1.0%	(9,391)	158
Yield at 0.0%	(9,298)	251

This calculation shows a one year effect, this reduction would be lost each year going forward plus the opportunity to increase the level in future on a higher base. If the increase is 2.99% that would generate an additional £27,000 per annum from the Feb 22 MTFP model.

- **New Homes Bonus**

The main risk is numbers being below the projections as new properties being built continues to recover from the pandemic plus constraints within the house building market. The Plan assumes significant reduction in income from previous years. We await Government consultation on any revised scheme and the implications on the MTFP but no projections can be made on this until Government outline any replacement scheme (if any).

- **Business Rate Income**

The risks associated with Business Rate income have been covered above including the Government's intention of business rates rebasing. A £2.446 million additional benefit has been budgeted in 2023/24 for additional rates above the Council's baseline (including pooling gain), this is the sum that will be budgeted and if the actual amount is less through a reduction in assessments or collection of income drops than the difference will be met from the earmarked Funding Reserve.

When the Government looks at rebasing then the Council has the earmarked Funding Reserve to be used to mitigate this for the year.

Revenue Budget Summary						Appendix A	
Revenue Budget	2022-23 Forecast	2022-23 Latest	2023-24 Forecast	2024-25 Forecast	2025-26 Forecast	2026-27 Forecast	2027-28 Forecast
EXPENDITURE	£	£	£	£	£	£	£
1 Employees	22,445,940	22,442,440	24,398,970	23,805,150	24,215,330	24,860,710	25,522,230
2 Property	5,054,490	5,246,630	5,721,180	5,861,940	6,010,970	6,160,000	6,309,030
3 Services & supplies	5,593,190	7,294,870	6,768,450	6,323,870	6,420,870	6,608,870	6,796,870
4 Grant payments	21,606,120	22,155,530	19,182,450	17,182,450	15,182,450	13,182,450	11,182,450
5 Transport	811,440	867,790	1,057,840	1,074,170	1,092,140	1,144,500	1,199,840
6 Leasing & capital charges	1,692,160	1,495,720	1,497,950	1,538,540	1,897,350	1,897,350	1,897,350
7 Contributions to capital	0	303,860	300,000	500,000	500,000	500,000	500,000
<b>8 Total expenditure</b>	<b>57,203,340</b>	<b>59,806,840</b>	<b>58,926,840</b>	<b>56,286,120</b>	<b>55,319,110</b>	<b>54,353,880</b>	<b>53,407,770</b>
<b>INCOME</b>							
9 Sales	-581,450	-1,476,580	-1,467,900	-1,511,940	-1,557,300	-1,604,020	-1,652,140
10 Fees & charges	-10,280,900	-10,184,560	-10,781,150	-11,212,400	-11,660,900	-12,127,340	-12,612,430
11 Grants - income	-21,868,660	-22,886,090	-19,388,510	-17,388,510	-15,388,510	-13,388,510	-11,388,510
12 Property income	-3,100,730	-3,428,880	-3,343,710	-3,476,990	-3,670,200	-3,780,310	-3,893,720
13 Other income & recharges	-2,621,940	-4,267,070	-4,105,820	-3,610,990	-3,667,820	-3,777,850	-3,891,190
14 Transfer from (-) / to earmarked reserves	-2,644,030	-1,464,350	-2,205,900	-501,640	-3,371,350	-2,958,100	-2,539,400
<b>15 Total income</b>	<b>-41,097,710</b>	<b>-43,707,530</b>	<b>-41,292,990</b>	<b>-37,702,470</b>	<b>-39,316,080</b>	<b>-37,636,130</b>	<b>-35,977,390</b>
<b>16 Total net service cost</b>	<b>16,105,630</b>	<b>16,099,310</b>	<b>17,633,850</b>	<b>18,583,650</b>	<b>16,003,030</b>	<b>16,717,750</b>	<b>17,430,380</b>
<b>Funding</b>							
17 Council tax	-9,190,540	-9,190,540	-9,576,500	-10,061,470	-10,465,930	-10,886,650	-11,324,280
18 Council tax/community charge surplus(-) / deficit	-62,310	-62,310	-125,550	0	0	0	0
19 Revenue support grant	0	0	-245,040	-263,180	-258,520	-258,520	-258,520
20 Rates baseline funding / returned funding	-3,393,800	-3,393,800	-3,520,800	-3,781,860	-4,668,000	-4,837,000	-5,012,000
21 Estimated rates retention and pooling gain	-1,752,200	-1,986,200	-2,446,200	-2,748,000	-160,000	-285,000	-385,000
22 New homes bonus	-1,270,200	-1,270,200	-404,940	-404,940	0	0	0
23 Alternative housing funding	0	0	0	0	-400,000	-400,000	-400,000
24 Other grants	-436,580	-436,580	-1,314,820	-1,324,200	-50,580	-50,580	-50,580
25 Budget gap (-) to be found	0	0	0	0	0	0	0
<b>26 Total funding</b>	<b>-16,105,630</b>	<b>-16,339,630</b>	<b>-17,633,850</b>	<b>-18,583,650</b>	<b>-16,003,030</b>	<b>-16,717,750</b>	<b>-17,430,380</b>
<b>27 -Surplus/shortfall</b>	<b>0</b>	<b>-240,320</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>28 General reserves at end of year</b>	<b>2,059,681</b>	<b>2,300,001</b>	<b>2,300,001</b>	<b>2,300,001</b>	<b>2,300,001</b>	<b>2,300,001</b>	<b>2,300,001</b>
<b>29 General reserves as % of net revenue budget</b>	<b>12.8%</b>	<b>14.1%</b>	<b>13.0%</b>	<b>12.4%</b>	<b>14.4%</b>	<b>13.8%</b>	<b>13.2%</b>

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## 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 'Better 2022' review of services, the Modern 25 agenda, action to act more commercially, monthly monitoring of our financial position and reporting of variances.

1. The budget assumes £15.6 million of income from sales, fees and charges, recycling and property for 2023/24. Whilst this assumption is realistic for the 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 £1,559,000.**
2. The small provision of 1.9% which has traditionally been made for potential losses in council tax collection has been increased to 2.1% in 2023/24 to reflect changing economic circumstances which is likely to be more difficult next year with the estimated overall increase of 5.2% in council tax.
3. Inflation on costs is being partly managed through energy reduction measures and cost effective procurement. However significant inflationary pressures have resulted in an allowance of £774,000 for inflation (excluding pay award provision) which is included in the budget and 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 elimination of legacy payments.
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 business rates reset may arise in 2025/26 but depends on Government funding reforms. A realistic provision of £528,000 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 £597,000.**
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 ~~£73~~ million has been used in the budget as legacy payments are now 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 alternative funding in 2025/26 and thereafter.

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 (CIL). Major town centre regeneration in Newton Abbot will be funded mainly from prudential borrowing and government grant of £9.2 million approved for Future High Street projects. Other co-funding includes developer and external contributions. The rate of inflation on construction projects has risen steeply over recent months due to a combination of issues. The current recessionary economic climate also has the potential to affect the future budgetary impacts of these projects, the business cases for which rely on forecasts for rental income. Business cases are compiled with the benefit of expert external advice where appropriate and are reviewed regularly to assess the impact of the economic environment on capital and revenue costs. 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. The business case for the current Forde House decarbonisation and agile working project is dependent on rental income from letting out space at Forde House. Future projects relating to the Carbon Action Plan and a provision for employment site investment are also to be funded through prudential borrowing. Any project which is funded through borrowing is subject to interest rate risk. Further detail on how this risk is managed can be found in Appendix 12 (Treasury Management Strategy) and Appendix 12a (Capital Strategy). The next phase of Teignbridge 100 projects, future carbon reduction schemes and the employment site provision are indicative 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 2023/24 of £2.2 million. However, revenue reserves are planned to be 13.0% of the net revenue budget or £2.3 million. It is anticipated, dependent upon progress of the town centre developments and the Teignbridge 100, that external borrowing will be required during 2024/25. 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**

**21 February 2023**

# Equality Impact Assessment



Assessment Of: 2023/24 budget proposals	
<input type="checkbox"/> Policy <input type="checkbox"/> Strategy <input checked="" type="checkbox"/> Function <input type="checkbox"/> Service <input type="checkbox"/> Other [please state]	<input checked="" type="checkbox"/> New <input type="checkbox"/> Already exists / review <input type="checkbox"/> Changing
Directorate: Corporate Services	Assessment carried out by: Steve Wotton
Service Area: Finance for all services	Job Role: Finance Systems Manager
Version/Date of sign off by Director: V1 7 February 2023	

## Step 1: What do we want to do?

*This assessment should be started at the beginning of the process by someone with a good knowledge of the proposal and service area, and sufficient influence over the proposal. It is good practice to take a team approach to completing the equality impact assessment. Please contact the Policy Officer early for advice.*

### 1.1 What are the aims and objectives/purpose of this proposal?

*Briefly explain the purpose of the proposal and why it is needed. Describe who it is aimed at and the intended aims / outcomes. Where known also summarise the key actions you plan to undertake. Please use plain English, avoiding jargon and acronyms. Equality Impact Assessments are viewed by a wide range of people including decision-makers and the wider public.*

We, the Council 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 budget proposal includes a council tax increase of £5.54 equivalent to 2.99%, providing a one-off cost of living payment of £5.54 to households liable to pay council tax on their main home from 1 April 2023 in 2023/24, a review of fees and charges, an assumed pay deal of a wage increase of 3.0% whilst continuing to maintain services.

The proposal is aimed at the Council.

### 1.2 Who will the proposal have the potential to affect?

<input checked="" type="checkbox"/> Service users	<input checked="" type="checkbox"/> The wider community	<input checked="" type="checkbox"/> Teignbridge workforce
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### 1.3 Will the proposal have an equality impact?

*Could the proposal affect access levels of representation or participation in a service, or does it have the potential to change e.g. quality of life: health, education, or standard of living etc.?*

*If 'No' explain why you are sure there will be no equality impact, then skip steps 2-4 and request review by your manager.*

*If 'Yes' complete the rest of this assessment.*

<input checked="" type="checkbox"/> <b>Yes</b>	<input type="checkbox"/> <b>No</b> [please select]
--	--

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 proposal of providing a one-off cost of living payment of £5.54 is for all households liable to pay council tax on their main home from 1 April 2023 in 2023/24.

## Step 2: What information do we have?

### 2.1 What data or evidence is there which tells us who is, or could be affected?

Please use this section to demonstrate an understanding of who could be affected by the proposal. Include general population data where appropriate, and information about people who will be affected with particular reference to protected and other relevant characteristics (listed in 2.2).

Use one row for each evidence source and say which characteristic(s) it relates to. You can include a mix of qualitative and quantitative data - from national research, local data or previous consultations and engagement activities.

Outline whether there are any over or under representation of equality groups within your service - don't forget to benchmark to local population where appropriate.

For workforce / management of change proposals you will need to look at the diversity of the affected team(s) using available evidence such as the employee profile data. Identify any under/over-representation compared with Teignbridge's economically active citizens for age, disability, ethnicity, gender, religion/belief and sexual orientation.

