

25 January 2023

OVERVIEW AND SCRUTINY COMMITTEE 2

Overview and scrutiny of:
Economy; Business and Tourism; Planning
Corporate Resources; Sport, Recreation and Culture

A meeting of the **Overview and Scrutiny Committee 2** will be held on **Thursday, 2nd February, 2023 at 2.30 pm** in the Buckland Athletic Football Club, Kingskerswell Rd, Newton Abbot, TQ12 5JU

PHIL SHEARS
Managing Director

Membership:

Councillors Bullivant (Chair), Swain (Vice-Chair), Austen, D Cox, Daws, Eden, Gribble, Hayes, G Hook, Morgan, Nuttall, L Petherick and Tume

Please Note: Filming is permitted during Committee meeting with the exception where there are confidential or exempt items, which may need to be considered in the absence of the press and public. By entering the meeting room you are consenting to being filmed

A G E N D A

1. **Apologies**
2. **Minutes** (Pages 3 - 8)
To approve the Minutes of the meeting held on 10 January 2023

3. **Declaration of Interest**

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

Members of the public may ask questions. A maximum period of 15 minutes will be allowed with a maximum period of three minutes per questioner. The deadline for questions is no later than 3 clear working days before the date of the meeting.

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

Members of the Council may ask questions of the Chair of the Committee subject to procedural rules. The deadline for questions is no later than three clear working days before the meeting.

6. **Executive Forward Plan**

To note forthcoming issues anticipated to be considered by the Executive over the next few months. The Executive Forward Plan can be found [here](#).

7. **Work Programme**

(Pages 9 - 10)

To consider the Committee's work programme

8. **Final Financial plan Proposals 2023/24 to 2025/26**

(Pages 11 - 92)

9. **Executive Member biannual update, jobs and economy, Councillor Jeffries**

10. **Feedback from Task and Finish Groups**

Planning Enforcement Task and Finish Group

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

OVERVIEW AND SCRUTINY COMMITTEE 2

TUESDAY, 10 JANUARY 2023

Present:

Councillors Bullivant (Chair), Swain (Vice-Chair), Austen, D Cox, Daws, Gribble, Hayes, G Hook, Morgan and L Petherick

Members Attendance:

Councillors H Cox, J Hook, Keeling, Nutley, Taylor and Wrigley

Apologies:

Councillors Eden, Nuttall and Tume

Officers in Attendance:

Martin Flitcroft, Chief Finance Officer & Head of Corporate Services

Jack Williams, Performance Data Analyst

Trish Corns, Democratic Services Officer

Christopher Morgan, Trainee Democratic Services Officer

1. MINUTES

It was proposed, seconded and

RESOLVED

The Minutes of the meeting held on 14 November 2022 be approved as a correct record and be signed by the Chair.

2. DECLARATION OF INTEREST

Executive Member Councillor Wrigley declared a non-pecuniary interest in Minute 12 below by virtue of his property overlooking the Exe Estuary and as treasurer of the Starcross/Cockwood boat club.

3. PUBLIC QUESTIONS

None.

4. COUNCILLOR QUESTIONS

None.

5. EXECUTIVE FORWARD PLAN

The Executive forward plan detailing issues to be considered over the next few months was noted.

6. WORK PROGRAMME

The Committee's work programme as circulated with the agenda was noted.

7. INITIAL FINANCIAL PLAN PROPOSALS 2023/24 TO 2025/26

The chair referred to the agenda report on the initial financial plan proposals 2023/24 to 2025/26 considered by the Executive on 3 January 2023.

The Executive Member for corporate resources presented the proposals including draft revenue and capital budgets for the three years 2023/24 to 2025/26. The budget was balanced using earmarked reserves. The main issues taken into account were:

- The level of council tax and the proposal to increase it by £5.54 or 2.99%. 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
- Reducing central funding and the need to make ongoing efficiencies using invest to save where possible.
- Maintaining 100% council tax support.
- The ongoing impact of post pandemic activity and economic conditions on income streams and changing Government funding.
- Continuing to react to the climate change emergency by maintaining ongoing 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 decarbonisation schemes as set out at paragraph 5.5. of the appended Executive report.
- 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 for facilitating the Modern 25 work.
- Support for housing including the Teignbridge 100 (as set out at paragraph 5.3 of the appended Executive report) whilst backing business and bringing people and organisations together for local neighbourhood planning.
- Infrastructure delivery plan investment funded by community infrastructure levy (CIL) and external sources where available; continuation of grant-funded South West Regional Coastal Monitoring Programme as per paragraph 5.6 of the appended Executive report
- Town centre investment in infrastructure and employment as per paragraph 5.7 of the appended Executive report
- Re-establishing revenue contributions to capital initially at £300,000 per annum
- Continuation of enhanced Planning funding
- Councillors community fund set at £1,000 each

- Provision of £20,000 for year 2 of the 'Tidy Teignbridge' initiatives to improve cleanliness for town and parish councils
- Paying £500,000 off our pension deficit liability to reduce on going contributions.
- The level of reserves necessary for the council as per paragraph 4.22 of the appended Executive report.
- Estimated revenue budget gap of £3.6 million in 2025/26 and ongoing gaps (before use of remaining earmarked reserves) and action required to address this including establishing working groups to inform Overview & Scrutiny on work to reduce the gap, as per paragraph 4.26 of the appended Executive report.

In response to questions the Committee noted:

- The new post of an emergency planning officer would provide a dedicated person to deal with emergency situations such as a power outage for several days as a result of a snowstorm and would address the risk of not having a dedicated officer in place.
- Appendix 7 of the Executive report was the budget and financial plan for the next 5 years. OS 1 and 2 Committees should form task and finish groups to refer to this document and scrutinise services to suggest action to reduce the expected budget gap of £3.6m in 2025/26. This work could commence prior to the May elections and would need to feed into future budget proposals each year up to and including 2025/26. It would be an ongoing process to reduce the budget gap and would work with the potential savings identified by Ignite.
- The one-off cost of living payment of £5.54 to households liable to pay council tax would protect the Council tax base rate for future years and would amount to some £330k.

RECOMMENDED

That Council resolves to approve the council tax base of 50,215 for 2023/24 as set out in Appendix 2 of the attached Executive 3 January 2023 report.

8. LEISURE CENTRE REFURBISHMENT PROPOSALS - UPDATE

The Executive Member for sport, recreation and culture referred to the agenda report which provided an update on refurbishment of the Leisure centres. The decarbonisation works and covid have shown that disruption to services results in time to rebuild business. The refurbishment works at Dawlish Leisure centre were complete. Financial modelling and demand analysis would be updated to direct the business going forward.

RESOLVED

The report and work undertaken to date was noted.

9. EXECUTIVE MEMBER BIENNIAL UPDATE, CORPORATE RESOURCES, COUNCILLOR KEELING

Councillor Keeling updated the Committee on services within his portfolio, which included the following:

- Regular Finance reports to Executive which identified savings in the current year of £146,000.
- Minute 7 of the budget report 2023/24 proposals above refers to new document being the 5 year strategy financial plan 2023 to 2028 at Appendix 7 which sets out some key principles that overview and scrutiny (O and S) committees are asked to look at to address the budget gap for Better 2022 and Modern 2025.
- O and S are asked to focus on various aspects of the budget and forming working groups to investigate and report back with recommendations on specific budget areas. This might be on all sorts of areas e.g. grants, use of assets, fees and charges policy, transfer or disposal of assets, commercial opportunities etc.
- The 2021/22 have been finalised and awaiting to be audited.
- All service departments have been updating business plan and these include sections on performance and service reviews will take the form of an independent review of the service which will update Business Plans.
- Managers will revisit business plans in line with the requirements of our Better 2022 process for ensuring we deliver our services in the most efficient way. The key driver going forward will be to merge this process into our work on Modern 25.
- Work is being undertaken on a comprehensive Councillors Induction Programme following the May 2023 elections and also what IT provision would best meet Councillors' requirements.
- Key challenges are mainly financial to reduce the budget gap through service reviews and the Modern 25 agenda which will look at the structure and deliver savings as the Council progresses through the ideas and options identified by Ignite, the work internally and O&S input.
- All services are investigating a series of digital enhancements to processes within the service areas as part of the council's wider modernisation programme – "Modernising Teignbridge." This work will be ongoing over the next two years as the Council changes its operating model to realise future savings.

In response to questions, it was noted that accessing services online reduces costs and is the way forward. Dedicated digital officers would assist customers to connect to services online.

10. EXECUTIVE MEMBER BIENNIAL UPDATE, JOBS AND ECONOMY, COUNCILLOR JEFFERIES

Councillor Jefferies biennial update to Committee was deferred until the next meeting on 2 February 2023 due to her apology for attending the meeting.

11. CAR PARKS TASK AND FINISH GROUP - UPDATE

Councillor H Cox, the Chair of the group advised that the group had completed its meetings and recommendations. A report would be presented to the Committee for consideration.

12. DAWLISH WARREN - CURRENT SITUATION WITH THE GEO TUBES AND SAND MOVEMENT

The Executive Member for climate change, coastal and flood risk management, and Councillor Wrigley, the Chair of the south and east Devon habitat regulations executive committee reported on the current situation with the geo tubes at Dawlish Warren. The erosion at the Warren was currently occurring quicker than expected. The Environment Agency would be removing the geo tubes and replacing with defences along the estuary to protect settlements before 2050. In the meantime planning permission has been granted to repair the geo tubes.

