

21 December 2023

OVERVIEW AND SCRUTINY COMMITTEE 1

Overview & Scrutiny of:-
Strategic Direction;
Recycling, Household Waste and Environmental Health;
Climate Change, Trees, Coast and Flood Risk Management
Housing and Communities ,
Teignbridge 100 and Business

A meeting of the **Overview and Scrutiny Committee 1** will be held on **Tuesday, 9 January, 2024** at **10.00 am** in the **Council Chamber, Forde House Offices, Newton Abbot TQ12 4XX**

PHIL SHEARS
Managing Director

Membership:

Councillors Parrott (Chair), Williams (Vice-Chair), Atkins, Buscombe, D Cox, Hayes, Henderson, James, Mullone, Ryan, Sanders, J Taylor and Thorne

Please Note: The public can view the live streaming of the meeting at [Teignbridge District Council Webcasting](#) (public-i.tv) with the exception where there are confidential or exempt items, which may need to be considered in the absence of the press and public.

AGENDA

1. **Apologies**
2. **Minutes** (Pages 5 - 8)
To approve as a correct record the Minutes of the meeting held on 12 December 2023.
3. **Declarations of Interest**

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

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

5. **Executive Member biannual update**

To receive an update from Cllr Hook, Executive Member for climate change, coastal protection, flooding and trees

6. **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

7. **Executive Forward Plan**

To note forthcoming decisions anticipated to be made by the Executive over the next 12 months. The Executive Forward Plan can be found [here](#).

8. **Work Programme**

(Pages 9 - 14)

To review the Committee's work programme.

9. **Connecting Devon and Somerset Rural Broadband programme update**

Update from Devon County Council's CDS project Officer Matt Barrow.

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

(Pages 15 - 26)

To consider the interim report of the medium term financial plan task and finish group. This was deferred at the last meeting of the committee on 12 December 2023 to enable it to be considered in conjunction with the 2024/25 budget proposals.

11. **Initial financial plan proposals 2024/25 to 2026/27**

(Pages 27 - 92)

To consider the attached reports

12. **Exclusion of the press and public**

It is considered that the Committee would be unlikely to exclude the press and public during consideration of the items on this agenda, but if it should wish to do so, the following resolution should be passed:-

RECOMMENDED that, under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting of the particular item(s) on the grounds that it involve(s) the likely disclosure of exempt information as defined in the relevant paragraphs of Part 1 of Schedule 12A of the Act.

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

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OVERVIEW AND SCRUTINY COMMITTEE 1

TUESDAY, 12 DECEMBER 2023

Present:

Councillors Parrott (Chair), Williams (Vice-Chair), Buscombe, Hayes, Henderson, Ryan, Sanders and Thorne

Members Attendance:

Councillors Keeling, Nuttall and Wrigley

Apologies:

Councillors Atkins and J Taylor

Officers in Attendance:

Trish Corns, Democratic Services Officer

Kay Fice, Scrutiny Officer

Amanda Pujol, Head of Community Services and Improvement

Jack Williams, Performance Data Analyst

40. ELECTION OF CHAIR AND VICE CHAIR

It was proposed by Cllr Sanders, seconded by Cllr Thorne and unanimously

RESOLVED Cllr Parrot be elected Chair for the current Municipal year.

It was proposed by Cllr Buscombe, seconded by Cllr Torne and unanimously

RESOLVED Cllr Williams be elected Vice Chair for the current Municipal year.

41. CHAIR'S ANNOUNCEMENT

A standard agenda item would be added to future committee agendas from May 2024 entitled "outside organisation updates by the council's nominated Councillor representatives." This would enable the nominees to report on any meetings they have attended since the last meeting of the committee, the role they play in promoting the Council's agenda and communicating partnership discussions.

42. MINUTES

It was proposed by Cllr Thorne, seconded by Cllr Hayes and

RESOLVED the minutes of the meeting held on 26 September 2023 be approved as a correct record and signed by the Chair.

43. DECLARATIONS OF INTEREST

Cllr Thorne declared a non-pecuniary interest in relation to agenda item 10 voluntary and community enterprises by virtue of him being a volunteer for Exeter Community Energy. Cllr Thorne did not vote on this agenda item.