Data / Evidence Source [Include a reference where known]	Summary of what this tells us
LGA Research report - Basic Facts About Teignbridge <a href="#">Basic facts about your chosen area (esd.org.uk)</a>	Details the demography of the Teignbridge District in relation to: <ul style="list-style-type: none"> <li>• Population</li> <li>• Age</li> <li>• Ethnicity</li> <li>• Health</li> <li>• Employment</li> <li>• Education</li> </ul>
LGA Research Report- Demographic Report <a href="#">LGA Research Report - Demographic Report   LG Inform (local.gov.uk)</a>	Provides further detail on population changes in Teignbridge, and demographic information relating to gender and ethnicity in Teignbridge with comparisons to the percentage figures for the South West and all English Local authority areas in totality.
Office For National Statistics Census 2011 <a href="http://www.ons.gov.uk/ons/guide-method/census/2011/census-data/index.html">http://www.ons.gov.uk/ons/guide-method/census/2011/census-data/index.html</a>	Demographic source data sets and mid-year estimates.
<b>Additional comments:</b>	

### 2.2 Do you currently monitor relevant activity by the following protected characteristics? Yes

<input checked="" type="checkbox"/> Age	<input checked="" type="checkbox"/> Disability	<input checked="" type="checkbox"/> Gender Reassignment
<input checked="" type="checkbox"/> Marriage and Civil Partnership	<input checked="" type="checkbox"/> Pregnancy/Maternity	<input checked="" type="checkbox"/> Race
<input checked="" type="checkbox"/> Religion or Belief	<input checked="" type="checkbox"/> Sex	<input checked="" type="checkbox"/> Sexual Orientation

## 2.3 Are there any gaps in the evidence base?

Where there are gaps in the evidence, or you don't have enough information about some equality groups, include an equality action to find out in section 4.2 below. This doesn't mean that you can't complete the assessment without the information, but you need to follow up the action and if necessary, review the assessment later. If you are unable to fill in the gaps please state this clearly with a justification.

For workforce related proposals all relevant information on characteristics may need to be sought from HR (e.g. pregnancy/maternity). For smaller teams diversity data may be redacted. A high proportion of not known/not disclosed may require action to address and identify the information needed.

N/A

## 2.4 How have you involved communities and groups that could be affected?

You will nearly always need to involve and consult with internal and external stakeholders during your assessment. The extent of the engagement will depend on the nature of the proposal or change. This should usually include individuals and groups representing different relevant protected characteristics. Please include details of any completed engagement and consultation and how representative this has been of Teignbridge's diverse communities.

Include the main findings of any engagement and consultation in Section 2.1 above.

If you are managing a workforce change process or restructure please refer to HR for advice on how to consult and engage with employees. Relevant stakeholders for engagement about workforce changes may include e.g. staff-led groups, trades unions as well as affected staff.

Consultation is carried out with the Residents Panel, local businesses and the wider community via the Teignbridge District Council website.  
Discussion with Parish and Town Councils.

## 2.5 How will engagement with stakeholders continue?

Explain how you will continue to engage with stakeholders throughout the course of planning and delivery. Please describe where more engagement and consultation is required and set out how you intend to undertake it. Include any targeted work to seek the views of under-represented groups. If you do not intend to undertake it, please set out your justification. You can ask the Consultation Officer for help in targeting particular groups.

Public access to Council meeting.  
Annual budget proposals survey/consultation  
Future spending plans linked to the original annual budget will regularly be brought to Executive together with proposed variations and updates.

## Step 3: Who might the proposal impact?

Analysis of impacts must be rigorous. Please demonstrate your analysis of any impacts of the proposal in this section, referring to evidence you have gathered above and the characteristics protected by the Equality Act 2010. Also include details of existing issues for particular groups that you are aware of and are seeking to address or mitigate through this proposal.

### 3.1 Does the proposal have any potentially adverse impacts on people on the basis of their protected or other relevant characteristics?

Consider sub-categories (different kinds of disability, ethnic background etc.) and how people with combined characteristics (e.g. young women) might have particular needs or experience particular kinds of disadvantage.

Where mitigations indicate a follow-on action, include this in the 'Action Plan' Section 4.2 below.

<b>GENERAL COMMENTS</b> <i>(highlight any potential issues that might impact all or many groups)</i>	
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.	
<b>PROTECTED CHARACTERISTICS</b>	
<b>Age: Young People</b>	Does your analysis indicate a disproportionate impact? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Potential impacts:	Positive via: 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 the wider Teignbridge area
Mitigations:	
<b>Age: Older People</b>	Does your analysis indicate a disproportionate impact? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Potential impacts:	Positive via: 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 Provision of accessible green spaces
Mitigations:	
<b>Disability</b>	Does your analysis indicate a disproportionate impact? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Potential impacts:	Positive via: Improved access to services through 24/7 online/automated web interactions without leaving home Continued support to adaptations and lifetime design principles in housing Provision of accessible green spaces
Mitigations:	
<b>Sex</b>	Does your analysis indicate a disproportionate impact? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Potential impacts:	Access to existing and improved services with no increased or detrimental effect Parents with young children are often socially isolated. Targeted actions in deprived areas and the provision of specific sport/leisure activities will provide a benefit for this population.
Mitigations:	
<b>Sexual orientation</b>	Does your analysis indicate a disproportionate impact? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Potential impacts:	Access to existing and improved services with no increased or detrimental effect.
Mitigations:	
<b>Pregnancy / Maternity</b>	Does your analysis indicate a disproportionate impact? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Potential impacts:	Access to existing and improved services with no increased or detrimental effect.
Mitigations:	
<b>Gender reassignment</b>	Does your analysis indicate a disproportionate impact? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Potential impacts:	Access to existing and improved services with no increased or detrimental effect.
Mitigations:	
<b>Race</b>	Does your analysis indicate a disproportionate impact? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Potential impacts:	Access to existing and improved services with no increased or detrimental effect.
Mitigations:	

<b>Religion or Belief</b>	Does your analysis indicate a disproportionate impact? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Potential impacts:	Access to existing and improved services with no increased or detrimental effect.
Mitigations:	
<b>Marriage &amp; civil partnership</b>	Does your analysis indicate a disproportionate impact? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Potential impacts:	Access to existing and improved services with no increased or detrimental effect.
Mitigations:	
<b>OTHER RELEVANT CHARACTERISTICS</b>	
<b>Socio-Economic (deprivation)</b>	Does your analysis indicate a disproportionate impact? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Potential impacts:	Positive via: 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
Mitigations:	
<b>Other group(s)</b> Please add additional rows below to detail the impact for other relevant groups as appropriate e.g. Asylums and Refugees; Rural/Urban Communities, Homelessness, Digital Exclusion, Access To Transport	
<b>Rural</b>	Does your analysis indicate a disproportionate impact? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Potential impacts:	Positive via: 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
Mitigations:	

### 3.2 Does the proposal create any benefits for people on the basis of their protected or other relevant characteristics?

Outline any potential benefits of the proposal and how they can be maximised. Identify how the proposal will support our Public Sector Equality Duty to:

- ✓ Eliminate unlawful discrimination for a protected group
- ✓ Advance equality of opportunity between people who share a protected characteristic and those who don't
- ✓ Foster good relations between people who share a protected characteristic and those who don't

See points raised in 3.1 above.

## Step 4: Impact

### 4.1 How has the equality impact assessment informed or changed the proposal?

What are the main conclusions of this assessment? Use this section to provide an overview of your findings. This content should be used as a summary in reports, where this full assessment is included as an appendix.

If you have identified any significant negative impacts which cannot be mitigated, provide a justification showing how the proposal is proportionate, necessary and appropriate despite this.

<b>Summary of significant negative impacts and how they can be mitigated or justified:</b>
None identified
<b>Summary of positive impacts / opportunities to promote the Public Sector Equality Duty:</b>
Improving access to services Helping people of all ages to get/stay healthy

### 4.2 Action Plan

Use this section to set out any actions you have identified to improve data, mitigate issues, or maximise opportunities etc. If an action is to meet the needs of a particular protected group please specify this.

Improvement / action required	Responsible Officer	Timescale

### 4.3 How will the impact of your proposal and actions be measured?

How will you know if have been successful? Once the activity has been implemented this equality impact assessment should be periodically reviewed to make sure your changes have been effective and your approach is still appropriate. Include the timescale for review in your action plan above.

<p>Consultation feedback is provided to members at the Council budget meeting. Council performance is monitored and reported on a regular basis to Overview &amp; Scrutiny Committee and this includes Council Plan achievements. Budget changes are monitored via quarterly updates to Executive by the Chief Finance Officer</p>
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## Step 5: Review & Sign-Off

EIAs should only be marked as reviewed when they provide sufficient information for decision-makers on the equalities impact of the proposal. Please seek review and feedback from management before requesting it to be signed off. All working drafts of EIAs and final signed-off EIAs should be saved in G:\GLOBAL\EIA. Once signed-off please add the details to the 'EIA Register' of all council EIAs saved in the same directory.

<p><b>Reviewed by Service Manager:</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Instead was reviewed by:  Steve Wotton</p>	<p><b>Strategic Leadership Team Sign-Off:</b>  Martin Flitcroft</p>
Date: 7 February 2023	Date: 7 February 2023



**PRUDENTIAL INDICATORS**

Indicator Number	Code Page	Para No.	Guidance Para	Indicator	Actual 2021-22	Estimate 2022-23	Budget 2023-24	Forecast 2024-25	Forecast 2025-26
<b>AFFORDABILITY</b>									
1	28	79	153 - 161	Estimates of the proportion of financing costs to net revenue stream		-2.19%	-2.88%	3.12%	6.01%
2	28	80	153 - 161	Actual proportion of financing costs to net revenue stream	0.61%	-	-	-	-
<b>COMMERCIAL AND SERVICE INVESTMENTS</b>									
The following indicators relate to commercial and service investments (assets held and to be purchased through the capital programme, which provide an income stream). Income relates to rental income and also includes fees and charges income in relation to car parks, beach huts and market stalls. Net income proportions are after costs have been deducted. Teignbridge District Council does not hold commercial investments (assets purchased primarily for financial return). The figures below relate to investments for service purposes. This is assets which are held primarily and directly for the delivery of public services such as housing, regeneration and local infrastructure.									
3	29	81	162 - 166	Estimates of net income from commercial and service investments to net revenue stream.		18%	16%	17%	20%
4	29	85	162 - 166	Actual net income from commercial and service investments to net revenue stream.	11%				
5	29	84		Net income from commercial and service investments as proportion of useable (unearmarked) revenue	166%				
<b>PRUDENCE</b>									
7	26	68	231	Gross debt and the capital financing requirement (CFR).		Will not exceed 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.									
<b>CAPITAL EXPENDITURE</b>									
8	24	54	184 - 192	Estimates of capital expenditure		£19.6 M	£38.4 M	£29.8 M	£15.0 M
9	24	56	184 - 192	Actual capital expenditure	£15.6 M				
10	24	57		Estimates of CFR		£20.9M	£27.4M	£30.1M	£29.5M
11	25	60		Actual capital financing requirement	£20.07 M				
<b>Total proportional debt limit as set in capital strategy and commercial strategy. This figure includes forecast "internal borrowing".</b>							£70 M	£70 M	£70 M
<b>EXTERNAL DEBT</b>									
12	25	61		Authorised limit		£22 M	£22 M	£44 M	£44 M
13	25	62		Operational boundary		£20 M	£20 M	£40 M	£40 M
14	20	60		Actual external debt at 31/3/22 (Borrowing plus long-term liabilities, excluding pensions).	£8.4M				
The debt liability benchmark prudential indicator is shown in paragraph 2.2.5 of the Treasury Strategy.									
<b>TREASURY INDICATORS</b>									
Adoption of the CIPFA Treasury Management in the Public Services: Code of practice and cross-sectoral guidance notes 2021 Edition, including the requirement that the Council must not borrow to invest for the primary purpose of a financial					YES	YES	YES	YES	YES
<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%
<u>Variable rate borrowing</u>									
NB: no more than 10% of overall external borrowing									
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%
18	12			Total principal sums invested for periods longer than 365 days (relates to treasury management investments).	£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 21 FEBRUARY 2023**  
**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 2021* requires local authorities to report annually to Council on their treasury strategy and plan before the start of the year. The Department of Levelling Up, Housing and Communities (DLUHC) 2018 *Statutory Guidance on Local Government Investments (3<sup>rd</sup> Edition)* requires authorities to produce a publicly available investment strategy setting out policies for managing investments. The DLUHC 2018 *Statutory Guidance on Minimum Revenue Provision (MRP)* requires a statement of policy on making MRP in respect of that financial year to be submitted to full Council for approval. 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 2021* requires local authorities to set and revise prudential indicators (Appendix 11) and to prepare a capital strategy (Appendix 12a) to provide a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services. From 2023-24, reporting against forward-looking prudential indicators is required to be included in the Chief Finance Officer's (CFO's) regular budget monitoring reports.