13. COUNCIL STRATEGY PERFORMANCE MONITORING Q1 AND 2

The Chair referred to the agenda reports covering the period April to October 2022 which updated performance of the Council's Strategy 2020- 2030 T10 priorities, under the auspices of the Committee. There were no areas of concern. Details of the programmes, projects and performance indicators with a caution status together with an explanation of the performance and improvement plan was detailed in the appendix of the agenda report.

RESOLVED

The report be received, and actions being taken to rectify any performance issues detailed in the agenda report appendix be noted.

CLLR P BULLIVANT
Chairman

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OVERVIEW & SCRUTINY COMMITTEE (2) WORK PROGRAMME 2022/23

Economy, Business and Tourism; Planning; Corporate Resources; Sport, Recreation and Culture

Portfolio Holders

Corporate Resources (Cllr Keeling)

Planning (Cllr Taylor)

Jobs & Economy (Cllr Jeffries)

Sport, Recreation & Culture (Cllr Nutley)

The Overview and Scrutiny Committee Work Programme details the planning activity to be undertaken over the coming months.

The dates are indicative of when the Committee will review the items. It is a flexible programme however and it is possible that items may need to be rescheduled and new items added with new issues and priorities.

Standing item

South and East Devon Habitat Regulations Executive Committee

2 February 2023 2.30pm	Report	Lead Officer / Next Steps
Final Financial plan Proposals 2023/24 to 2025/26	Report	Chief Finance Officer Executive member corporate resources.
Executive Member Presentation	Presentation	Executive member -jobs & economy

Task & Finish Groups

Group		Lead Officer
Car Parks		Head of Place & Commercial Services
Open Spaces Delivery Management		Head of Place & Commercial Services

Historic Group		Lead Officer
COVID 19 Community Impact		Head of Community Services and Improvement
Planning Enforcement		Head of Place & Commercial Services
Employment sites		Head of Place & Commercial Services
BAME	Joint with OS(1)	Head of Community Services and Improvement

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**Teignbridge District Council
Overview & Scrutiny 2
2 February 2023
Part i**

FINAL FINANCIAL PLAN PROPOSALS 2023/24 TO 2025/26

Purpose of Report

To consider the final financial plan proposals 2023/24 to 2025/26 for recommendation to Council on 21 February.

These proposals include recommended revenue and capital budgets for 2023/24 and planned in outline for 2024/25 and 2025/26.

Recommendation(s)

The Committee is recommended to resolve:

That the Overview and Scrutiny Committee 2 recommends that these proposals be considered together with any subsequent consultation comments for approval by Council as the final budget for 2023/24 and the outline plan for the subsequent years 2024/25 and 2025/26.

The proposed budget includes:

- **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 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**

The recommendation to Council to note the mid year review of Treasury Management at appendix 9

Financial Implications

The financial implications are contained throughout the Executive report attached. The main purpose being to approve the final budget proposals for both revenue and capital budgets and medium term financial plan covering the years 2022/23 to 2025/26.

Martin Flitcroft – Chief Finance Officer
Tel: 01626 215246 Email: martin.flitcroft@teignbridge.gov.uk

Legal Implications

The Executive is required under the budget and policy framework procedure rules in the constitution (section 7(a) and 7 (b)) to agree and recommend a budget to Council each year. See section 8 of the attached report.

Martin Flitcroft – Chief Finance Officer
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Risk Assessment

The risks involved in not setting a balanced budget are highlighted throughout the report. The major risks are in 3.9, 4.13, 4.15 and 4.26 with reference to uncertainties as to income projections following the pandemic and economic conditions, future

funding – particularly business rates retention and New Homes Bonus and if an alternative funding stream to replace New Homes Bonus is provided when 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.

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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. Additional temporary staffing resources are proposed 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

Martin Flitcroft – Chief Finance Officer
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Executive Member

Councillor Richard Keeling – Executive Member for Resources

Appendices/Background Papers

Executive report 7 February 2023 and associated appendices
Budget and settlement files
The Constitution

1. PURPOSE

- 1.1** To consider the final financial plan proposals 2023/24 to 2025/26 as appended, to be considered by the Executive on 7 February 2023.
- 1.2** These proposals include recommended revenue and capital budgets for 2023/24 and planned in outline for 2024/25 and 2025/26.
- 1.3** To bring the mid year treasury management review for information as shown at appendix 9.

- 1.4** The report and appendices to be considered by the Executive on 7 February 2023 are appended for ease of reference. Members are asked to refer to these papers for all background information.

**Teignbridge District Council
Executive
7 February 2023
Part i**

FINAL FINANCIAL PLAN PROPOSALS 2023/24 TO 2025/26

Purpose of Report

To consider the final financial plan proposals 2023/24 to 2025/26 for recommendation to Council on 21 February.

These proposals include recommended revenue and capital budgets for 2023/24 and planned in outline for 2024/25 and 2025/26.

Recommendation(s)

The Executive propose a budget set out as in appendix 4 for revenue and appendix 7 for capital and

Resolve

That these proposals be considered together with any subsequent consultation comments for approval by Council as the final budget for 2023/24 and the outline plan for the subsequent years 2024/25 and 2025/26.

The proposed budget includes:

- **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**
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- **The continuing 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**
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- **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**

The Executive Committee recommends to Council to note the mid year review of Treasury Management shown at appendix 9

Financial Implications

The financial implications are contained throughout the report. The main purpose being to approve the final budget proposals for both revenue and capital budgets and medium term financial plan covering the years 2022/23 to 2025/26.

Martin Flitcroft – Chief Finance Officer

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The Executive is required under the budget and policy framework procedure rules in the constitution (section 7(a) and 7 (b)) to agree and recommend a budget to Council each year. See section 8 of the report.

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The risks involved in not setting a balanced budget are highlighted throughout the report. The major risks are in 3.9, 4.13, 4.15 and 4.26 with reference to uncertainties as to income projections following the pandemic and economic conditions, future

funding – particularly business rates retention and New Homes Bonus and if an alternative funding stream to replace New Homes Bonus is provided when 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.

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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 – Treasury management mid year review
Budget and settlement files
The Constitution

1. PURPOSE

- 1.1** To consider the final financial plan proposals 2023/24 to 2025/26 for recommendation to Council on 21 February 2023.

- 1.2 These proposals include recommended revenue and capital budgets for 2023/24 and planned in outline for 2024/25 and 2025/26.
- 1.3 To bring the mid year treasury management review for information as shown at appendix 9.

2. SUMMARY

- 2.1 Recent budgets have taken account of reducing government grant over the period of the last comprehensive spending review. We have received the provisional local government finance settlement for 2023/24 which is a settlement for one year with some clarification of funding for year two (2024/25). The Lower tier services grant is eliminated to help fund the announcement of a 3% funding increase guarantee grant and the new grant introduced in 2022/23 - 'Services Grant' - provided for all local authorities – has been reduced to claw back funding for the national insurance contributions increase that was reversed. The allocation for Teignbridge in 2023/24 is to reduce to £0.132 million from £0.234 million. The funding guarantee grant allocation amounts to £1.132 million for 2023/24. New Homes Bonus (NHB) is extended for one more year but with no legacy payments. Council tax thresholds are increased to the higher of 3% or above £5 (see 4.5 for full explanation). 100% business rates retention was promised in earlier consultations but with the transfer in of some funding obligations. Government had suggested introducing 75% business rates retention however this appears to be scrapped now as part of the levelling up agenda. We will continue to work as a Business rates pool with the rest of Devon. Receipt of revenue support grant ended in 2018/19 and new homes bonus legacy payments were reduced. The reduction was from 6 years to 5 years in 2017/18 and then to 4 years from 2018/19. An initial baseline reduction of 0.4% was also set for 2017/18 reducing the Bonus further. No further modifications were made in 2018/19 through to 2022/23. For 2023/24 New Homes Bonus continues for a further year. Government had indicated its intention to cease New Homes Bonus in future years with further consultation to take place about any future replacement. See also 4.15 below.
- 2.2 We have benefitted from previous savings plans and restructuring efficiencies are still producing cost reductions. This budget also benefits from the Strata partnership and savings made. We are in the second year of 'Better 2022' as part of the recovery plan to identify savings through service reviews following the successful Business Efficiency Service Transition (BEST) 2020 reviews and Business Challenge in earlier years.
- 2.3 The economy still remains turbulent due to fallout from the pandemic and the uncertainties continue about future demand, supply and outcomes now that we have left the European Union and recessionary economic conditions and cost of living impacts. Teignbridge saw significant losses in income – in particular from fees and charges, rental income has also seen significant

reductions. Some good recovery has taken place in specific income streams but still below pre pandemic projections.

The budget proposals include a one off payment of £5.54 to households liable to pay council tax on their main home. This is to support residents with the cost of living crisis that is impacting on all of us. This could cost in the region of £330,000 plus administration costs.