44. PUBLIC QUESTION

None

45. COUNCILLOR QUESTIONS

None.

46. EXECUTIVE FORWARD PLAN

The Executive Forward Plan listing items to be considered over the next few months was noted, and consideration was given to whether any items were to be requested to come forward to the Committee prior to being considered by the Executive. There were no requests for items to come forward to the Committee.

47. WORK PROGRAMME

The committee's work programme as circulated with the agenda showing issues to be considered by the Committee over the next few months was noted.

48. CONNECTING DEVON AND SOMERSET RURAL BROADBAND PROGRAMME UPDATE

The Chair reported Matt Barrow's apology, Devon County's CDS Engagement Officer who was unable to attend the meeting due to unforeseen circumstances. The item was deferred to the next meeting.

49. VOLUNTARY SECTOR FUNDING ANNUAL REVIEW

The Committee referred to the agenda report which provided an update on the funding the Council provided to the voluntary and community sector and the outcomes this provides for residents in the District. The report also informed where short-term funding would end to voluntary sector organisations as of 31 March 2024 and the impact this may have, to inform budget recommendations for 2024/25.

The Chair welcomed representatives of the voluntary sector to give insight into the community and voluntary service: Sue Wroe, the Chief Executive of Teignbridge Community and Voluntary Service, and Sally Preston and Valerie Jeffery of East Teignbridge Ring and Ride community transport. The representatives presented a snapshot of the work of the voluntary sector and their services in particular.

The full presentations can be viewed at

[Agenda for Overview and Scrutiny Committee 1 on Tuesday, 12th December, 2023, 2.00 pm - Teignbridge District Council](#)

It was proposed by Cllr Sanders, seconded by Cllr Buscombe and

RECOMMENDED The Committee recommends to the Executive that:-

- a) The current direct funding to the groups listed at paragraph 2.2 of the agenda report continue to the same level for 2024/25 subject to budget provision being available, and (b) below.
- b) The funding to Community Connections and Exeter Community Energy as set out at paragraph 2.2 of the agenda report be referred to the Executive for consideration.
- c) A task and finish group be set up to review voluntary sector funding for future years.

50. EXECUTIVE MEMBER BIENNIAL UPDATE THE LEADER STRATEGIC DIRECTION

The Leader, Cllr Wrigley updated the committee on his portfolio of strategic direction. One of the current focuses was reviewing the Teignbridge Strategy which was last reviewed in 2020. The document set out the budget, strategies and policies for the Council. The services that the Council delivers, the way in which these are delivered, available budgets and expectations of the community would be considered as part of the review.

The Council would be part of Peer Review in January 2024 and this in conjunction with CfPS (centre for public scrutiny) workshops would direct a review of the council's constitution.

The Leader's full update can be viewed at [Agenda for Overview and Scrutiny Committee 1 on Tuesday, 12th December, 2023, 2.00 pm - Teignbridge District Council](#)

51. FEEDBACK ON TASK AND FINISH GROUP MEDIUM TERM FINANCIAL PLAN

Councillor Thorne presented the agenda report.

RESOLVED Consideration of the agenda report be deferred to the next meeting of the Committee and considered in conjunction with the budget papers.

52. COUNCIL STRATEGY Q2 PERFORMANCE MONITORING REPORT

The Chair referred to the agenda reports covering the period quarter 2 from July to end September 2023. The report updated performance of the Council's Strategy 2020- 2030 T10 priorities, under the auspices of the Committee, providing the detailed performance information used to track its delivery. Members reviewed the performance information and areas where performance was not on track. Details of

Overview and Scrutiny Committee 1 (12.12.2023)

the programmes, projects and performance indicators with a caution or concern 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 J PARROTT
Chair

OVERVIEW & SCRUTINY COMMITTEE (1) WORK PROGRAMME 2024

Strategic Direction; Environmental Health; Waste & Recycling; Climate Change Emergency; Communities; Housing & Information Technology

Chair – Cllr Parrott
Vice Chair – Cllr Williams

Portfolio Holders

Strategic Direction (Council Leader -Cllr Wrigley)
Recycling, Household Waste and Environmental Health (Cllr Nuttall)
Homes and Communities (Cllr Goodman-Bradbury)
Teignbridge 100 and Business (Cllr H Cox)
Climate Change, Trees, Coast and Flood Risk Management (Cllr Hook)