**2021 revised CIPFA Treasury Management Code and Prudential Code – changes which will impact on future treasury management reports and the risk management framework**

CIPFA published the revised codes on 20th December 2021, with formal adoption in 2023-24 financial year. This Council has to have regard to these codes of practice when it prepares the Treasury Management Strategy Statement and related reports to Full Council during the financial year.

Teignbridge has adopted the updated requirements, which include formal adoption of the debt liability benchmark treasury indicator as in paragraph 2.2.5 below to support the financing risk management of the capital financing requirement. The codes clarify what

**TEIGNBRIDGE DISTRICT COUNCIL TREASURY MANAGEMENT: POLICY STATEMENT, CLAUSES TO BE ADOPTED, STRATEGY STATEMENT AND AUTHORISED LENDING LIST FROM 21 FEBRUARY 2023**  
**MINIMUM REVENUE PROVISION ANNUAL STATEMENT**

CIPFA expects a local authority to borrow for and what they do not view as appropriate. They require environmental sustainability to be addressed within the Capital Strategy and amend the treasury management practices to address environmental, social and governance (ESG) policy within the treasury management risk framework.

New Investment Management Practices (IMPs) are introduced to manage risks associated with non-treasury investment (similar to the current Treasury Management Practices), with further reporting requirements for service and commercial investment. There are enhanced requirements around the effective management of liquidity and longer term cash flow requirements, with long term treasury investments to be supported by a business model. The knowledge and skills register for individuals involved in the treasury management function is to be proportionate to the size and complexity of the treasury management conducted by each council. In addition, all investments and investment income must be attributed to one of the following three purposes: -

**Treasury management**

Arising from the organisation's cash flows or treasury risk management activity, this type of investment represents balances which are only held until the cash is required for use. Treasury investments may also arise from other treasury risk management activity which seeks to prudently manage the risks, costs or income relating to existing or forecast debt or treasury investments.

**Service delivery**

Investments held primarily and directly for the delivery of public services including housing, regeneration and local infrastructure. Returns on this category of investment which are funded by borrowing are permitted only in cases where the income is "either related to the financial viability of the project in question or otherwise incidental to the primary purpose".

**Commercial return**

Investments held primarily for financial return with no treasury management or direct service provision purpose. Risks on such investments should be proportionate to a council's financial capacity – i.e., that 'plausible losses' could be absorbed in budgets or reserves without unmanageable detriment to local services. An authority must not borrow to invest primarily for financial return.

**Adoption of Treasury Management Policy Statement**

The CIPFA *Treasury Management in the Public Services Code of Practice and Cross-Sectoral Guidance Notes 2021* 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. It has been updated slightly to include borrowing in point 1.

1. Teignbridge District Council defines its treasury management activities as:  
The management of its borrowing, investments and cash flows, including 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 21 FEBRUARY 2023**  
**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 measurement techniques within the context of effective risk management.

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

**1.3 Clauses to be adopted**

1. Teignbridge District Council will create and maintain, as the cornerstones for effective treasury management:
  - A treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities
  - 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.
  - Investment management practices (IMPs) for investments that are not for treasury management purposes.

The content of the policy statement, TMPs and IMPs will follow the recommendations contained in Sections 6, 7 and 8 of the TM Code, subject only to amendment where necessary to reflect the particular circumstances of Teignbridge District Council. Such amendments will not result in Teignbridge District Council materially deviating from the TM Code's key principles.
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 and IMPs.
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, TMPs and IMPs, and if they are 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 effective scrutiny of the treasury management strategy and policies.

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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 **Service and Commercial 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.

**Treasury Management Investments**

**Specified investments** (sterling investments with a maturity of less than one year, made with counterparties of high credit 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.

As a result of the change in accounting standards relating to 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 MHCLG (now DLUHC) 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). DLUHC have now extended the override period to 31.3.25.

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 2023-24).

**Non-Treasury Management Investments**

**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. If the Council borrows to finance such loans, they will follow the Department for Levelling Up, Housing and Communities (DLUHC) guidance on Minimum Revenue Provision (MRP).

**Service and Commercial 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

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for regeneration and local economic benefit purposes which also benefit the Council financially. There are provisions in the capital programme for projects which are for a combination of service delivery, regeneration and local economic benefits.

In the case of service and commercial 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 these non-financial investments would be considered in detail as part of the due diligence process required by the Corporate Projects Board process and/or Commercial Property Investment Board process. The Council's Commercial Strategy, Capital Strategy and Investment Management Practices set out its approach to potential future service and commercial investments of this type. Business cases would include financial appraisal, cost benefit analysis and dependent on investment type, may also feature 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 DLUHC and CIPFA have extended the meaning of 'investments' to include both financial (treasury management) and non-financial (service and commercial) investments. Guidance from DLUHC 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 and Investment Management (IM) 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: -

### **2.2.2 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.

The primary principle governing the Council's investment criteria is the security of its investments, although the yield or return on the investment is also a key consideration.

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Minimum acceptable **credit criteria** are applied in order to generate a **lending list** of counterparties with acceptable creditworthiness at Section 3. This also enables diversification and avoidance of concentration risk. The key ratings used to monitor counterparties are detailed at 2.2.3 below. **Lending limits** (amount and duration of investment) within the list are tiered dependent on relative counterparty strength.

A limit is set within the Prudential indicators for investments which are longer than 365 days.

All investments are denominated in sterling.

- 2.2.3** 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 DLUHC investment guidance requires that the annual strategy statement details the authority's use of ratings and external treasury advisors.

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

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

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

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

**Other information** – ratings will not be the sole determinant of the quality of an institution. In assessing and monitoring the financial sector in relation to economic and political environments in which the Council operates, the Council will engage with its advisors to maintain a monitor on market pricing. Other information sources include share prices, the financial press and commentary received from brokers, establishing a robust scrutiny process on the suitability of potential investment counterparties.

**Environmental, Social and Governance Issues (ESG)**

In terms of treasury management, ESG investment considerations involve understanding the ESG risks to which entities are exposed. It is distinct from socially responsible investing (where negative screens are applied) and sustainable investing (investing in products / companies based on expected sustainable and beneficial societal impact, alongside a financial return).



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The methodologies for measuring ESG investments are still developing, and it is important to recognise that screening investments for environmental or social concerns could lead to unintended consequences around the Council's primary investment objectives of security, liquidity and yield.

Our treasury advisors note that the "G" or Governance element is by far the most important when considering treasury investments, the majority of which will be shorter-term in nature. Poor governance can have a more immediate impact on the financial circumstances of an entity and the potential for a default event that would impact the amount the local authorities receive back from their investments.

In general, we expect all financial institutions and investment counterparties to move towards full Carbon neutral and ESG compliance. The majority of institutions on the Council's approved lending list are signatories to the UN's principles for responsible banking. ESG ratings are beginning to be incorporated into credit rating information, however there is a lack of consistency which means they cannot yet meaningfully be used as a basis for assessment. This is a developing area which the Council will monitor in conjunction with its treasury advisors.

The Council will not knowingly invest directly in businesses whose activities and practices pose a risk of serious harm to individuals or groups, or whose activities are inconsistent with the Council's strategy. This would include, among other things, avoiding direct investment in institutions with material links to:

- a. Human rights abuse (e.g., child labour, political oppression)
- b. Environmentally harmful activities (e.g., pollutants, destruction of habitat, fossil fuels)
- c. Socially harmful activities (e.g., tobacco, gambling)

The Council is working towards taking advantage of some green deposit accounts with institutions on the approved lending list.

#### **2.2.4 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.

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**2.2.5 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.**

At its latest meeting in February, the Bank of England's monetary policy committee (MPC) raised interest rates from 3.5% to 4.0%. Inflation is well above the bank's 2% target, with the Consumer Price Index for December (released January 2023) at 10.5%. Many commentators believe inflation has now peaked and is beginning to fall back. Our advisors anticipate the Bank of England will be keen to loosen monetary policy when the worst of the inflationary pressures have passed but that timing will be one of fine judgment: cut too soon, and inflationary pressures may build up further; cut too late and any downturn or recession may be prolonged.

Bank rate is now expected to peak at around 4.5% in the first half of 2023 before it begins to fall. In the upcoming months, forecasts will be guided not only by economic data releases and clarifications from the MPC over its monetary policies and the Government over its fiscal policies, but the on-going conflict between Russia and Ukraine. (More recently, the heightened tensions between China/Taiwan/US also have the potential to have a wider and negative economic impact).

On the positive side, consumers are still estimated to be sitting on over £160bn of excess savings left over from the pandemic so that will cushion some of the impact of the above challenges. However, most of those are held by more affluent people whereas lower income families already spend nearly all their income on essentials such as food, energy and rent/mortgage payments.

Against the backdrop of interest rates which are forecast first to increase, then to fall, investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e., rates for investments up to 12 months).

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As there are so many variables at this time, caution must be exercised in respect of all interest rate forecasts. Greater returns are usually obtainable by investing for longer periods. There is the prospect of Bank Rate peaking in the first half of 2023 and possibly reducing as early as the latter part of 2023 so an agile investment strategy would be appropriate to optimise returns. While most cash balances are required in order to manage the ups and downs of cash flow, 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.

The Authority's investment priorities remain security first, portfolio liquidity second and then yield (return). The Authority will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and with regard to the Authority's risk appetite.