- 2.4 General increases in most off street parking charges are proposed to cover inflation and in particular the continuing higher business rates from the revaluation which mainly falls on car parking (see also 4.3 below).
- 2.5 The second year funding of the Tidy Teignbridge' initiative is included at a budget of £20,000 to deal with street cleansing for towns and parishes.
- 2.6 Business rates are revalued nationally. There is transitional relief so that reductions and increases will take five years to work through. Our on-going investment in Newton Abbot will enhance its vitality and viability and improve access to and within the town centre.
- 2.7 The capital programme to 2025/26 includes infrastructure delivery plan projects, which are vital to the development and accessibility of the area, funded by CIL and external sources where available. The investment in housing continues including the significant provision for social and affordable housing (The Teignbridge 100) and investment in efficient heating systems and other support measures such as disabled facilities. There are provisions for spending on climate related schemes, including a provision for the second phase of decarbonisation at Broadmeadow Sports Centre. An application has been made for partial grant funding under Phase 3b of the Public Sector Decarbonisation Scheme. This follows successful bids in relation to Forde House and initial schemes at Newton Abbot Leisure Centre, Broadmeadow Sports Centre and Teignmouth Lido. The main aim of the capital programme is to reduce our impact on climate change and become carbon neutral, create more affordable homes and jobs. Significant provisions have also been included for town centre investment, including the Future High Streets Fund schemes, and employment infrastructure to help stimulate growth in the local economy and ensure it is an attractive and well-connected environment for local businesses. Prudential borrowing supports a number of projects where a good return on capital can be demonstrated. The South West Regional Coastal Monitoring Programme continues, fully funded from Environment Agency grant.

3. BACKGROUND

- 3.1 The budget and policy framework procedure rules in the Constitution set out the process for developing annual budgets and their approval by Council. Thus there is a budget timetable in the Executive forward plan which includes Overview and Scrutiny 1 and 2 consideration of the financial plan proposals. The detailed **timetable** is shown at **appendix 1**. The Council is responsible

for the adoption of its budget including approving the appropriate level of council tax.

- 3.2** Previous budgets took account of reductions in government grant. An ambitious programme of **savings** was identified reducing costs and increasing income. **Revenue support grant** was cut by £1.0 million in 2015/16, just under an additional £0.9 million in 2016/17 and a further reduction of £0.75 million in 2017/18. In 2018/19 the reduction was just under £0.5 million leaving revenue support grant at just under £0.4 million. We received nothing in 2019/20 and thereafter. In 2023/24 we will now receive £0.245 million but this is mainly due to the council tax support admin subsidy grant and family annex council tax discount grant being rolled into this funding stream rather than being paid separately to us.
- 3.3** Covid 19 is likely to continue to have some impact on income streams in future years. The Government provided support for losses from sales, fees and charges for the first three months of 2021/22 and a further tranche of general grant funding but that has now ceased and nothing further has been provided. Capital schemes providing positive net income have also been reflected within the medium term financial plan.
- 3.4** **Better 2022** incorporating review of Business Plans remains one of the options for exploring reduction in budgets and also to evaluate the pressures of investment that might be required to deliver those savings. The savings that can be made have been built into the budgetary figures. The **Modern 25** work will take this forward over the medium term.
- 3.5** Our ten year Strategy takes 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.
- 3.6** There are no proposed amendments to the council tax support scheme. The scheme already makes provision for an uplift in income band thresholds so we can protect claimants from receiving reduced levels of support as a result of an uplift in their state benefits if necessary. A budget survey was planned and has been put on the website and publicised to encourage feedback. In particular it has been brought to the attention of **businesses**, the residents' panel and Teignbridge relationship groups.
- 3.7** The current council tax for Teignbridge is £185.17 per year for an average band D property. The 2022/23 **tax base** or effective number of properties for calculating council tax income is 49,633. Thus current year council tax income for the district is estimated at £9.2 million as shown in **appendix 2 - the recommended council tax base 2023/24**. A table of values for various increases in council tax is shown at **appendix 3 - the council tax calculator**.

- 3.8** Of the current total average annual £2,166.85 council tax collected per property, Teignbridge keeps 9% or just over £3.56 per week for its services. 72% goes to County, 11% to the Police, 4% to the Fire Authority and 4% to parishes and towns for their local precepts. The Teignbridge council tax of £185.17 is below the current average of Devon districts of £191.86.
- 3.9** Significant government funding and cost changes affecting us for current and future years are as follows:

Pay increases for current and future years. A one year deal to employees as tabled by the National Employers for Local Government Services for 2022/23 for a flat rate of £1,925 has been agreed and is built into the current year's salary budgets. There is no agreed increase for next year however an assumption of 2% for next year and thereafter had been built into the financial plan proposals last year. With further increases to the minimum wage and cost of living pressures likely to continue the assumption has been increased to 3% for 2023/24 and dropping back to 2% for 2024/25 and thereafter. The actuarial valuation of the Devon pension fund for 31 March 2019 required increased employers contributions from the Employer over the next three years. We reduced this cost by upfront payments. The actuarial valuation for 31 March 2022 has increased the primary employers contribution rate by 3% to 19.6% from 1 April 2023. These extra costs are partly offset by a reduction in our past deficit contributions (secondary rate) which reduce next year by £196,520. £80,000 of this reduction is due to paying off £1 million of the deficit in 2022/23. We also propose repaying a further £500,000 in 2023/24 to reduce the overall deficit, drive down the past deficit contributions and provide returns which have been utilized to support the cost of living payment in 2023/24;

The continuing uncertainty on reforms to New Homes Bonus paying only legacy payments reducing receipts and the proposal to potentially cease New Homes Bonus after 2023/24 or 2024/25 and whether there will be an alternative source of housing funding and what that level of funding will be going forward;

The outcome of any future consultation on the changes to business rates. A delayed reset of the baselines for the business rates retention scheme to 2025/26 and the impact on the business rates retained for 2025/26 and thereafter.

Additional staffing and running costs to maintain delivery of the refuse and recycling service. This includes the recent approval to increases in pay for this service using market forces.

Emergency planning post – following a review of the Councils response into the Covid 19 pandemic it was identified that there was a lack of resilience to deliver the Council's response. In terms of our ability to meet our responsibilities in a major incident or emergency, this is not a sustainable solution and there is not sufficient capacity to undertake all the outstanding tasks in a timely manner. The post would have specific responsibilities to deliver the outstanding work and embed training and exercising into the organization as well as support existing trained officers in responding to emergencies.

Other budget pressures anticipated and included are for the impacts of inflationary pressures and general activity levels. Any other gap can be met by use of earmarked reserves (with any additional shortfall in year being investigated and further savings being made in year).

- 3.10** The Executive has had three **monitoring** reports this financial year on 4 July, 4 October, and 1 November 2022. These have updated current year budgets and also future year forecasts. The provisional local government settlement was announced on 19 December and Teignbridge responded on 20 December. The final settlement is still awaited.
- 3.11** The **mid year review of treasury management** performance which is required to be noted by Council is attached as appendix 9. This shows average returns of 1.02% to the end of September - comparable to the benchmark average SONIA (Sterling Overnight Index Average) rate as published on the first of each month for April to September, of 1.065%. Interest earned to the end of September, including sums which fall into 2022/23 from lending arranged the previous financial year, is £211,780. It is more than last year (£4,030 at the same point), mainly due to increases in interest rates. The forecast for the year is £765,678, an increase of £739,613 compared to 2021/22. This is mainly due to increased interest rates as outlined in 4.22 below.

4. REVENUE FINANCIAL PLAN

- 4.1** **Appendix 4** to this report is the draft budget scenario for the next three years. The effects of budget variations in 2022/23 already approved by Executive and Full Council are included. Future savings expected from the Strata partnership have been fed into the plan.
- 4.2** Proposed **fees and charges** draft income totals for each service are shown at **appendix 5**. Detailed recommended fees and charges have been available on the website since early in January at this [link](#). There are general changes for most charges to reflect significant inflationary increases in costs for these services with some areas being altered to reflect better alignment to cost recovery and/or comparable charges/market rates elsewhere. Charges at Newton Abbot indoor and outdoor market continue to be frozen after having been reduced previously. Leisure membership fees and pre application planning charges have also been frozen.
- 4.3** Changes to car parking charges are mainly inflationary and again to cover increases in costs due to inflation. This will also help towards increases in card payment charges and rates increases arising from the revaluations that mostly affects car parks. The main changes have been to increase charges generally across the majority of car parks including permits. Car parking will continue to be free after 6 pm.

- 4.4 At Full Council on 29 November 2022 approval was given to increase the opt in green waste subscription charge to £55 in 2023/24. The fee continues to be below the national average and the increase is to help towards the increased costs of the drivers salaries.
- 4.5 The **Localism Act** introduced the power for the Secretary of State to set principles each year under which council tax increases are determined as excessive. This can apply to Teignbridge, County, Fire, Police, or towns and parishes. For the current year limits are to continue to be set for all but towns and parishes with a referendum being triggered if districts had an increase of 3% and above, AND above £5.
- 4.6 In all such cases Teignbridge has to make the arrangements to hold a **local referendum** for residents. Costs can be recovered from the relevant precepting authority. The Government has previously expected town and parish councils to demonstrate restraint when setting precept increases. They were looking for clear evidence of how the sector is responding to this challenge, mitigating increases by the use of reserves where they are not earmarked for other purposes or for 'invest to save' projects which will lower ongoing costs. The provisional settlement again confirmed there would be no restrictions for towns or parishes.
- 4.7 The extra income from any increase in **council tax** is shown at **appendix 3** and this additional amount would be recurring in future years. The proposal is to increase council tax in Teignbridge by 2.99% or £5.54 to £190.71. **This is the annual charge for an average band D property and the increase equates to less than 11p a week. A 2.99% increase has been assumed for 2024/25 and 2025/26. The band A equivalent increase for 2023/24 is £3.69 which equates to just over 7p per week.**

The Teignbridge element of the council tax bill goes towards funding the services we provide. We recycle your household waste, take away your rubbish, clean your streets, make sure your food is safe, work with others to reduce crime, decide planning applications, create and attract new jobs, consider licensing applications, support people in need with housing and council tax reduction schemes, and support voluntary organisations.