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

9 January 2024	Report	Lead Officer/presenter
Executive Member biannual update	Presentation	Cllr Hook Climate Change, Coastal Protection, Flooding and Trees
Initial Financial plan Proposals 2024/25 to 2026/27	Report	Chief Finance Officer EM Cllr Keeling – corporate resources
Feedback on task and finish group Medium term financial plan	Report	Chair of Group Cllr Thorne EM Cllr Keeling – corporate resources
Connecting Devon and Somerset Rural Broadband programme update	Update Matt Barrow DCC	Head of Place and Commercial Services – Neil Blaney EM Cllr Goodman-Bradbury – homes and community

6 February 2024 Deadline for final reports 15 January	Report	Lead Officer /presenter
Executive Member biannual update	Presentation	Cllr Nuttall - Recycling, Household Waste & Environmental Health
Final Financial plan Proposals 2023/25 to 2025/27	Report	Chief Finance Officer EM Cllr Keeling – corporate resources
Feedback on task and finish groups		

Community Safety Partnership	Report	Community Safety and Safeguarding Manager
Council Strategy Q3 performance monitoring report	Report	Cllr Wrigley Strategic Direction Performance and Data Analyst

26 March 2024 Deadline for final reports 4 March	Report	Lead Officer /presenter
Executive Member biannual update	Presentation	Cllr Goodman-Bradbury - Homes and Communities

28 May 2024 Deadline for reports 3 May	Report	Lead Officer /presenter
Executive Member biannual update	Presentation	Cllr H Cox - Teignbridge 100
Council Strategy Q4 performance monitoring report	Report	Performance and Data Analyst EM

Task & Finish Groups	Priority	Lead Officer
Corporate resources - Mid Term Financial Plan	1	Head of Corporate Services
Communities - Subsidy/CIC	1	Head of Transformation and Improvement
Climate Change Emergency - Decarbonisation	2	Head of Transformation and Improvement
Housing & IT - T100	3	Head of Transformation and Improvement

Past Meetings

20 June 2023	Report	Lead Officer/presenter
Council Strategy Q4 performance monitoring report	Report	Cllr Wrigley, Leader - Strategic Direction Performance and Data Analyst
Call In Executive Member- decision purchase of a replacement baler at the Council's recycling bulking station.		Councillor Macgregor

26 September 2023	Report	Lead Officer/presenter
Council Strategy Q1 performance monitoring report	Report	Performance and Data Analyst
Feedback on task and finish groups		
Role of Teign Housing	Question and answer session	Jo Reece Chief Executive Teign Housing Housing Enabler and Development Manager

12 December 2023 2pm	Report	Lead Officer/presenter
Election of Chair Election of Vice Chair if needed		Vice Chair
Voluntary and community sector enterprise	Report and presentation from 2 representatives of the voluntary sector	Head of Community Services and Improvement CVS & Community Transport group representatives EM Cllr Goodman-Bradbury – homes and community
Executive Member biannual update	Presentation	The Leader Cllr Wrigley-strategic direction
Feedback on task and finish groups Mid Term Financial Plan	Interim report	Chair of the group
Council Strategy Q2 performance monitoring report	Report	Cllr Wrigley Strategic Direction Performance and Data Analyst

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**PROPOSAL FORM FOR ITEMS FOR
FOR CONSIDERATION BY
OVERVIEW & SCRUTINY**

Submitted by:

Item for Consideration:

Expected outcome i.e. new policy, new action, new partnership, review and/or scrutinise the performance of other public bodies or of the Council in relation to its policy objectives, performance targets and/or particular service areas:

Priority for matter to be considered:

High (up to 3 months) Medium (3-6 months) Low (over 9 months).

Basis on which priority has been set

The suggested item should be included in future programme(s) because: (please tick as appropriate)

- (a) It is a district level function over which the district has some control
- (b) It is a recently introduced policy, service area of activity which would be timely to review.
- (c) It is a policy which has been running for some time and is due for review
- (d) It is a major proposal for change
- (e) It is an issue raised via complaints received
- (f) It is an area of public concern
- (g) It is an area of poor performance
- (h) It would be of benefit to residents of the district

(i) Which of the Council's objectives does the issue address?