**Investment performance benchmarking**

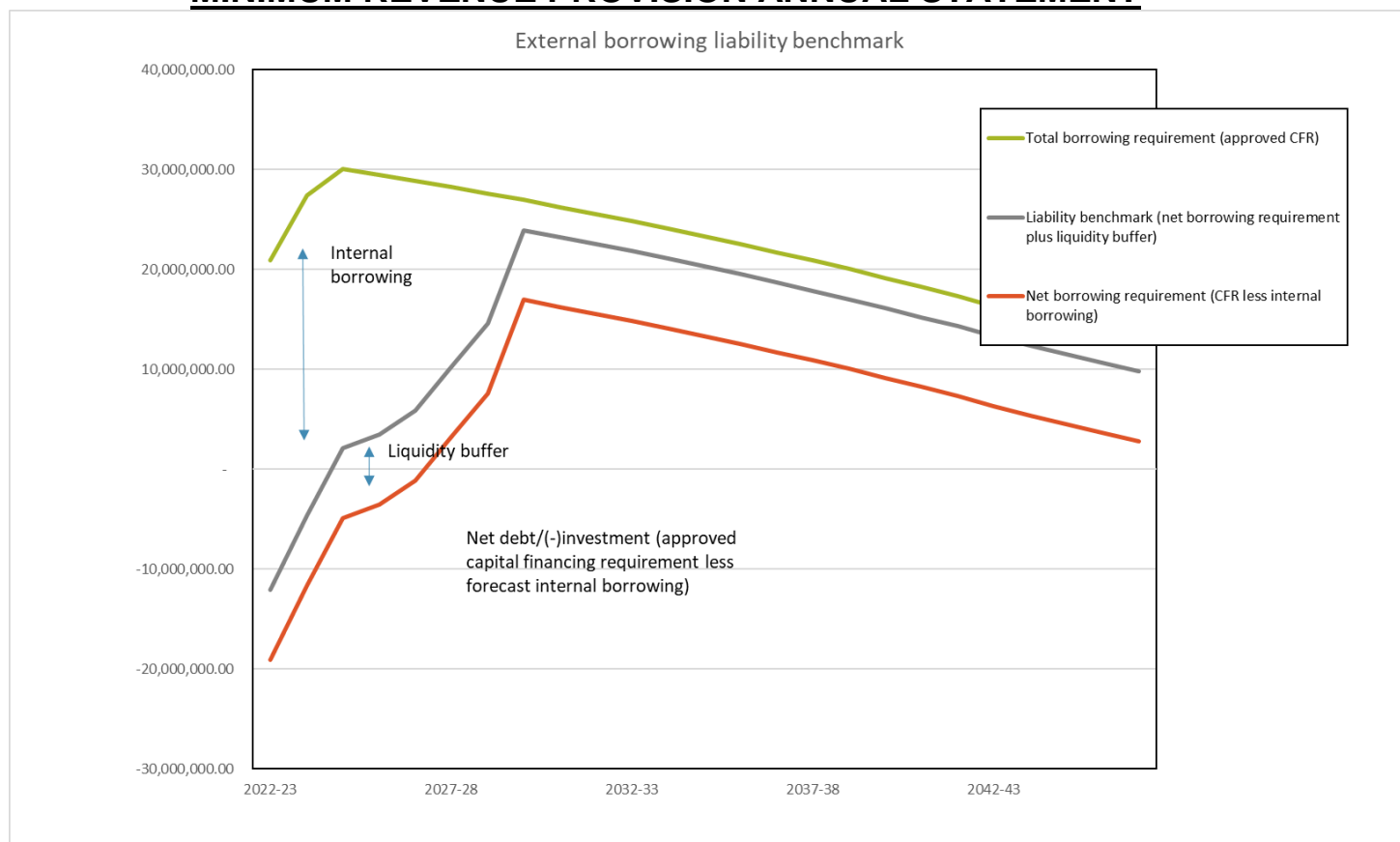
Due to the phasing out of LIBOR/LIBID rates, the Council will assess the investment performance of its portfolio against overnight SONIA. SONIA (Sterling Overnight Index Average) is administered by the Bank of England. It is based on actual transactions and reflects the average interest rates banks pay to borrow sterling overnight from other financial institutions and investors.

**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 following liability benchmark is part of the range of Prudential Indicators required by CIPFA. This has been calculated by working out the total borrowing requirement should the approved (only) 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.

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

### 2.2.6 Security

As stated in the DLUHC 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 DLUHC 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.

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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.

**2.2.7 Staff training and treasury management advisors**

The DLUHC 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.

The CIPFA Treasury Management Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny. All new members are offered a Budget and Financial Management Seminar, which includes an overview of Treasury Management. CIPFA's Better Governance Forum and Treasury Management Network have produced a 'self-assessment by members responsible for the scrutiny of treasury management', which is available from the CIPFA website to download.

Treasury staff receive internal training from experienced staff and managers as well as attending regular training courses provided by the Council's treasury advisors. Staffing is arranged so that a bank signatory, is always available for consultation on decisions. Procedure and system notes, together with official guidance from CIPFA and the DLUHC are maintained for consultation within the section. These are updated for any changes, which are also communicated to the relevant staff. Bank signatories are either professionally qualified accountants or studying for professional-level qualifications. 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 Group, 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. 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

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assessing potential service and 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
6. Top UK-registered Banks and Building Societies, subject to satisfactory ratings. Updated below to reflect information provided by treasury advisors.		
7. <b>Non-specified:</b> CCLA Property and Diversified Income Funds - £2,000,000 limit		

Institution	Tier	90 day limit	180 day limit	364 day limit	Overall limit
		£	£	£	£
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
Nationwide Building Society	1	3,000,000	2,000,000	1,000,000	3,000,000
NatWest Bank	1	3,000,000	2,000,000	1,000,000	3,000,000
Royal Bank of Scotland	1	3,000,000	2,000,000	1,000,000	3,000,000
Standard Chartered Bank	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
Close Brothers Ltd	2	2,000,000	1,000,000		2,000,000
Coventry Building Society	2	2,000,000	1,000,000		2,000,000
Skipton Building Society	2	2,000,000	1,000,000		2,000,000
Sumitomo Mitsui Banking Corporation Europe Ltd	2	2,000,000	1,000,000		2,000,000
Clydesdale Bank	3	1,000,000			1,000,000
Goldman Sachs International Bank	3	1,000,000			1,000,000
Leeds Building Society	3	1,000,000			1,000,000
Principality 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 and the requirements of the Prudential Code and Statutory Guidance on Investments and Minimum Revenue Provision.

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 Q1 to Q3 of 2022-23 (1.5%), interest foregone due to internal borrowing to cover the Council’s Capital Financing Requirement would be in the region of £301,022 per annum. This figure has risen over the year due to the rise in interest rates. 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 1<sup>st</sup> April 2022 (9.5%), the annual cost would have been £501,702.



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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 based on the current approved capital programme does not foresee undertaking any long-term external borrowing until 2024-25.

Medium and longer dated borrowing rates are expected to fall from their current levels once prevailing inflation concerns are addressed by tighter near-term monetary policy (base rate expected to peak during 2023). It is therefore felt to be appropriate to maintain an under-borrowed position. The Chief Finance Officer will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances.

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.

**Policy on Borrowing in Advance of Need**

The Authority will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates and will be considered carefully to ensure that value for money can be demonstrated and that the Authority can ensure the security of such funds.

The overall treasury management portfolio as at 31.3.22 and for the position as at 31.12.22 are shown below for both borrowing and investments.

<b>Treasury Portfolio</b>				
	Actual	Actual	Current	Current
	31.3.22	31.3.22	31.12.22	31.12.22
	£'000	%	£'000	%
<b>Treasury Investments</b>				
Banks	4,478	12%	755	2%
Building Societies - rated	2,000	5%	3,000	7%
Local authorities	4,000	11%	3,000	7%
DMADF (H.M. Treasury)	20,750	56%	29,500	70%
Money market funds	6,000	16%	6,000	14%
<b>Total treasury investments</b>	<b>37,228</b>		<b>42,255</b>	
<b>Treasury external borrowing</b>				
Local authorities	-		-	
PWLB	-		-	
Other	-		-	
<b>Total external borrowing</b>	<b>-</b>		<b>-</b>	
<b>Net treasury investments (borrowing)</b>	<b>37,228</b>		<b>42,255</b>	

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Forward projections of borrowing are summarised in the Prudential Indicators at appendix 11 and considered in more detail in the capital strategy at appendix 12a. 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
- Community municipal (local) investment bonds
- Finance leases
- UK Infrastructure Bank
- 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.

Our advisors will keep us informed as to the relative merits of each of these alternative funding sources.

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. This approach is further clarified in the updated Treasury Management Code and Prudential Code. 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.

Further, the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2023-24 and the following two financial years. This allows some flexibility for limited early borrowing for future years but ensures that borrowing is not undertaken for revenue or speculative purposes.

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The Chief Finance Officer reports that the Council complied with this prudential indicator in the current 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.

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 DLUHC 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 11 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).

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**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.
- 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 DLUHC. 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 DLUHC guidance was updated in 2018 (applicable from 1 April 2019) to include a number of clarifications

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on determining a prudent level of provision. Following sector feedback to a consultation launched in 2021 on changes to MRP provision, a revised consultation took place in 2022. This covers further elements of regulation, including the need for providing MRP on loans to third parties and not using capital receipts in place of MRP (now revised to allow in the case of loans where capital receipts from payments under the arrangement are available). Any changes from this revised consultation will not apply until April 2024.

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 2023-24 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.

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## Teignbridge District Council Capital Strategy

### Background

Local authorities are required by regulation to have regard for the Chartered Institute of Public Finance & Accountancy (CIPFA) Prudential Code 2021 edition and Treasury Management Code 2021 edition. CIPFA published the revised codes on 20th December 2021 and has stated that formal adoption is required from the 2023/24 financial year. The Prudential Code requires that local authorities have in place a capital strategy. This is in order to demonstrate that the authority takes capital expenditure and investment decisions in line with service objectives and overall organisational strategy and resources. The aim is to ensure decisions are being made with sufficient regard to the long run financing implications and potential risks to the authority. Local authorities must also have regard to the Statutory Guidance on Local Government Investments, the updated 3<sup>rd</sup> edition of which applies from 1 April 2018. This requires the production of at least one investment strategy. 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, service or commercial 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 Financial Plan. This is divided into two parts – the Medium Term Financial Plan (MTFP) and the Financial Viability Process (FVP). The Medium Term Financial Plan provides a financial model and forecast of the cost of providing services over a rolling five year period. As well as considering the revenue implications and the General Fund balance, the MTFP also reviews the affordability of the Council's capital investment programme, matching forecast funding against planned capital spending over a five year horizon. Additional support provided during the Pandemic has been withdrawn and funding for local authorities is historically low. Significant financial pressures to consider are high inflation rates, interest rates, high energy and food costs and a likely recession. The MTFP seeks to address these financial challenges while facilitating the Council's strategic aspirations, such as affordable housing and carbon reduction.

The Financial Viability Process shows how the Council will attempt to balance its finances over the coming years to continue to provide service for its residents and customers. A key part of this is a process of reviewing service plans to achieve financial sustainability and viability.

The Capital Strategy shows how the Council intends to focus its capital investment to further 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

## Teignbridge District Council Capital Strategy

achieve its vision of shaping Teignbridge as a place which is economically resilient, delivering good quality services while addressing the funding challenges outlined above.

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.** Covering 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 £8.5 million has been made over three years for Phase 1 of the Teignbridge 100 housing scheme for affordable and social housing. This is in accordance with the priority Actions outlined in the Council Strategy for delivering affordable and social housing, whether through direct delivery or working with developers and housing associations. This is in addition to work already completed, delivering 7 units of housing allocated to local applicants in housing need at Drake Road and Well House, East Street, Newton Abbot and more recently, shared housing and rough sleeper accommodation schemes. In addition, a scheme to acquire 4 homes in Chudleigh for social rent is anticipated to be complete by the end of 2022/23. 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.

Following successful bids for grant funding under the Public Sector Decarbonisation Scheme which resulted in projects to decarbonise Forde House offices, Newton Abbot Leisure Centre, Broadmeadow Sports Centre and Teignmouth Lido, the Council's Climate Change Officer continues to develop the Carbon Action Plan. This is supported in the capital programme with a further provision of £1.3 million funded from borrowing for measures to reduce the authority's carbon footprint. A separate provision of £1.3m is included for a scheme supported by a bid under the third round of the Public Sector Decarbonisation Scheme. This relates to further measures at



## Teignbridge District Council Capital Strategy

Broadmeadow Sports Centre, including fabric improvements, insulation and installation of an air source heat pump. A grant application has been made. The project will be subject to due diligence and a business case, with a report being brought forward in due course.