We work with a whole range of organisations to do things such as support public transport and greener travel – for example cycle routes, protect the environment, look after your street signs, administer council tax for over 64,000 households, look after homeless families, work with partners to provide housing, deliver new jobs and bring prosperity to our beautiful area.

We organise elections, improve housing conditions for vulnerable households, promote better energy efficiency, deal with stray dogs, graffiti and fly-tipping; provide renovation grants for unfit properties, deal with noise complaints, provide car parks, check out bonfire nuisances among many others.

In one way or another, the work we do looks after more than 134,000 people across 260 square miles of land, stretching from the moor to the sea.

- 4.8** Council tax **freeze grants** have ceased with the last one being received in 2015/16. This was equivalent to a 1% increase in council tax but assumed no council tax support reduction so amounted to £78,000.
- 4.9** Teignbridge is required to estimate the surplus or deficit on the council tax collection fund on 15 January each year for the following budget year. A surplus of £1.0 million was estimated which has to be shared between the major preceptors in 2023/24 per their current precepts. The District share is £125,545 allocated against next year's budget as shown at line 18 in appendix 4.
- 4.10** **Settlement funding** of business rates retention baseline to the Council from Government is £3.4 million for the current year.
- 4.11** We had a **four year funding deal** which ended in 2019/20 and one year settlements for 2020/21, 2021/22 and 2022/23. We will now receive a one year settlement for 2023/24 and some clarity for elements of 2024/25 - the historic and current year figures are shown in the table below:

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	£million	£million	£million	£million	£million	£million
Revenue support grant	0.847	0.000	0.000	0.000	0.000	0.000
Rates baseline funding	3.169	3.685	3.339	3.394	3.394	3.394
New homes bonus	3.436	2.917	2.614	2.244	1.485	1.270
Main grant	7.452	6.602	5.953	5.638	4.879	4.664
Cash reduction in year		-0.850	-0.649	-0.315	-0.759	-0.215
Percentage reduction in year		-11%	-10%	-5%	-13%	-4%

The table shows the cash reductions of £0.9 million in 2018/19, £0.6 million in 2019/20, £0.3 million in 2020/21, £0.8 million in 2021/22 and £0.2 million in 2022/23. We have now received the provisional settlement for 2023/24 which shows a further loss of £0.9 million in 2023/24 due to losses in New Homes Bonus and legacy payments. Percentage reductions are approximately 50% in total over the six years. Main grant funding had reduced by one third by 2019/20 when compared to 2013/14 when rates retention and council tax

support started and continues to drop. Revenue support grant has also reduced from £4.5 million to zero over the same period to 2019/20. Uncertainty exists for 2025/26 when the delayed proposed reset of the baseline is likely to occur, reducing gains established from growth and altering business rates retention. We will however receive a 3% guarantee grant in 2023/24 to ensure our core funding increases by 3% overall next year.

- 4.12** The **business rates retention** 50% funding system started on 1 April 2013. Rules for charging and rateable values are still set nationally by Government and the Valuation Office respectively. The system includes top ups, tariffs, levies and safety nets. The latter is to protect income to some extent within overall reducing national funding levels. The system is more complicated as Government has introduced small and rural business rates relief. The cost of this through loss of rates retention income to Teignbridge is generally covered by separate specific grant.
- 4.13** Within Devon it has been beneficial for authorities to form a **rates pool** to avoid any payment of levy from Devon to the Government. With historic assumptions of moderate business growth in the area significant savings have been achieved increasing over the years. The pool also spreads the risk of any business downturn in an authority over all members of the pool and encourages economic prosperity across authority boundaries. The Devon pool became a 100% business rate pilot for 2018/19 following its successful submission and reverted back to a rates pool thereafter. It is anticipated that whilst business rates income may stall/decline going forward the benefits of being in a pool for 2023/24 still exist and so an application for this has been submitted and approved by Government.
- 4.14** Teignbridge's position is better than the rates baseline because of estimated growth in business rates. We have also gained from pooling and this has been shown together with previous growth in the revenue summary as estimated rates retention and pooling gain. 100% rates retention was originally promised by 2020 but with the transfer in of some funding responsibilities and the share of the total for districts could have been reduced. Levies would cease but there may still be some opportunity for pooling of risk. Leaving the European Union and now Covid 19 appeared to have initially delayed the roll out of any eventual 100% business rates retention and a reset of baselines in 2023/24 which has now been postponed and likely to be 2025/26 and will have a negative impact on funding levels. Previous settlements suggest that the initial move to 75% business rates retention is not to be pursued or the eventual 100% retention as a result of the levelling up agenda so we await the outcome of how the funding changes and any correspondence or consultation will be explored in the next twelve months.
- 4.15** **New homes bonus** is also part of core funding and is top sliced from settlement grant. It is based on additional property brought into occupation in the previous year with a higher amount for affordable housing. Teignbridge is likely to receive £0.4 million for 2023/24.

- 4.16** Government reformed the new homes bonus reducing the length of payments from 6 years to 4 years. Since these original reforms payments were reduced further by elimination of any legacy payments and funding is for one year only. Government had intimated that it will cease New Homes Bonus after 2021/22 and replace with an alternative source of Housing funding. The spending review delay has allowed New Homes Bonus to continue for at least one further year in 2023/24 and probably 2024/25 and to review and cease this funding in future years. No details are available to clarify what this will mean in terms of future funding and whether it will provide similar funding levels to that received under New Homes Bonus or nothing at all. Government had allowed it freedom to change the baseline however in the provisional statement for 2023/24 this will be left unaltered at 0.4%. The budgeted figures are based upon the provisional settlement with little change anticipated for the final settlement. Immaterial changes will be funded through alterations to the general reserve balance and any major reductions will be funded initially by use of the earmarked funding reserve with savings to be found in future years to replenish the reserve to an appropriate level.
- 4.17** Council tax benefit was replaced by **council tax support** from 1 April 2013. As the support reduces the tax base there is less council tax income for county, fire, police, and towns & parishes. The cost was around 90% funded by government grant initially but then transferred into main grant and not identified separately. The 10% shortfall was covered at Teignbridge, in the first year by one minor change to benefit, technical reforms, and use of transitional grant.
- 4.18** In 2020/21 the council tax benefit scheme changes moved us to an income banded scheme due to the existing scheme not being compatible with the roll out of Universal Credit and with the aim to simplify administration and support the most vulnerable. In 2021/22 the minor change was to ensure claimants are protected from any adverse impacts to the Council tax reduction scheme arising from measures introduced by the Government to support claimants through the Covid 19 crisis and ensures no additional cost to the scheme, preserving entitlement at original levels. No major changes to the scheme were made for 2022/23 apart from amending the income threshold for claimants in Band 1 to protect existing claimants currently receiving 100% within this band from receiving a reduction in support to 75% as a result of receiving a small increase in state benefits. For 2023/24 the proposed changes are only for a potential uplift in income bands to accommodate any increases in primary benefits.
- 4.19** Teignbridge currently receives £295,000 for administering **housing benefit** and £158,000 for council tax support. **Universal Credit** started for Teignbridge from 9 November 2015 for new single job seekers and we went live with the full service in September 2018. There has been specific help from the department for work and pensions in connection with the transition but the current funding agreement ended in 2017. The main grant funding has been assumed to continue in future years. The council tax support grant will be rolled into revenue support grant in 2023/24 according to the provisional settlement.

- 4.20** The statutory minimum **National Living Wage** increased to £9.50 in April 2022 and will be £10.42 in April 2023. Continued exploration of apprenticeships and training will be encouraged to utilize available apprenticeship levy funding.
- 4.21** The **actuarial valuation** of the **Devon pension fund** effective from 1 April 2020 set Teignbridge contributions for future years. These were made up of a basic amount which increased from 14.6% to 16.6% for future service accrual plus an increasing cash sum to reduce the past service deficit. The amended cash sum payment started in 2020/21 at £1,254,000 increasing to £1,347,000 for 2022/23. We agreed to pay the past deficit contributions up-front to obtain a significant discount of 4.5%. The future service accrual contributions are now increasing from 16.6% to 19.6% from 1 April 2023 however the past service deficit contributions have decreased to £1,090,000 in 2023/24, £1,140,000 in 2024/25 and £1,180,000 in 2025/26. We are also planning to pay £500,000 off the pension deficit liability in 2023/24. This will generate further savings in future year's past service deficit payments and supports the cost of living payment of £5.54.
- 4.22** Forecasts of **investment income** receivable have increased over the last year. The Bank of England's monetary policy committee raised base rate for the ninth consecutive meeting in December 2022 to 3.50%. It stated that the committee was still willing to act forcefully by raising rates further to deal with inflationary pressures. However, the markets now anticipate that the peak of interest rates (expected during the second half of 2023) may be at lower levels than previously forecast. Current forecasts indicate this may be at around 4.5%, after which rates are expected to fall.

Forecast investment income for the current year is £765,678 with an average daily lend of £41.5 million to the end of November 2022. This represents an average interest rate of 1.33% to the end of November. The average SONIA (Sterling Overnight Index Average) rate as published on the first of each month for April to November is 1.35%, so this is in line with benchmark expectations. It is forecast that Teignbridge's average rate for the year will be 1.88%.

It is anticipated that Council balances available for investment in 2023/24 will be lower due to capital expenditure and the repayment of government grants. Based on the forecast rates above and estimated projected cash-flows, investment income is expected to rise in 2023/24 to £1,004,500. This is dependent on the progress of capital projects and other cash-flow influences such as receipt of government grants and developer contributions, all of which are subject to change. Investment income is then forecast to fall to around £393,000 in 2024/25 as both interest rates and amounts available for investment reduce.