(j) Is there a deadline for the Council to make a decision? (If so, when and why?)

Members are requested to provide information on the following:-

(k) What do you wish to achieve from the review?

(l) Are the desired outcomes likely to be achievable?

(m) Will it change/increase efficiency and cost effectiveness?

Additional information – an explanatory sentence or paragraph to be provided below to support each box which has been ticked.

Please return completed form to Democratic Services Department.

**Teignbridge District Council
Overview and Scrutiny 1 & 2
Tuesday 12 December 2023**

**Medium Term Financial Plan (MTFP) Task & Finish Group - Interim
Report 1**

Purpose of Report

To provide recommendations from the MTFP Task and Finish Group. The nature of the work of this group is that a number of reports will be produced as the work progresses.

Recommendation(s)

The Committee RECOMMENDS to Executive that:

1. It was agreed in principle to support the maximum Council Tax increase.
2. Reserves:
 - I. Funding Reserves should be used to support the revenue budget only as a last resort when all other avenues have been explored
 - II. To reduce the financial gap in future years, a proportion of funding resources should be directed to reduce the pension fund deficit
 - III. In principle aim to increase the level of General Reserves from £2.3m to £2.4m
 - IV. In terms of the funding reserve (being used to 'balance the books') it was agreed that the absolute minimum level of this in future years should be £3m but the Council should aim for £5m which will enable the capital programme and other schemes to go ahead.
3. The Medium Term Financial Plan (MTFP) Task & Finish Group, in recognising the financial challenges the council faces, recommends that O&S Committee and Executive and Council rejects any proposal coming forward that has a net cost to the council. All proposals must be balanced or exceeded by identified savings without using those listed in the M25 programme or further use of earmarked (funding) reserves.

Report Author

Cllr Bill Thorne, Chair of the Task and Finish Group and Kay Fice, Scrutiny Officer

Executive Member

Cllr Richard Keeling

Deputy Leader of the Council, and Executive Member for Corporate Resources

Appendices

- A) Terms of Reference agreed for the Task Group
- B) Workstream Table with Time-frames

- C) Council Finance & Budget Setting and Scrutiny: Centre for Governance and Scrutiny (CfGS) Training session 24 October 2023 delivered by Ian Parry – Programme content and learning outcomes

Background Papers

- 26 September OS1 & OS2 Work Programme & Task & Finish Groups
- Meeting of Full Council 21 February 2023 Item 17 Budget and Council Tax 2023/24
Specifically:
 - Appendix 5 – Revenue Budget
 - Appendix 6 – Fees & Charges
 - Appendix 8 - Financial Plan 2023 – 2028

1. Introduction/Background

The task and finish group was created by Overview & Scrutiny Committees 1 & 2 on the 26 September 2023 and was tasked with the following work:

- To review the TDC Medium Term Financial Strategy and Teignbridge District Council Financial Plan.
- To make recommendations for consideration by the Executive following an Overview of the 2024/2025 Council Budget Proposals.
- To make recommendations for consideration by the Executive in time to inform the preparation of the 2025/2026 Council Budget

The following members are on the group;

- Cllr Phil Bullivant
- Cllr Richard Buscombe
- Cllr Sally Morgan
- Cllr David Palethorpe (until 31 October 2023)
- Cllr John Parrott (Vice-Chair)
- Cllr John Radford
- Cllr Suzanne Sanders
- Cllr Robert Steemson
- Cllr Bill Thorne (Chair)
- Cllr Peter Williams (from 30 November 2023)

They are supported by Kay Fice (Scrutiny Officer), Martin Flitcroft (Section 151 Chief Financial Officer) and other officers and members of the Senior Leadership Team.

2. Work of the group

The group have met on 4 occasions:

- 10 October 2023
- 17 October 2023

- 2 November 2023
- 30 November 2023

In view of the seriousness of the financial situation of the Council, the group were keen to make practical suggestions to help the situation and reduce the risk of a S114 notice being issued at some point in the future. This included ensuring that any proposal agreed by Executive and/or Council that had a net cost had identified a source of funding and did not create a burden on the general reserves balance. The following statement was sent to members of the Executive (copied to the Senior Leadership Team) on 2 November 2023 and is included as recommendation 3.