There are significant provisions for town centre investment, including the Future High Streets Fund scheme, for which the Council has been awarded funding of £9.2 million. The aim is to help stimulate growth in the local economy and ensure it is an attractive and well-connected environment for local businesses. This is funded from a combination of £9 million government grant, £0.3 million CIL and other external contributions, with the balance from prudential borrowing.

There is a £2 million provision for employment sites, funded from borrowing and developer contributions where applicable. This will encourage new and existing businesses to set up, move in and stay in the area. The aim is to create better paid jobs and business expansion for a more resilient local economy. Where people can both work and spend leisure time locally, carbon emissions are also reduced. Individual projects will come back to committee as appropriate as business cases are developed.

**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 towards improvements to the A382 and enabling a new bridge and link road in Dawlish. There are provisions for further contributions to transport infrastructure, including the Jetty Marsh link road, South West Exeter transport and transport hubs and public transport. There are provisions towards education facilities in 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 improvements. 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 Modern 25 (M25) process, led by a team of key staff from the Business Transformation Team, Finance and Performance focuses on delivering a new operating model. The workstreams include review of service delivery, a strategic portfolio focused on business cases to deliver the new model and an asset management thread to promote awareness of how assets support the

## Teignbridge District Council Capital Strategy

delivery of Council priorities. All these workstreams will contribute towards defining the future shape of the capital programme.

- Environmental Sustainability** - The Council's commitment to environmental sustainability is laid out in the Council Strategy, including ambitions, amongst others, to support active, sustainable transport choices, more green energy schemes. In July 2022, the Council's Part 1 Carbon Action Plan was published, three years after the Council declared a climate emergency. Since that declaration, the organisational baseline carbon footprint has been measured and £3.1 million of grant funding secured to tackle carbon emissions. Work has taken place on a package of decarbonisation capital works covering four of its top five carbon emitting buildings (anticipated to be completed during 2023-24). The revenue budget supports the ongoing funding of the specialist Climate Change Officer and temporary staffing resources to assist with the implementation of various works to meet climate change aspirations. Continuing investment for climate change projects, with further provisions under the Carbon Action Plan, (the district's Part 2 Carbon Action Plan is currently being written, following Teignbridge's endorsement of the Devon Carbon Action Plan) and capital projects are included and highlighted within the budget papers. The capital programme highlights the priority of projects which support environmental sustainability with a green leaf. In addition to decarbonisation projects, this includes energy efficient housing, cycle projects and provisions for contributions to infrastructure encouraging sustainable transport choices and low carbon energy. The Corporate Projects Board process promotes broad consideration of projects through the lens of corporate strategic priorities, with environmental sustainability being a key consideration. The climate change officer's role includes comment and input into new projects.

**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 and service provision, 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.

**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 in December 2021, with updated provisions to be implemented in 2023-24. They include formal adoption of the debt liability benchmark in relation to financing risk around borrowing and clarification of what

## Teignbridge District Council Capital Strategy

CIPFA expects a local authority to borrow for and what they do not view as appropriate. Environmental sustainability is to be addressed within the Capital Strategy, with amendments to the treasury management practices (TMPs) to address environmental, social and governance (ESG) policy within the treasury management risk framework.

New Investment Management Practices (IMPs) are introduced to manage risks associated with non-financial investments, with further reporting requirements for service and commercial investment.

In relation to treasury management, there are enhanced requirements around the effective management of liquidity and longer term cash flow requirements, with long term treasury investments to be supported by a business model. The knowledge and skills register for individuals involved in the treasury management function is to be proportionate to the size and complexity of the treasury management conducted by each council.

In addition, all investments and investment income must be attributed to one of the following three purposes: -

### **Treasury management**

Arising from the organisation's cash flows or treasury risk management activity, this type of investment represents balances which are only held until the cash is required for use. Treasury investments may also arise from other treasury risk management activity which seeks to prudently manage the risks, costs or income relating to existing or forecast debt or treasury investments.

### **Service delivery**

Investments held primarily and directly for the delivery of public services including housing, regeneration and local infrastructure. Returns on this category of investment which are funded by borrowing are permitted only in cases where the income is "either related to the financial viability of the project in question or otherwise incidental to the primary purpose".

### **Commercial return**

Investments held primarily for financial return with no treasury management or direct service provision purpose. Risks on such investments should be proportionate to a council's financial capacity – i.e., that 'plausible losses' could be absorbed in budgets or reserves without unmanageable detriment to local services. An authority must not borrow to invest primarily for financial return.

In addition to the CIPFA Codes of Practice, the Department for Levelling Up, Housing and Communities (DLUHC), formerly Ministry for Housing, Communities and Local Government (MHCLG) issued updated statutory guidance on investments and minimum revenue provision (MRP) in February 2018. This is due to be updated by April 2024 following consultation on further elements of regulation, including the need for providing MRP on loans to third parties and not using capital receipts in place of MRP (this has now been caveated to allow capital receipts to be used in

## Teignbridge District Council Capital Strategy

cases where loan arrangements involve capital receipts by way of loan repayments received).

### 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 Corporate Projects Board

Teignbridge District Council operates a Corporate Projects Board (CPB), 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)
- Affordability
- Practicality (including staff resource requirements)

## Teignbridge District Council Capital Strategy

Proposals must follow the Capital project reporting flow chart as per the Financial Instructions, adhering to the corporate project management methodology. An initial mandate is followed up by a financial appraisal and Project Initiation Document (PID) plus any associated project management documentation as required. The CPB ensures early wide consideration from a wide range of relevant expertise. The corporate mandate checklist ensures that prospective projects are consistently assessed against corporate and legislative requirements. Stage 2 of the flow chart ensures the correct level of approval as per the Council's constitution. The details of this process are currently under review as mapping work continues to streamline and digitise the process.

**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 are available for review and the financial appraisal template includes a checklist of typical capital costs for reference. 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 delivery phases of capital projects are managed under the corporate project management methodology. This includes regular project team meetings for large projects and the use of standard templates to record Risks, Actions, Issues and Decisions (RAID logs), ensuring that risks to delivery are actively managed and giving projects the best opportunities to be completed according to plan.

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

The role of the CPB 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. These areas are being addressed by the M25 programme.

The goal of the commercial strategy and M25 programme 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. The Medium Term Financial Plan identifies the pressures and influences

## Teignbridge District Council Capital Strategy

on the Council's revenue budgets and highlights a shortfall between the Council's spending requirements and the amount of finance available.

### Due diligence and risk

#### Investment Management Practices (IMPs)

CIPFA's Treasury Management in the Public Services Code of Practice and cross-sectoral guidance notes 2021 edition require that any investments that are not taken or held for treasury management purposes should be clearly identified and reported in appropriate categories reflecting their **service** or **commercial** purposes in the authority's **Investment Management Practices**. For each category, the various purposes, objectives and management arrangements of the investments should be described. The level of risk and the arrangements for managing it should be set out.

Teignbridge District Council does not currently hold any commercial 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.

Summary of key service investments with outstanding underlying need to borrow:

Investment	Value (£'000)
Market Walk, Newton Abbot	12,638
Minerva Building, Brunel Road	1,552
Halcyon Rd Hotel	411
Sherborne House	2,708
Houghton Barton Link Road*	1,250
* temporary, pending developer contribution	

A projection of the authority's future investments can be seen in the capital programme, summarised in paragraph 1.5 below. This comprises **service investment** projects which are for a combination of service delivery, regeneration and local economic benefits and analysed by strategic priority. The authority does not make investments primarily for financial return.

Teignbridge District Council therefore has one portfolio category:

#### Service Investments

Teignbridge's Investment Management Practices outline the requirements as laid out by CIPFA, including risk management arrangements. Measures include:

- Reference to the risk appendix (appendix 2 of the IMPs).
- Broad early consideration of capital projects by the CPB.
- Use of business cases, checklists and financial appraisal.
- Project management risk registers and monitoring of projects' risk status as they progress (RAG or red, amber, green ratings) – this is carried out routinely by project management boards. The Corporate Projects Board also monitors on an exceptions basis.

## Teignbridge District Council Capital Strategy

- Annual assessments of fair value are carried out and monitored against the original capital investment.
- Minimum revenue provision is set aside in relation to these investments, mitigating against the possibility of adverse valuation changes. A detailed schedule is maintained.
- Revenue budgets are monitored as part of the budget monitoring which feeds into the regular reports provided by the Chief Finance Officer.
- Tracking of rent receipts and market conditions for early indications of potential problems.

Teignbridge's appetite for risk seeks to be proportional to its role as a district council.

### 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.

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

The Council's current de minimis for capital is £10,000, subject to review.

The Council has not used the capitalisation flexibilities issued by the Secretary of State for the Department for Levelling Up, Housing and Communities. These give authorities the

## Teignbridge District Council Capital Strategy

continued freedom to use capital receipts to help fund the revenue costs of transformation projects and release savings. These flexibilities have been extended to 2024-25.

### 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 5 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 5 years of the Medium Term Financial Plan amount to £108.8million, summarised in the table below:

Council Strategy Priority	LATEST BUDGET	LATEST BUDGET	LATEST BUDGET	LATEST BUDGET	LATEST BUDGET	TOTAL
	2022-23	2023-24	2024-25	2025-26	2026-27	2022-27
<b>Expenditure</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
1. A roof over our heads	4,785	5,661	5,564	1,304	1,304	18,618
2. Clean scene	462	165	7,844	168	176	8,815
3. Going to town	1,379	14,326	4,369	-	-	20,074
4. Great places to live & work	946	2,029	5,229	7,548	1,088	16,840
5. Health at the heart	-	-	-	-	-	-
6. Investing in prosperity	17	2,000	250	-	-	2,267
7. Moving up a gear	3,923	7,998	1,950	250	1,750	15,871
8. Out and about and active	1,136	194	1,639	1,537	40	4,546
9. Strong communities	2,973	1,961	1,210	1,674	1,666	9,484
10. Action on climate	3,616	3,639	1,539	2,439	-	11,233
Vital, Viable Council	373	394	193	41	41	1,042
<b>Totals</b>	<b>19,610</b>	<b>38,367</b>	<b>29,787</b>	<b>14,961</b>	<b>6,065</b>	<b>108,790</b>
<b>Funding</b>						
All Revenue contributions	- 936	- 405	- 870	- 240	- 247	- 2,698
Capital Receipts	- 2,060	- 2,249	- 1,802	- 24	- 24	- 6,159
Section 106	- 2,161	- 1,010	- 881	- 40	- 40	- 4,132
Other External Contribution	- 10	-	-	-	-	- 10
Grant	- 9,121	- 16,704	- 4,487	- 3,334	- 2,916	- 36,562
Community Infrastructure Levy	- 4,246	- 5,833	- 7,038	- 9,388	- 2,838	- 29,343
Prudential borrowing	- 1,076	- 12,166	- 14,709	- 1,935	-	- 29,886
<b>Totals</b>	<b>- 19,610</b>	<b>- 38,367</b>	<b>- 29,787</b>	<b>- 14,961</b>	<b>- 6,065</b>	<b>- 108,790</b>

### Sources of funding

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



## Teignbridge District Council Capital Strategy

Capital expenditure funding 2022-23 to 2026-27



**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. 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, affordable housing, 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

## Teignbridge District Council Capital Strategy

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 £5.7 million capital receipts at the start of 2022-23. Taking account of forecast expenditure and receipts, it is currently forecast that General Fund capital receipts will be £0.2 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 Medium Term Financial Plan has reinstated **Revenue Contributions** to capital, following their suspension during the pandemic period. £0.3m is budgeted in 2023-24 and £0.5m per annum thereafter. Note that overall revenue contributions figures also include use of the revenue contributions reserve and additional sums set aside by departments to support capital investment. 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, e.g. interest
- Loss of investment income
- Other income and costs e.g. 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 12 of the budget papers – the Treasury Management Strategy. See also Section 2 below for a projection of the Council's borrowing requirements.