Over the last year, the Council has made use of its internal balances to rule out the need for external borrowing. With an underlying need to borrow (Capital Financing Requirement) of £20.1 million at the beginning of 2022/23

(estimated to be £21.1million by the end of the year) and assuming a combination of Public Works Loans Board (PWLB) 10-year and 25-annuity loans (adjusting for lost investment interest at 1.88%), this represents interest saved of around £449,000.

The PWLB has revised its borrowing conditions and CIPFA has revised its guidance so that loans are not available to finance investments which are primarily for financial yield.

- 4.23** The latest professional guidance on **reserves** issued in November 2008 recommends a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing and a contingency to cushion the impact of unexpected events or emergencies. Earmarked reserves can also be built up to meet known or predicted requirements. Teignbridge operates with a low level of reserves compared to many districts and will look to utilize earmarked reserves to balance any funding gaps in the medium term financial plan as appropriate. It is proposed that general reserves increase to £2.3 million.
- 4.24** There are no known significant contingent liabilities, provision has been made for other smaller potential liabilities. The current funding regime including rates retention, new homes bonus and council tax support carries a risk for us of likely more volatility in resources. We are more reliant on income generated from our own fees and charges as government funding reduces and some ongoing reduction in income in 2022/23 since the pandemic has created significant uncertainty on likely income receivable for the foreseeable future and predicting trends.
- 4.25** The Audit Commission December 2012 report 'Striking a balance' stated that reserves are an essential part of good financial management. They help councils cope with unpredictable financial pressures and plan for their future spending commitments. The proposed budget recommends general reserves to increase slightly to £2.3 million being 14.1% of the net revenue budget in 2022/23 and 13.0% in 2023/24. This equates to 12.4% and 14.4% in the two subsequent years. General reserves are held to accommodate continuing future uncertainties and increasing reliance on generating our own income.
- 4.26** Historically the **Executive** has **authority** to exceed the approved overall revenue budget by up to £100,000 from general reserves to meet unexpected expenditure within the year. The aim is to replenish the reserves in the same year by making compensating savings as soon as possible. It is recommended to maintain this allowance at £100,000 for future years. All other decisions with regard to budgetary change will be approved by reference to virement rules in the financial instructions.
- 4.27** In conclusion these budget proposals show how Teignbridge can start to prepare for the grant reductions, anticipated funding regime changes and some losses in income due to the pandemic by continuing to make savings and generate income. **The revenue budget is mainly funded over the**

medium term by savings found, additional income and principally from use of earmarked reserves built up to cover anticipated future reductions in funding however significant work is still required to identify the significant budget gaps which arise as shown in appendix 4 and will be ongoing. The budget gap has worsened and is £3.4 million in 2025/26 before using earmarked reserves (line 14) built up to support the reduced funding. This is due to the additional pressures already mentioned above. There may be a bigger budget gap if an alternative housing funding is not forthcoming or lower than the assumptions made. **The Chief Finance Officer (CFO) has a statutory duty to balance the budget each year and if this is not achievable at some point in the future it may be necessary for the CFO to issue a s114 notice.** Right to buy receipts cease after 2024 increasing funding pressures on the capital programme. Exploration of suggestions from the Better 2022 process and service plan reviews have been incorporated into future budgets. Further suggestions including the work with Ignite will be worked up and costed to deliver savings to move towards balancing future budget years from 2025/26 alongside the ongoing investigation into commercial investment opportunities, alternative service delivery plans and review of our existing assets and their use. **The budget deficit for 2025/26 is likely to continue into future years and Members will be updated on progress with funding reforms/further Government funding /savings to determine how the funding gap can be closed in conjunction with work carried out by Overview & Scrutiny 1 and 2 work on specific areas of the budget. It is recommended that Overview & Scrutiny working groups be established to look at specific areas of the budget (following approval) with a work plan to support meeting the budget gap.**

The budget papers also include **Appendix 8** for approval at Full Council – the **Financial Plan 2023 to 2028**. The purpose of the plan is to define how the Council will structure and manage its finances over the next five years in order to deliver services and deliver savings, provide information around key funding streams, the inter relationship between revenue and capital and establish and adopt some key principles and proposals to be followed and worked through over the next two years via the work plan involving Overview & Scrutiny 1 and 2. The draft document has been reviewed by Audit Scrutiny in January.

- 4.28** These proposals include a £5.54 band D increase in council tax next year and 2.99% in subsequent years and substantial capital investment over the next three years. They have been publicised and comments brought back to the Executive in February before making the final budget recommendation to Council for 21 February 2023.

5. CAPITAL PROGRAMME

- 5.1** The programme is shown at **appendix 7** and is partly funded by sales of assets. Community Infrastructure Levy, Section 106 and grant from the

Housing Infrastructure Fund is anticipated to fund the infrastructure plan. Contributions from revenue have been re-introduced at £300,000 per annum initially from 2023/24 increasing to £500,000 in future years.

5.2 Government subsidy for housing disabled facilities grants through Better Care funding (received via Devon County Council) is assumed to continue at £1.25 million per annum. £1.5 million has been received in 2022/23, with the majority invested in grants towards the provision of disabled facilities and energy improvements. There is £0.48 million budgeted over the remainder of 2022/23 towards Warm Homes Fund and Green Homes Fund schemes, funded from government grant.

5.3 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.

Figures and timing are indicative and represent current estimates for the remainder of Phase 1 of the Teignbridge 100 projects. Live and approved projects are listed separately. The aim is to deliver the full programme over time, with pipeline projects being brought forward for approval in due course as details are firmed up. Schemes can move up and down the priorities pipeline depending on a number of factors, including planning constraints and affordability. Estimated construction costs are based on a desktop study carried out by an experienced local housing company, with assumptions being updated as more detailed work is carried out. Funding is assumed to be a combination of Homes England grant, capital receipts (including right to buy receipts estimated at £0.6 million for 2022/23 and £0.6 million per annum thereafter, ceasing in 2024) section 106 for affordable housing and borrowing. Discussions continue with housing providers over the method of delivery.

In relation to the previously approved custom-build housing scheme at Houghton Barton, an additional £0.6 million of ring-fenced central government grant funding has been received to enable delivery.

A £0.3 million provision is also made for a custom self-build scheme in Dawlish, for which a successful grant bid has been made. A report will come forwards in due course once due diligence has reached an appropriate stage.

A provisional budget line of £0.03 million has been added to the programme for periodic capital expense in relation to Teignbridge's social housing

portfolio, for example replacement roofs, fabric improvements and replacement fixtures and fittings. Projects will be brought forward for approval as they occur. Funding is from revenue contributions to capital. Any surplus income from the properties will be earmarked for this purpose.

5.4 The infrastructure delivery plan investment over the next few years contributes to:

- Improvements to the A382 – £2.6 million in 2022/23, with a provision for a further £0.9 million in 2023/24 making a total contribution since 2020/21 of £6.0 million, funded from CIL. £0.5 million was contributed towards the Jetty Marsh link road in 2022/23, with a further £0.5 million provision for South West Exeter transport and £1.5 million provision for transport hubs and public transport, all funded from CIL.
- £4.6 million budgeted towards Dawlish link road and bridge between 2022/23 and 2023/24, funded from government grant, with a provision for £1.3 million to be funded from CIL.
- Provision for Education in the wider Teignbridge area of £9.1 million, funded from community infrastructure levy.
- Provision for further acquisition, instatement and endowment of green spaces (including contributions towards habitat mitigation and wildlife) of £6.0 million over the remainder of 2022/23 and following three years. This is funded from Housing Infrastructure funding via Devon County Council and developer contributions.
- Sports and leisure provision of £3.4 million over the next 3 years, including Powderham, Newton Abbot, Prince Rupert Way, Heathfield and other play area refurbishments. There is an additional £0.14 million contribution approved in 2022/23 towards Manor Gardens play area in Dawlish. Work continues on understanding the requirements to improve leisure provision post-Covid. Provisions are included for refurbishments at Broadmeadow sports centre and Dawlish leisure centre. These will be the subject of separate reports as business cases are developed.
- Heart of Teignbridge, coastal and other cycle provision is £1.7 million over three years, including £0.5 million towards the Levelling Up Fund bid in relation to the Torbay to Newton Abbot cycle route.

5.5 Following successful bids for grant funding under the Public Sector Decarbonisation Scheme for Forde House offices, Newton Abbot Leisure Centre, Broadmeadow Sports Centre and Teignmouth Lido, a further provision of £1.3 million is included for a third phase application. This relates to further measures at 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.

In relation to the Forde House offices decarbonisation and agile working project, work progresses and is anticipated to be completed in 2023/24. The project delivers a modern working environment for flexible working as well as up to 92% carbon emissions reduction at the site compared to 2018/19. The original budget approved by Full Council on 4 May 2021 of £3.04 million was revised to take into account the programming of other planned works which would have taken place in the near future. This was to take advantage of economies of scale (e.g. scaffolding costs) and inevitable disruption associated with this project. Following the original contractor going into administration, an alternative contractor was secured. The tender costs reflected inflationary pressures, labour and supply chain shortages and an extended construction period, with subsequent increases to project management fees and the contractor's preliminaries and margins. The current approved budget is £4.4 million as reported at Full Council on 28 April 2022, funded from a combination of grant, capital receipts, revenue contributions from the repairs and maintenance budget and borrowing. The combination will be dependent on the outcome of the Forde House ground floor letting opportunity and the business case will be reviewed once this is known. Risks remain around potential extensions of time to the contract and variations around provisional sums within the project scope. Monitoring continues in conjunction with cost scrutiny and project management provided by specialist consultants.

For projects not covered by grant funding, a further £1.3 million provision over three years has been made for investment in carbon reduction measures covering the Authority's Scope 1 & 2 carbon footprint as part of the ongoing Carbon Action Plan, which is being developed by the Climate Change Officer. Likely provisions will target emissions arising from the Authority's vehicle fleet and top 15 sites by carbon emissions; provisions are likely to include: fleet electric vehicle charging infrastructure, fleet electric vehicles, onsite renewable energy generation, renewable energy power purchase agreements, thermal fabric improvements and energy efficiency improvements.

A provision of £4 million over three years is also made towards strategic energy infrastructure and low carbon, funded from CIL.

A successful bid to the UK Shared Prosperity Fund has resulted in the allocation of £1.6 million funding for the Council's related investment plan, supporting businesses, hard to reach groups, women and local communities. There is some flexibility over the amount to be allocated to capital and this will be adjusted as the project progresses and future year allocation amounts are confirmed by central government. For 2022-23, £0.081million is allocated for green business grants.

- 5.6** The South West Regional Coastal Monitoring Programme (SWRCMP) is the largest of the National Coastal Monitoring Programmes in England, encompassing 2,450 km of coast between Portland Bill in Dorset and Beachley Point on the border with Wales. It is 100% funded by the Environment Agency. Since its inception in 2006 Teignbridge District Council

have acted as the lead authority for the region. The Programme collects a multitude of coastal monitoring data, including topographic beach survey data, bathymetric data, LiDAR, aerial photography and habitat mapping and has a wave buoy and tide gauge network around the South West coast. The data feeds into a long term dataset showing changes to the beaches and coastline of the South West. It ensures that all Coastal Protection Authorities have the evidence to better understand the processes affecting the coast ensuring that coastal defence schemes are designed based on reliable information. In 2023/24 the programme will enter the third year of the current 6 year phase.

- 5.7** There is a £2 million provision for employment sites, funded from borrowing and developer contributions where applicable. It is anticipated this will be spent on schemes on council owned land, either to invest in new assets or to enhance and make best use of those already available. 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.

£19.6 million is included for town centre investment, including the Future High Streets Fund schemes 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.

£0.54 million is included over 2022/23 and 2023/24 for the creation of additional car parking at George Street, Teignmouth.

- 5.8** £0.27 million is included for a new financial management system between 2022/23 and 2024/25, which is required to meet the changing demands for financial information, reports and support. The new solution will create efficiencies and have enhanced reporting capabilities allowing managers to access financial information themselves.

There is also a further £0.5 million in provisions for IT infrastructure projects, software upgrades and applications to enable more effective, digital ways of working. These items will be brought with business cases for approval in due course.

6. GROUPS CONSULTED

- 6.1** County, Fire and Police and the public are consulted about any changes to the council tax support scheme. The initial budget proposals have been publicised and considered by Overview and Scrutiny 1 and 2 on 10 January 2023. They also scrutinised these final plans on 2 February 2023. Parishes and town councils have been advised of these proposals. There have been two budget meetings with town and parish councils on 15 December 2022 and 19 January 2023.

- 6.2** A budget survey has been put on the website and publicised to encourage feedback. In particular it has been brought to the attention of businesses, the residents' panel and Teignbridge relationship groups. Responses will be reported verbally to this Executive and in the final Council budget report on 21 February 2023.

7. TIME-SCALE

The financial plan covers the years 2022/23 to 2025/26. Final consideration of the budget by Council is due on 21 February 2023. At that time the council tax resolution is also approved which covers the total council tax including County, Fire, Police and towns & parishes.

8. LEGAL / JUSTIFICATION

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

9. DATE OF IMPLEMENTATION (CONFIRMATION OF DECISION SUBJECT TO CALL-IN)

Call in does not apply as the final budget recommendations will be considered for approval by Council on 21 February 2023.

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
Council meeting - consider financial proposals and council tax resolution					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			
Total (rounded)	51,292.3	2,166.85	111,142,730	97.9%	108,808,370	50,215

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	
Total (rounded) shows a 1.2% increase in expected income		2,166.85	108,808,370	
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	
Total (rounded)		2,166.85	107,547,260	

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 £
0.00	0.00	0.00	185.17	0	9,298,310
				No council tax freeze grant	0
				Total income	9,298,310
0.29	0.53	0.01	185.70	26,620	9,324,930
0.54	1.00	0.02	186.17	50,220	9,348,530
1.00	1.85	0.04	187.02	92,900	9,391,210
1.08	2.00	0.04	187.17	100,430	9,398,740
1.44	2.67	0.05	187.84	134,080	9,432,390
1.62	3.00	0.06	188.17	150,650	9,448,960
1.99	3.68	0.07	188.85	184,790	9,483,100
2.16	4.00	0.08	189.17	200,860	9,499,170
2.70	5.00	0.10	190.17	251,080	9,549,390
2.99	5.54	0.11	190.71	278,190	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
	£	£	£	£	£
EXPENDITURE					
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
8 Total expenditure	57,203,340	59,806,840	58,926,840	56,286,120	55,319,110
INCOME					
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
15 Total income	-41,097,710	-43,707,530	-41,292,990	-37,702,470	-39,316,080
16 Total net service cost	16,105,630	16,099,310	17,633,850	18,583,650	16,003,030
Funding					
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
26 Total funding	-16,105,630	-16,339,630	-17,633,850	-18,583,650	-16,003,030
27 -Surplus/shortfall	0	-240,320	0	0	0
28 General reserves at end of year	2,059,681	2,300,001	2,300,001	2,300,001	2,300,001
29 General reserves as % of net revenue budget	12.8%	14.1%	13.0%	12.4%	14.4%

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All Services

Managing Director/Head Of Service		2021-22	2022-23	2023-24
		Actual	Outturn	Budget
		£	£	£
Corporate Services				
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
		3,712,517	3,946,790	5,143,550
Strategic Place				
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
		- 966,896	1,362,560	2,504,350
Environment, Health & Wellbeing				
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
		7,753,401	8,705,200	10,332,450
	Total all services	10,499,022	14,014,550	17,980,350
	Financing Items	1,710,521	1,780,900	- 646,500
	Totals per actual/budget papers	12,209,543	15,795,450	17,333,850
	Contributions to Capital	683,622	303,860	300,000
	Totals per actual/budget papers	12,893,165	16,099,310	17,633,850

Notes:

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

Executive Member:	Gary Taylor					
Manager:	Nigel Hunt					
Activity Area:	Building Control					
		2021-22		2022-23		2023-24
		Actual		Outturn		Budget
		£	FTE	£	FTE	£
	<u>EXPENDITURE</u>					
	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	-		-		-
		1,092,874		1,275,060		1,354,520
	<u>INCOME</u>					
	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		-
		1,290,116		1,343,070		1,414,300
Service Cost		197,242		68,010		59,780
Service cost - £'s per head of population		1.46		0.50		0.44

Executive Member:	Martin Wrigley					
Manager:	Lloyd Purchase					
Activity Area:	Business Transformation Team					
		2021-22		2022-23		2023-24
		Actual		Outturn		Budget
		£	FTE	£	FTE	£
	<u>EXPENDITURE</u>					
	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	-		-		-
		421,519		414,450		528,000
	<u>INCOME</u>					
	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		-
		83,084		177,290		570
Service Cost		338,435		237,160		527,430
Service cost - £'s per head of population		2.51		1.75		3.89

Executive Member:	Alan Connett					
Manager:	Louise Raymond					
Activity Area:	Communications					
		2021-22		2022-23		2023-24
		Actual		Outturn		Budget
		£	FTE	£	FTE	£
	<u>EXPENDITURE</u>					
	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	-		-		-
		391,323		453,790		471,480
	<u>INCOME</u>					
	Sales	-		-		-
	Fees & Charges	-		-		-
	Property Income	-		-		-
	Grants - income	-		-		-
	Other income & recharges	7,565	-	-		-
	Transfers from earmarked reserves	-		-		-
		7,565		-		-
Service Cost		383,758		453,790		471,480
Service cost - £'s per head of population		2.84		3.36		3.48

Executive Member:	Martin Wrigley					
Manager:	Rebecca Hewitt					
Activity Area:	Community Safety					
		2021-22		2022-23		2023-24
		Actual		Outturn		Budget
		£	FTE	£	FTE	£
	<u>EXPENDITURE</u>					
	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	-		-		-
		324,125		376,840		111,060
	<u>INCOME</u>					
	Sales	-		-		-
	Fees & Charges	-		-		-
	Property Income	-		-		-
	Grants - income	169,459	-	237,000		-
	Other income & recharges	39,724	-	21,220		-
	Transfers from earmarked reserves	-		-		-
		209,183		258,220		-
Service Cost		114,941		118,620		111,060
Service cost - £'s per head of population		0.85		0.88		0.82

Executive Member:	Martin Wrigley					
Manager:	Tracey Hooper					
Activity Area:	Customer Services					
		2021-22		2022-23		2023-24
		Actual		Outturn		Budget
		£	FTE	£	FTE	£
	<u>EXPENDITURE</u>					
	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	-		-		-
		589,871		645,050		757,060
	<u>INCOME</u>					
	Sales	-		-		-
	Fees & Charges	-		-		-
	Property Income	-		-		-
	Grants - income	-		-		-
	Other income & recharges	-		-		-
	Transfers from earmarked reserves	-		-		-
		-		-		-
		589,871		645,050		757,060
Service Cost		589,871		645,050		757,060