### 1.6 Asset Management Planning

The Executive member for Corporate Resources 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

## Teignbridge District Council Capital Strategy

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 with service business plans, the Medium Term Financial Plan and Capital Strategy provides a stable context in which to make informed decisions and deliver the right outcomes. Further, it provides the opportunity to shape the property portfolio to efficiently support the delivery of services and to hold, acquire or occupy only those properties that support the aims of the Council. Property assets represent the Council's largest physical resource in financial terms and they underpin all service activities;

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

The Council's corporate property function sits as part of the Economy and Assets Service and is overseen and supported by the Corporate Projects Board. 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 <b>Capital Programme</b>	Ensuring 'best consideration' in all our property transactions
	One Teignbridge Transformation Programme		Compliance with statutory and health & safety legislation	Clear <b>Property Policies</b> 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:

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

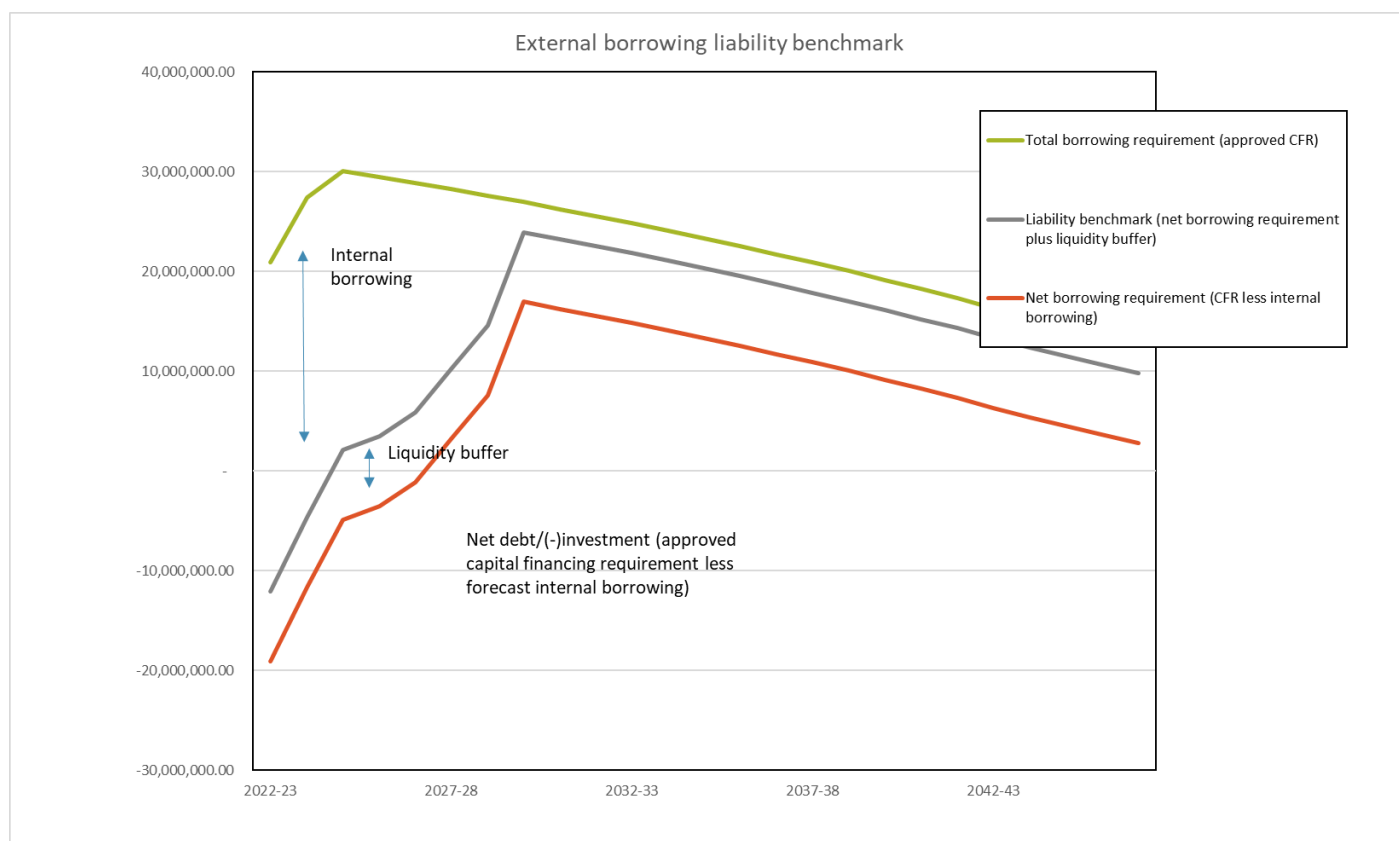
Previous capital projects such as the purchase of Market Walk mean that Teignbridge District Council has an underlying need to borrow. In addition, the capital programme contains projects which would not immediately be funded by grants, contributions, capital receipts or revenue contributions. When taken 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.

	2022-23	2023-24	2024-25	2025-26	2026-27
	£'000	£'000	£'000	£'000	£'000
Estimated Approved Capital Financing (underlying need to borrow).	20,941	27,374	30,116	29,519	28,905
Including provisional schemes (total cumulative underlying need to borrow).	21,159	31,776	47,638	47,588	45,451
Estimated internal borrowing based on forecast usable reserves	-40,000	-39,000	-35,000	-33,000	-30,000
Liquidity cash flow buffer & contingency	7,000	7,000	7,000	7,000	7,000
Estimated external borrowing (including provisional schemes).	n/a	n/a	19,638	21,588	22,451

In the longer term, the calculation of a liability benchmark as required 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:

For the purposes of the liability benchmark, it is the approved capital financing requirement (CFR) which is used as a starting point. The net borrowing requirement is estimated by deducting forecast 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 £7 million average daily lending.

## Teignbridge District Council Capital Strategy



Acceptable sources of loans are specified in the Treasury Management Strategy and include 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. These figures also include an allowance for other long-term liabilities, as identified in the Council's financial statements. 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. Both indicators are approved annually by Council as part of the Prudential Indicators.

	2022-23	2023-24	2024-25	2025-26
	£'000	£'000	£'000	£'000
Operational boundary	20,000	20,000	40,000	40,000
Authorised limit	22,000	22,000	44,000	44,000

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 Department for Levelling Up, Housing and Communities' (DLUHC) 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 DLUHC 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.

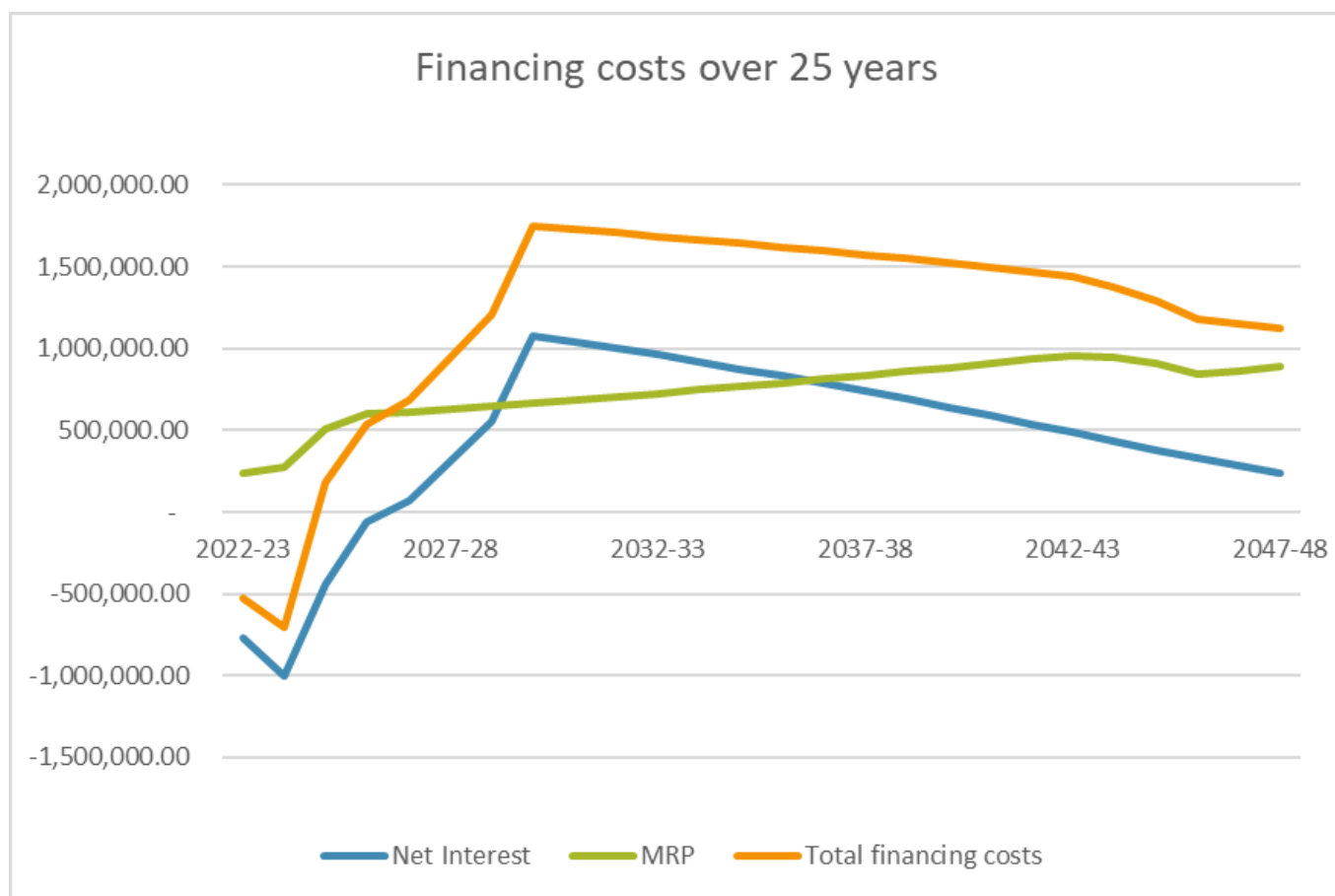
For 2023-24 the Council's MRP statement continues to adopt option 3, the asset life (annuity) method. This is a method often used to calculate loan repayments, where it is required that the total amount of principal and interest repaid each year is a common amount. Principal amounts start low and increase over time. It is therefore suited to investments where revenues will increase over time. It also takes into account the time value of money.

#### 2.2.2 Interest payable

Based on the projected borrowing discussed above (approved schemes only), assuming all schemes are delivered without slippage and a maturity structure which is spread to mitigate against interest rate risk, it is calculated that net interest receivable would be close to £1m in 2023-24, falling to around £450k in 2024-25, then net interest payable builds over the next few years as reserves are assumed to reduce, limiting the scope for internal borrowing. 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.