Service cost - £'s per head of population	4.37	4.77	5.59
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Executive Member:	Richard Keeling					
Manager:	Sarah Selway					
Activity Area:	Democratic Services					
		2021-22		2022-23		2023-24
		Actual		Outturn		Budget
		£	FTE	£	FTE	£
	<u>EXPENDITURE</u>					
	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	-		-		-
		710,233		781,900		796,760
	<u>INCOME</u>					
	Sales	-		-		-
	Fees & Charges	-		-		-
	Property Income	-		-		-
	Grants - income	-		-		-
	Other income & recharges	8,100		-		-
	Transfers from earmarked reserves	-		25,000		-
		8,100		25,000		-
		702,133		756,900		796,760
Service Cost		702,133		756,900		796,760

Service cost - £'s per head of population	5.20	5.60	5.88
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Executive Member: Gary Taylor							
Manager: Ros Eastman							
Activity Area: Development Management							
		2021-22		2022-23		2023-24	
		Actual		Outturn		Budget	
	FTE	£	FTE	£	FTE	£	
<u>EXPENDITURE</u>							
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		-		-		-	
		1,753,265		1,820,510		1,770,610	
<u>INCOME</u>							
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	-	-	
		1,160,595		1,194,730		1,076,260	
Service Cost		592,670		625,780		694,350	
Service cost - £'s per head of population		4.39		4.63		5.12	

Executive Member: Nina Jeffries/Richard Keeling							
Manager: Fergus Pate and Tom Phillips							
Activity Area: Economy & Assets							
		2021-22		2022-23		2023-24	
		Actual		Outturn		Budget	
	FTE	£	FTE	£	FTE	£	
<u>EXPENDITURE</u>							
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		-		-		-	
		5,613,149		2,902,530		3,120,520	
<u>INCOME</u>							
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	-	-	-	-	-	-	
		6,211,771		2,547,120		2,240,250	
Service Cost		598,622		355,410		880,270	
Service cost - £'s per head of population		4.43		2.63		6.50	

Executive Member:	Alan Connett					
Manager:	Cathy Ruelens					
Activity Area:	Electoral Services					
		2021-22		2022-23		2023-24
		Actual		Outturn		Budget
		£	FTE	£	FTE	£
	<u>EXPENDITURE</u>					
	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	-		-		-
		558,184		202,050		409,330
	<u>INCOME</u>					
	Sales	-		-		-
	Fees & Charges	1,963		2,160		2,160
	Property Income	-		-		-
	Grants - income	-		-		-
	Other income & recharges	457,656		4,600		-
	Transfers from earmarked reserves	-		-		-
		459,619		6,760		2,160
Service Cost		98,564		195,290		407,170
Service cost - £'s per head of population		0.73		1.44		3.00

Executive Member:	Alistair Dewhirst					
Manager:	David Eaton and Paul Nicholls					
Activity Area:	Environmental Health					
		2021-22		2022-23		2023-24
		Actual		Outturn		Budget
		£	FTE	£	FTE	£
	<u>EXPENDITURE</u>					
	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
		978,973		1,301,660		1,335,350
	<u>INCOME</u>					
	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		-
		72,782		76,970		54,890
Service Cost		906,191		1,224,690		1,280,460
Service cost - £'s per head of population		6.71		9.06		9.45

Executive Member: Richard Keeling							
Manager: Martin Flitcroft							
Activity Area: Finance							
	FTE	2021-22 Actual £	FTE	2022-23 Outturn £	FTE	2023-24 Budget £	
<u>EXPENDITURE</u>							
Employees	16.0	636,579	16.5	720,230	17.0	850,820	
Property		22,211		18,610		23,290	
Services & Supplies		52,823		96,920		89,130	
Grant Payments		-		-		-	
Transport		-		20		420	
Leasing & capital charges		-		-		-	
		711,613		835,780		963,660	
<u>INCOME</u>							
Sales		-		-		-	
Fees & Charges		-		-		-	
Property Income		-		-		-	
Grants - income	-	8,850		-		-	
Other income & recharges	-	25,062	-	20,850	-	20,730	
Transfers from earmarked reserves		-	-	25,070		-	
		- 33,912		- 45,920		- 20,730	
Service Cost		677,701		789,860		942,930	
Service cost - £'s per head of population		5.02		5.84		6.96	

Executive Member: John Nutley							
Manager: Neil Blaney							
Activity Area: Green Spaces & Active Leisure							
	FTE	2021-22 Actual £	FTE	2022-23 Outturn £	FTE	2023-24 Budget £	
<u>EXPENDITURE</u>							
Employees	11.5	381,996	11.5	369,160	11.5	461,640	
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		-		-		-	
		1,681,233		1,587,510		1,721,840	
<u>INCOME</u>							
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		-	
		- 936,947		- 554,780		- 507,890	
Service Cost		744,286		1,032,730		1,213,950	
Service cost - £'s per head of population		5.51		7.64		8.96	

Executive Member:	Martin Wrigley					
Manager:	Amanda Pujol					
Activity Area:	Housing					
		2021-22		2022-23		2023-24
		Actual		Outturn		Budget
		£	FTE	£	FTE	£
	<u>EXPENDITURE</u>					
	Employees	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	-		-		-
		3,329,555		4,094,310		3,391,130
	<u>INCOME</u>					
	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	-	-
		2,541,257		2,789,430		1,956,080
	Service Cost	788,299		1,304,880		1,435,050
Service cost - £'s per head of population		5.84		9.65		10.59

Executive Member:	Alan Connett					
Manager:	Tim Slater					
Activity Area:	Human Resources					
		2021-22		2022-23		2023-24
		Actual		Outturn		Budget
		£	FTE	£	FTE	£
	<u>EXPENDITURE</u>					
	Employees	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	-		-		-
		451,709		460,100		717,350
	<u>INCOME</u>					
	Sales	-	-	-	-	-
	Fees & Charges	-	-	-	-	-
	Property Income	-	-	-	-	-
	Grants - income	-	-	-	-	-
	Other income & recharges	2,000	-	-	-	-
	Transfers from earmarked reserves	-	-	-	-	-
		2,000		-		-
	Service Cost	449,709		460,100		717,350
Service cost - £'s per head of population		3.33		3.40		5.29

Executive Member:	Richard Keeling					
Manager:	Sue Heath					
Activity Area:	Internal Audit & Governance					
		2021-22		2022-23		2023-24
		Actual		Outturn		Budget
		£	FTE	£	FTE	£
	<u>EXPENDITURE</u>					
	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	-		-		-
		170,234		282,340		278,860
	<u>INCOME</u>					
	Sales	-		-		-
	Fees & Charges	-		-		-
	Property Income	-		-		-
	Grants - income	-		-		-
	Other income & recharges	550	-	560	-	560
	Transfers from earmarked reserves	-		17,990		-
		550		18,550		560
Service Cost		169,685		263,790		278,300
Service cost - £'s per head of population		1.26		1.95		2.05

Executive Member:	Richard Keeling					
Manager:	Paul Woodhead					
Activity Area:	Legal					
		2021-22		2022-23		2023-24
		Actual		Outturn		Budget
		£	FTE	£	FTE	£
	<u>EXPENDITURE</u>					
	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	-		-		-
		421,198		372,280		491,640
	<u>INCOME</u>					
	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	-		-		-
		53,912		47,790		42,190
Service Cost		367,287		324,490		449,450
Service cost - £'s per head of population		2.72		2.40		3.32

Executive Member: John Nutley							
Manager: James Teed							
Activity Area: Leisure							
		2021-22		2022-23		2023-24	
		Actual		Outturn		Budget	
	FTE	£	FTE	£	FTE	£	
<u>EXPENDITURE</u>							
Employees	65.5	1,209,217	64.5	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	
		2,284,532		2,846,100		3,383,840	
<u>INCOME</u>							
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		-	
		1,626,400		1,877,320		2,111,640	
Service Cost		658,133		968,780		1,272,200	
Service cost - £'s per head of population		4.87		7.16		9.39	

Executive Member: Alistair Dewhirst							
Manager: Andrea Furness							
Activity Area: Licensing							
		2021-22		2022-23		2023-24	
		Actual		Outturn		Budget	
	FTE	£	FTE	£	FTE	£	
<u>EXPENDITURE</u>							
Employees	3.0	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		-		-		-	
		173,713		194,150		189,220	
<u>INCOME</u>							
Sales		-		-		-	
Fees & Charges	-	203,578	-	224,980	-	230,810	
Property Income		-		-		-	
Grants - income	-	6,214	-	-	-	-	
Other income & recharges		-		-		-	
Transfers from earmarked reserves		-		16,010		-	
		209,792		240,990		230,810	
Service Cost		36,080		46,840		41,590	
Service cost - £'s per head of population		0.27		0.35		0.31	

Executive Member:	Nina Jeffries					
Manager:	Tom Phillips					
Activity Area:	Parking					
		2021-22		2022-23		2023-24
		Actual		Outturn		Budget
		£	FTE	£	FTE	£
	<u>EXPENDITURE</u>					
	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
		1,304,295		1,334,060		1,469,150
	<u>INCOME</u>					
	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	-		-		-
		4,040,816		4,337,860		4,474,700
	Service Cost	2,736,521		3,003,800		3,005,550
	Service cost - £'s per head of population	20.26		22.21		22.18