## Teignbridge District Council Capital Strategy



The DLUHC suggests indicators to assess an authority's risk exposure as a result of investment decisions. The investment cover ratio looks at total net income from property investments to see whether it will cover the expense of interest. Teignbridge does not currently have interest expense, due to not borrowing externally. This is forecast to change over the next 3 years as follows, based on approved borrowing:

2023-24	External borrowing not forecast, so no interest expense.
2024-25	Net service property income covers interest cost 839 times over
2025-26	Net service property income covers interest cost 48 times over.

### 2.2.3 Proportionality

In its new investment guidance, DLUHC 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.

## Teignbridge District Council Capital Strategy

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 Q1 to Q3 of 2022-23, interest foregone due to internal borrowing to cover the Council's Capital Financing Requirement would be in the region of £301,022 per annum. This figure has risen over the year due to the rise in interest rates. 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 1<sup>st</sup> April 2022 (2.5%), the annual cost would have been £501,702.

### Current debt to net service expenditure ratio:

	2022-23
	£'000
External debt	0
Net service expenditure	16,099
Ratio	0

Based on approved borrowing over the next 3 years:

	2023-24	2024-25	2025-26
	£'000	£'000	£'000
Forecast external debt	0	19,638	21,588
Net service expenditure	17,634	18,584	16,003
Ratio	0	1.1	1.35

### Commercial and service 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 DLUHC guidance on investments suggests the following indicator to demonstrate gross and net income from commercial and service investments. It shows gross property income and net income (less costs). The operating costs show the property costs (but not the estimated financing costs):

	2021-22	2022-23	2023-24	2024-25	2025-26
	£'000	£'000	£'000	£'000	£'000
Gross rental income*	-6,240	-6,515	-6,684	-6,924	-7,309
Net income after costs, including financing costs	-3,497	-3,649	-3,538	3,814	4,120
Operating costs	2,743	2,866	3,146	3,110	3,189

## Teignbridge District Council Capital Strategy

\*also includes fees and charges for car parks, beach huts and market stalls

The 2021 Prudential Code includes the following indicator which identifies the percentage of net income (after operating costs) from commercial and service investments, as a percentage of the total net revenue stream. The intention of this indicator is to show the net financial impact on the authority of its entire non-treasury investment income, identifying the potential risk should the investment income cease for any reason.

The actual net income from commercial and service investments to net revenue stream in 2021-22 has been calculated as 11%. Estimates for future years are as follows, increasing due to additional anticipated rental income in relation to projects within the capital programme:

<b>Estimate 2022-23</b>	<b>Budget 2023-24</b>	<b>Forecast 2024-25</b>	<b>Forecast 2025-26</b>
18%	16%	17%	20%

In considering whether authorities could plausibly absorb any losses in budgets or reserves without unmanageable detriment to local services, the net income from commercial and service investments is below considered as a proportion of useable, un-earmarked general revenue reserves. Net income from commercial and service investments in 2021-22 as a percentage of these general reserves was 166%.

### 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 Corporate Projects Board (see above).

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

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

## Teignbridge District Council Capital Strategy

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

### 2.3 Treasury Management

The Council has regard to CIPFA's *Treasury Management in the Public Services Code of Practice and Cross-Sectoral Guidance Notes 2021*. 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 and adopts the updated clauses as per the 2021 code.

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 Capital Strategy

Yield becomes a consideration after the priorities have been satisfied. The majority of treasury management investments are “specified” as defined in the DLUHC 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 and the statutory guidance around MRP provision and not borrowing purely for financial return.

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 and sector 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 DLUHC investment guidance. Any decision to borrow in advance for capital projects or debt maturities would only occur if there was a clear business case to do so. Borrowing may occur to cover temporary shortfalls in cash balances.

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

The Council will adopt a flexible approach to borrowing, making use of internal resources and keeping shorter term borrowing under review in comparison to longer term borrowing costs. This approach is to minimise financing costs and to spread re-financing risk. Acceptable sources of

### Teignbridge District Council Capital Strategy

loans as stated in the Treasury Management schedules are the PWLB, UK Municipal Bonds Agency, community municipal investment bonds, finance leases, 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. Due to the phasing out of LIBOR/LIBID rates, the Council will use an investment benchmark to assess the investment performance of its portfolio of overnight SONIA. SONIA (Sterling Overnight Index Average) is administered by the Bank of England. It is based on actual transactions and reflects the average interest rates banks pay to borrow sterling overnight from other financial institutions and investors.

The latest Treasury Management Code includes investments which fall outside normal treasury management activity. Commercial or service (property) investments are sometimes entered into outside of normal treasury management activity. These need careful financial risk assessment and will follow the risk arrangements as laid out in the Council's Investment Management Practices. 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 DLUHC 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).

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## Teignbridge District Council - Budget Consultation Report

**Date:** 21 February 2023

**From:** Communications Team

**Subject:** Consultation feedback to Executive Committee

### Methodology

The Communications Team were tasked to consult with the public, businesses, on the website, about the budget proposals.

The consultation ran from 16 December 2022 to 25 January 2023 and below you will find a short summary of the results so that full Council on 21 February has the opportunity to take into account residents' feedback when considering the final budget recommendations from Executive.

### The survey

**1,036 people responded to 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. Do you agree with the current recommendation to increase council tax by 2.99%, which equates to £5.54 per year for a Band D property, (taking the council tax to £190.71) to help maintain essential services?
2. Do you agree with our proposal to refund £5.54 as a one-off cost of living payment for all those eligible to pay council tax on their main home?
3. Do you agree we should work with others to support climate change initiatives and take action to reduce our carbon footprint?
4. Do you agree we should continue to support housing as a priority, by enabling/building affordable housing and improving poor quality homes.
5. Do you agree we should support the economy and jobs through improving town centres?
6. Do you agree we should be encouraging new business into the area?
7. Do you agree we should invest in schemes that create better transport links into the district?
8. Do you agree we should invest in schemes that promote better health and wellbeing through leisure and recreational spaces?

	Increase council tax	Offer a one-off cost of living payment of £5.54	Support Climate change	Support housing as a priority	Support Economy and jobs	Encouraging businesses into the area	Create better transport links	Promote better health and wellbeing
Strongly Agree	26%	17%	42%	37%	35%	42%	42%	35%
Agree	41%	25%	32%	32%	43%	45%	37%	40%
Neither Agree nor disagree	12%	21%	13%	13%	15%	10%	14%	19%
Disagree	11%	21%	8%	12%	6%	2%	6%	5%
Strongly disagree	10%	16%	5%	6%	1%	1%	1%	1%

9. 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	78% agree
Make more budget savings	35% agree
Reducing the services we provide	8% agree
Increasing council tax further	23% agree

## Appendix 14

### Executive 7 February 2023

#### Extract Minute No.15

#### Budget and Council Tax 23/24

The Executive Member for Corporate Resources presented the report to consider the final financial plan proposals 2023/24 to 2025/26 for recommendation to Council on 21 February. These proposals included recommended revenue and capital budgets for 2023/24 and planned in outline for 2024/25 and 2025/26.

**RECOMMENDED** that Council approve the final budget for 2023/24 and the outline plan for the subsequent years 2024/25 and 2025/26.

The proposed budget included:

- An increase in council tax of £5.54 or 2.99% to £190.71
- Providing a one-off cost of living payment of £5.54 to households liable to pay council tax on their main home on 1 April 2023 in 2023/24
- Maintaining 100% council tax support
- Continuing to react to the climate change emergency by maintaining ongoing revenue budgets for a climate change officer and associated spending, temporary staffing resources in revenue and provision in the capital programme, including ongoing provisions for corporate decarbonization schemes as per 5.5
- A £2 million provision for employment sites funded by borrowing
- Provision for an Emergency Planning officer
- Temporary funds for a Scrutiny Officer to assist Members with the Scrutiny function and working groups; appointment of a Digital transformation Manager and other temporary resources including for facilitating the Modern 25 work
- Support for housing including the Teignbridge 100 (see 5.3) whilst backing business and bringing people and organisations together for local neighbourhood planning
- The continuing Government reduction in new homes bonus
- Other central funding reductions – in particular provisional assumptions for business rates for future years and reset of the baseline
- Reserves at 13.0% of the net revenue budget or £2.3 million
- Infrastructure delivery plan investment funded by community infrastructure levy and external sources where available
- Continuation of grant funded South West Regional Monitoring Programme as per 5.6
- Town centre investment in infrastructure and employment as per 5.7
- Re-establishing revenue contributions to capital initially at £300,000 per annum
- Continuation of enhanced Planning funding
- Councillors Community Fund set at £1,000
- Provision of £20,000 for year 2 of the 'Tidy Teignbridge' initiative to improve cleanliness for town and parish councils
- Paying £500,000 off our pension deficit in 2023/24 to reduce ongoing contributions
- An additional document - the Financial Plan 2023 – 2028 for adoption (at Appendix 8) and to facilitate Member progression of work plans by Overview & Scrutiny to address the budgetary position and deliver savings

**RECOMMENDED** that Council note the mid year review of Treasury Management shown at appendix 9.

The vote was unanimous.

Appendix 14

## Teignbridge District Council Treasury Management Mid-Year Review 2022-23

Teignbridge District Council has adopted CIPFA's *Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes 2021 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 2022:

Fixed lending - \* denotes investment placed in 2021-22 with end date in 2022-23

Borrower	Rate (%)	Amount	Start date	End date	Days lent April to September	Interest (£)
London Borough Of Haringey*	0.08	3,000,000	21/12/2021	21/09/2022	173	1,137.53
DMO*	0.14	2,250,000	17/01/2022	19/04/2022	18	155.34
Lloyds Term Deposit*	0.05	1,000,295	01/02/2022	09/05/2022	38	52.07
Coventry*	0.71	1,000,000	11/02/2021	09/08/2022	130	2,528.77
Thurrock Council*	0.56	1,000,000	01/03/2022	01/06/2022	61	935.89
Nationwide*	0.53	1,000,000	28/02/2022	06/06/2022	66	958.35
DMO*	0.54	4,500,000	31/03/2022	08/04/2022	7	466.03
DMO*	0.545	500,000	31/03/2022	11/04/2022	10	74.66
DMO*	0.55	8,000,000	31/03/2022	19/04/2022	18	2,169.86
DMO*	0.55	1,000,000	31/03/2022	22/04/2022	21	316.44
DMO*	0.55	1,500,000	31/03/2022	25/04/2022	24	542.47
DMO*	0.55	3,000,000	31/03/2022	27/04/2022	26	1,175.34
DMO	0.55	2,000,000	01/04/2022	27/04/2022	26	783.56
DMO	0.565	500,000	01/04/2022	09/05/2022	38	294.11
DMO	0.59	500,000	01/04/2022	19/05/2022	48	387.95
DMO	0.56	3,000,000	08/04/2022	29/04/2022	21	966.58
DMO	0.56	500,000	11/04/2022	28/04/2022	17	130.41
DMO	0.55	500,000	14/04/2022	28/04/2022	14	105.48
DMO	0.55	3,000,000	19/04/2022	28/04/2022	9	406.85
DMO	0.55	5,000,000	19/04/2022	29/04/2022	10	753.42
DMO	0.55	1,000,000	21/04/2022	29/04/2022	8	120.55
DMO	0.55	1,000,000	25/04/2022	29/04/2022	4	60.27
DMO	0.755	5,000,000	27/04/2022	26/05/2022	29	2,999.32
DMO	0.55	4,500,000	28/04/2022	05/05/2022	7	474.66
DMO	0.59	1,500,000	29/04/2022	06/05/2022	7	169.73
DMO	0.645	2,000,000	29/04/2022	09/05/2022	10	353.42
DMO	0.685	1,000,000	29/04/2022	11/05/2022	12	225.21
DMO	0.735	1,000,000	29/04/2022	19/05/2022	20	402.74
DMO	0.74	1,000,000	29/04/2022	20/05/2022	21	425.75
DMO	0.755	2,500,000	29/04/2022	23/05/2022	24	1,241.10
DMO	0.76	1,000,000	29/04/2022	24/05/2022	25	520.55
DMO	0.77	2,500,000	29/04/2022	26/05/2022	27	1,423.97
DMO	0.82	3,000,000	03/05/2022	26/05/2022	23	1,550.14
DMO	0.85	2,500,000	05/05/2022	20/06/2022	46	2,678.08
DMO	0.8	1,500,000	06/05/2022	11/05/2022	5	164.38