Executive Member:	Richard Keeling					
Manager:	Rosanna Wilson					
Activity Area:	Procurement & Commissioning					
		2021-22		2022-23		2023-24
		Actual		Outturn		Budget
		£	FTE	£	FTE	£
	<u>EXPENDITURE</u>					
	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	-		-		-
		66,536		68,810		73,490
	<u>INCOME</u>					
	Sales	-		-		-
	Fees & Charges	-		-		-
	Property Income	-		-		-
	Grants - income	-		-		-
	Other income & recharges	32,052	-	34,170	-	35,990
	Transfers from earmarked reserves	-		-		-
		32,052		34,170		35,990
	Service Cost	34,483		34,640		37,500
	Service cost - £'s per head of population	0.26		0.26		0.28

Executive Member: John Nutley							
Manager: Sarah Holgate							
Activity Area: Resorts							
	FTE	2021-22 Actual £	FTE	2022-23 Outturn £	FTE	2023-24 Budget £	
<u>EXPENDITURE</u>							
Employees	8.0	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		-		-		-	
		357,253		475,060		403,510	
<u>INCOME</u>							
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		-		-		-	
		267,813		255,610		222,730	
Service Cost		89,440		219,450		180,780	
Service cost - £'s per head of population		0.66		1.62		1.33	

Executive Member: Richard Keeling							
Manager: Tracey Hooper							
Activity Area: Revenues & Benefits							
	FTE	2021-22 Actual £	FTE	2022-23 Outturn £	FTE	2023-24 Budget £	
<u>EXPENDITURE</u>							
Employees	28.0	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		-		-		-	
		24,174,630		22,447,540		20,116,270	
<u>INCOME</u>							
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		-	
		23,932,648		21,488,670		18,888,300	
Service Cost		241,982		958,870		1,227,970	
Service cost - £'s per head of population		1.79		7.09		9.06	

Executive Member: Gary Taylor							
Manager: Michelle Luscombe/Fergus Pate							
Activity Area: Spatial Planning							
	FTE	2021-22 Actual £	FTE	2022-23 Outturn £	FTE	2023-24 Budget £	
<u>EXPENDITURE</u>							
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		-		-		-	
		443,854		1,007,310		595,030	
<u>INCOME</u>							
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		-	
		- 91,187		- 462,930		- 20,050	
Service Cost		352,668		544,380		574,980	
Service cost - £'s per head of population		2.61		4.03		4.24	

Executive Member: Alan Connett							
Manager: Phil Shears							
Activity Area: Senior Leadership Team							
	FTE	2021-22 Actual £	FTE	2022-23 Outturn £	FTE	2023-24 Budget £	
<u>EXPENDITURE</u>							
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		-		-		-	
		490,862		430,870		515,280	
<u>INCOME</u>							
Sales		-		-		-	
Fees & Charges		-		-		-	
Property Income		-		-		-	
Grants - income		-		-		-	
Other income & recharges	-	100	-	100	-	100	
Transfers from earmarked reserves		-		-		-	
		- 100		- 100		- 100	
Service Cost		490,762		430,770		515,180	
Service cost - £'s per head of population		3.63		3.19		3.80	

Executive Member:	Alistair Dewhirst					
Manager:	Chris Braines					
Activity Area:	Waste, Recycling & Cleansing					
		2021-22		2022-23		2023-24
		Actual		Outturn		Budget
		£	FTE	£	FTE	£
	<u>EXPENDITURE</u>					
	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	
			9,353,502		9,638,010	
	<u>INCOME</u>					
	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	-
			4,077,013		4,450,240	
	Service Cost		5,276,489		5,187,770	
	Service cost - £'s per head of population		39.07		38.37	
						46.61

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









Service	Actual	Probable	Proposed	Dept Total	
	2021/22	2022/23	2023/24	2023/24	£ Department
	£	£	£		
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
Grand Totals	- 9,361,463	- 10,184,560	- 10,781,150	- 10,781,150	

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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
KM1	Car parks	Machines upgrade - 3g to 4g (CR)	No			21				3. Going to town
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
KY8	Climate Change	 UK Shared Prosperity Fund Green Business Grants (GG)	No			81				10. Action on climate
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
KU7	IT - Waste Management	Bartec separate databases (CR)	No				10			2. Clean scene
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**

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						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)	
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
KB2	Open Spaces		Stover Park improvements (S106)	No				20			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
						26,577	19,610	38,367	29,787	14,961	

**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
TOTAL FUNDING				(26,577)	(19,610)	(38,367)	(29,787)	(14,961)

Programme Funding

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

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

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

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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 ¹ position in terms of general reserves and earmarked reserves and the Capital Programme ² 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.

Revenue Budget Summary					Appendix 4
Revenue Budget	2022-23	2022-23	2023-24	2024-25	2025-26
	Forecast	Latest	Forecast	Forecast	Forecast
EXPENDITURE	£	£	£	£	£
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
Total expenditure	57,203,340	59,806,840	58,926,840	56,286,120	55,319,110
INCOME					
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
Total income	-41,097,710	-43,707,530	-41,292,990	-37,702,470	-39,316,080
Total net service cost	16,105,630	16,099,310	17,633,850	18,583,650	16,003,030
Funding					
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
Total funding	-16,105,630	-16,339,630	-17,633,850	-18,583,650	-16,003,030
-Surplus/shortfall	0	-240,320	0	0	0
General reserves at end of year	2,059,681	2,300,001	2,300,001	2,300,001	2,300,001
General reserves as % of net revenue budget	12.8%	14.1%	13.0%	12.4%	14.4%

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
Total Capital Expenditure	19,610	38,367	29,787	14,961	6,065
Borrowing	(1,076)	(12,166)	(14,709)	(1,935)	-
Capital Receipts	(2,060)	(2,249)	(1,802)	(24)	(24)
Revenue contributions (includes specific sums)	(936)	(405)	(870)	(240)	(247)
Grants / external contributions	(9,131)	(16,704)	(4,487)	(3,334)	(2,916)
CIL	(4,246)	(5,833)	(7,038)	(9,388)	(2,838)
S.106	(2,161)	(1,010)	(881)	(40)	(40)
Total Funding	(19,610)	(38,367)	(29,787)	(14,961)	(6,065)

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

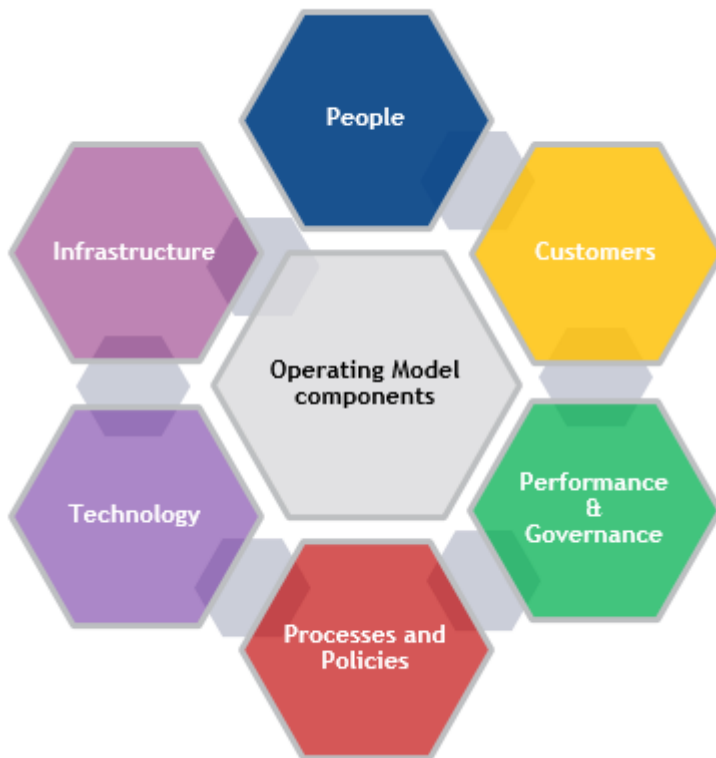
TDC accepts that to achieve the level of savings required, it needs to change the way things are done and alter its operating model, whilst ensuring that the customer is still at the heart of council services. Independent consultants were commissioned through a procurement process to work in partnership 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
8 Total expenditure	57,203,340	59,806,840	58,926,840	56,286,120	55,319,110	54,353,880	53,407,770
INCOME							
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
15 Total income	-41,097,710	-43,707,530	-41,292,990	-37,702,470	-39,316,080	-37,636,130	-35,977,390
16 Total net service cost	16,105,630	16,099,310	17,633,850	18,583,650	16,003,030	16,717,750	17,430,380
Funding							
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
26 Total funding	-16,105,630	-16,339,630	-17,633,850	-18,583,650	-16,003,030	-16,717,750	-17,430,380
27 -Surplus/shortfall	0	-240,320	0	0	0	0	0
28 General reserves at end of year	2,059,681	2,300,001	2,300,001	2,300,001	2,300,001	2,300,001	2,300,001
29 General reserves as % of net revenue budget	12.8%	14.1%	13.0%	12.4%	14.4%	13.8%	13.2%

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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 9

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 9

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

Bank	Account terms	Interest Earned £
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		£211,780.37

Temporary Borrowing 1 April to 30 September 2022:

Lender	Terms %	Amount lent £	Dates	Days lent in year	Interest paid in year £
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
(i) Short Term Funds Invested		
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%
(ii) Short Term Funds Borrowed		
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
(iii) Average Net Interest Rate Earned	0.028%	1.02%
(iv) Average Short Term Net Lending 91	£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.