## Appendix 16

Borrower	Rate (%)	Amount	Start date	End date	Days lent April to September	Interest (£)
DMO	0.85	1,000,000	11/05/2022	23/06/2022	43	1,001.37
Nationwide	1.46	1,000,000	11/05/2022	10/05/2023	143	5,720.00
Thurrock Council	1.1	2,000,000	01/06/2022	01/09/2022	92	5,545.21
DMO	0.835	1,000,000	16/05/2022	20/06/2022	35	800.68
DMO	0.885	7,000,000	16/05/2022	05/07/2022	50	8,486.30
DMO	1.005	2,000,000	20/05/2022	09/08/2022	81	4,460.55
DMO	0.93	2,000,000	24/05/2022	05/07/2022	42	2,140.27
DMO	0.965	1,500,000	26/05/2022	19/07/2022	54	2,141.51
DMO	1.05	3,000,000	01/06/2022	09/08/2022	69	5,954.79
DMO	1.05	1,000,000	06/06/2022	18/07/2022	42	1,208.22
DMO	1.115	3,000,000	15/06/2022	09/08/2022	55	5,040.41
DMO	1.16	1,500,000	15/06/2022	22/08/2022	68	3,241.64
DMO	1.165	1,000,000	15/06/2022	23/08/2022	69	2,202.33
DMO	1.06	1,000,000	20/06/2022	22/07/2022	32	929.32
DMO	1.05	500,000	27/06/2022	05/07/2022	8	115.07
DMO	1.22	500,000	27/06/2022	26/08/2022	60	1,002.74
DMO	1.28	1,500,000	27/06/2022	12/09/2022	77	4,050.41
DMO	1.05	1,000,000	01/07/2022	04/07/2022	3	86.30
DMO	1.31	2,500,000	01/07/2022	15/09/2022	76	6,819.18
DMO	1.345	1,500,000	07/07/2022	20/09/2022	75	4,145.55
DMO	1.36	1,000,000	07/07/2022	23/09/2022	78	2,906.30
DMO	1.46	2,500,000	15/07/2022	28/09/2022	75	7,500.00
DMO	1.525	1,500,000	15/07/2022	10/10/2022	78	4,888.36
DMO	1.585	1,500,000	25/07/2022	19/10/2022	68	4,429.32
DMO	1.275	1,000,000	29/07/2022	11/08/2022	13	454.11
DMO	1.35	4,500,000	01/08/2022	11/08/2022	10	1,664.38
Coventry	2.07	1,000,000	09/08/2022	03/02/2023	53	3,005.75
Principality	1.83	1,000,000	11/08/2022	07/11/2022	51	2,556.99
DMO	1.76	4,500,000	11/08/2022	21/10/2022	51	11,066.30
Nationwide	2.12	1,000,000	15/08/2022	10/02/2023	47	2,729.86
DMO	1.755	6,000,000	15/08/2022	21/10/2022	47	13,559.18
DMO	1.63	500,000	16/08/2022	26/09/2022	41	915.48
DMO	1.88	1,500,000	17/08/2022	21/11/2022	45	3,476.71
DMO	2.22	1,500,000	30/08/2022	19/12/2022	32	2,919.45
DMO	2.09	7,000,000	01/09/2022	25/11/2022	30	12,024.66
London Borough Of Haringey	3.17	3,000,000	21/09/2022	20/09/2023	10	2,605.48
DMO	1.77	500,000	15/09/2022	30/09/2022	15	363.70
DMO	1.955	2,000,000	28/09/2022	30/09/2022	2	214.25

Sub-total fixed lending

£169,523.11

## Appendix 16

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

<b>Bank</b>	<b>Account terms</b>	<b>Interest Earned £</b>
Santander UK plc	0.23% - 0.94%	5,833.29
Public Sector Deposit Fund	0.58% - 1.96%	17,221.66
Aberdeen Sterling Liquidity Fund	0.54% - 2.14%	17,505.34
Lloyds plc Deposit and current account	0.01% - 0.90%	1,696.97
Sub-total call accounts and money market funds		42,257.26
Grand total all lending		<b>£211,780.37</b>

Temporary Borrowing 1 April to 30 September 2022:

<b>Lender</b>	<b>Terms %</b>	<b>Amount lent £</b>	<b>Dates</b>	<b>Days lent in year</b>	<b>Interest paid in year £</b>
Lloyds Bank	Base + 1%	Variable	Overdraft agreement	0	0.00

### **Teignbridge District Council Interim Performance Report for the Period 1 April to 30 September 2022**

	Apr-Sep 2021-22	Apr-Sep 2022-23
<b>(i) Short Term Funds Invested</b>		
Interest received and receivable for the period	£4,030	£211,780
Maximum period of investment on any one loan made in the period	180 days	364 days
Days in table of fixed lending are those which fall into 2022-23 – actual loan lengths may be longer.		
“Fixed” investment rates in period.	0.01% - 0.07%	0.55% - 3.17%
<b>(ii) Short Term Funds Borrowed</b>		
Interest paid and payable for the period	£0	£0
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
<b>(iii) Average Net Interest Rate Earned</b>	0.028%	1.02%
<b>(iv) Average Short Term Net Lending 135</b>	£31,933,979	£41,392,002

### Regular Monitoring

Monthly reports are prepared for the Chief Finance Officer which forecast interest payable and receivable for the 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 £765,678. This compares to £26,065 in 2021-22. This forecast increase is mainly due to the increase in interest rates. Between April and September 2022, the Bank of England's base rate rose four times, from 0.75% at the start of the year to 2.25% in September. Base rate was at 0.1% throughout the same period in 2021. During the first half of the year, there has been an increase in the funds available for lending out (average daily lending is £41.4 million in 2022-23 compared to £31.9 million at the same stage in 2021-22). This is mainly due to funding received from Government to enable grant payments such as energy rebates and other unapplied grants and developer contributions. The average net interest rate achieved is 1.02% up to the end of September 2022, compared to 0.028% at the same point in 2021. The average SONIA (Sterling Overnight Index Average) rate as published on the first of each month for April to September is 1.065%, so this is in line with benchmark expectations. It is forecast that Teignbridge's average rate for the year will be 1.88%.

### Treasury Management Indicators

These are part of the Prudential Indicators, as agreed at Full Council on 22 February 2022. They are available on request or on the Teignbridge website agenda for that meeting.



**Teignbridge District Council  
Full Council  
21 February 2023  
Part i / ii**

**Community Governance Review for Ogwell Parish**

**Purpose of Report**

To seek approval to:

1. Increase the number of members on Ogwell Parish Council by two.

**Recommendation(s)**

The Council RESOLVES to:

- (1) Increase the number of members on Ogwell Parish Council by two.

**Financial Implications**

See section 3, paragraph 3.1  
Martin Flitcroft, Chief Finance Officer and Head of Corporate Services  
martin.flitcroft@teignbridge.gov.uk

**Legal Implications**

See section 3, paragraph 3.2  
Paul Woodhead, Head of Legal Services and Monitoring Officer  
Email: paul.woodhead@teignbridge.gov.uk

**Risk Assessment**

See section 3, paragraph 3.3  
Cathy Ruelens, Electoral Services Manager  
cathy.ruelens@teignbridge.gov.uk

**Environmental/ Climate Change Implications**

See section 3, paragraph 3.4  
David Eaton, Environmental Protection Manager  
david.eaton@teignbridge.gov.uk

## **Report Author**

Cathy Ruelens  
Electoral Services Manager  
cathy.ruelens:@teignbridge.gov.uk

## **Executive Member**

Councillor Alan Connett

## **Background Papers**

[Community Governance Review Ogwell Parish Council - Teignbridge District Council](#)

[Community Governance Review Ogwell Parish Council - Terms of Reference – Community Governance Review - Teignbridge District Council](#)

[Community Governance Review Ogwell Parish Council - Reviewing the number of parish councillors for Ogwell - Teignbridge District Council](#)

[Community Governance Review Ogwell Parish Council - Draft recommendations for Ogwell Parish. - Teignbridge District Council](#)

### **1. Introduction/Background**

- i. Following an alteration to the boundary between the parishes of Ogwell and Newton Abbot resulting in a 9% increase to the number of electors in Ogwell, Ogwell Parish Council has asked Teignbridge District Council to review the number of Councillors for Ogwell Parish Council and to increase the number from 8 to 10.
- ii. In undertaking these reviews the Electoral Services Manager, in consultation with the Managing Director, was guided by Part 4 of the Local Government and Public Involvement in Health Act 2007, relevant parts of the Local Government Act 1972 and guidance issued in 2010 by the Department of Communities and Local Government and the Local Government Boundary Commission.

### **2. Review process**

- i. The Parish Council believes that an increase to the number of councillors will enable it to function more effectively.
- ii. As part of the initial consultation, we contacted the relevant district councillors who had no objections to the proposed increase in Parish Councillors.
- iii. During both the initial consultation we have not received any comments from members of the public living in Ogwell parish, or from anyone other than the Parish Council itself which is in support of the recommendations.

### **3. Implications, Risk Management and Climate Change Impact**

#### **3.1 Financial**

There is no financial risk to either Teignbridge District Council or Ogwell Parish Council as Parish Councillors do not receive payment.

#### **3.2 Legal**

There is no legal risk to Teignbridge District Council or Ogwell Parish Council.

#### **3.3 Risk**

Ogwell Parish Council believes that if the number of councillors is not increased the effective running of their parish may be affected and there is likely to be an increase in the number of meetings which are inquorate.

#### **3.4 Environmental / Climate Change**

There are no environmental or climate change risks associated with this proposal.

### **4. Conclusion**

There have been no objections received concerning this proposed change, only comments in support of it.

Ogwell Parish Council is best placed to understand the needs of its parish.

Ogwell parish currently has 2,218 registered electors and regard should be given to the following in relation to democratic representation:

- i. Guidance issued by the Department of Communities and Local Government (DCLG) in 2010 references research conducted by the Aston Business School Parish and Town Councils in England (HMSO, 1992), which found that the typical parish representing between 501 to 2,500 people had between 6 and 12 councillors.
- ii. The Local Boundary Commission for England (LGBCE) states it has no reason to believe this pattern of council size to population has altered significantly since the research was conducted as it broadly reflects the council size range set out in the National Association of Local Councils (NALC) Circular 1126: the Circular suggests that the minimum number of councillors for any parish should be 7.
- iii. The current proposal for Ogwell parish is in line with these recommendations.