‘The Medium Term Financial Plan (MTFP) Task & Finish Group in recognising the financial challenges the council faces, recommends that O&S Committee and Executive and Council rejects any proposal coming forward that has a net cost to the council. All proposals must be balanced or exceeded by identified savings without using those listed in the M25 programme or further use of earmarked reserves’

The list of proposals in Appendix 8 of the Councils Financial Plan 2023-2028 were combined with the areas for review outlined in the TOR and presented into a Table (Appendix 1) for the group to develop the workstreams and timeframes. The areas identified as a priority with a timescale for delivery of October – December 2023 were considered and the outcomes are contained within this interim report as recommendations.

Members had the opportunity to attend a Training session ‘Council Finance & Budget Setting and Scrutiny’ delivered by Ian Parry from the Centre for Governance and Scrutiny (CfGS) on 24 October 2023. The Programme content and learning outcomes are attached as Appendix B).

Other areas of work are ongoing with those identified with a 6 – 12 month timescale are being addressed next. The Workstream Table will become the driver for the areas of review and will be supplemented as appropriate when other ideas are brought forward by the group. It may be that some areas will be more appropriately addressed by other Task & Finish Groups but where they could have an impact on the financial position of the Council feedback from this group will be offered.

Examples of areas of work that are currently in train or recent ideas that could be included in a future report(s):

- Analysis of Fees & Charges in the context of developing a 3 year strategy (including major income sources e.g. car-parking)
- Review of Statutory and Discretionary activities
- Exploration of other savings ideas (in addition to Modern 25 Agenda and arising from the ‘Blue-sky thinking’ document being compiled by members of the group)
- Reviewing service arrangements with Towns and Parish Councils
- Benchmarking costs of services
- Review of policy granting 100% Council Tax relief (2025/26 onwards)
- Review pension scheme arrangements

Regard will be given to any additional advice contained in the recent LGA report by Chris West although it is clear that it endorses the approach being taken by the Council and is supportive of the direction of travel.

A statement will be given to the Asset Review Task & Finish Group (not yet formed as it is a Priority 2) making it clear that this group would like them to consider best value particularly in terms of finance to enhance capital receipts, thereby reducing the impact of borrowing costs on the revenue budget.

3. Recommendations of the group

The Committee RECOMMENDS to Executive that:

1. It was agreed in principle to support the maximum Council Tax increase.
2. Reserves:
 - i. Funding Reserves should be used to support the revenue budget only as a last resort when all other avenues have been explored
 - ii. To reduce the financial gap in future years, a proportion of funding resources should be directed to reduce the pension fund deficit
 - iii. In principle aim to increase the level of General Reserves from £2.3m to £2.4m
 - iv. In terms of the funding reserve (being used to 'balance the books') it was agreed that the absolute minimum level of this in future years should be £3m but the Council should aim for £5m which will enable the capital programme and other schemes to go ahead.
3. The Medium Term Financial Plan (MTFP) Task & Finish Group, in recognising the financial challenges the council faces, recommends that O&S Committee and Executive and Council rejects any proposal coming forward that has a net cost to the council. All proposals must be balanced or exceeded by identified savings without using those listed in the M25 programme or further use of earmarked (funding) reserves.

4. Conclusion

That the recommendations are put forward to the Executive for their consideration.

Appendix A)

Task and Finish Group (T&FG) – MTFP Terms of Reference (TOR)

Name of T&F Group

Task & Finish Group – Medium Term Financial Plan (September 2023)

Decision making body to whom it will report

Overview & Scrutiny 1 & 2

Scope

Proposal form timescale indicated 3-6 months but it is likely to have a number of strands and needs to influence both the 2024/25 and 2025/26 Budget

Aims of the review

- To review the TDC Medium Term Financial Strategy and Teignbridge District Council Financial Plan, incorporating external advice as appropriate.
- To make recommendations for consideration by the Executive following an Overview of the 2024/2025 Council Budget Proposals.
- To make recommendations for consideration by the Executive in time to inform the preparation of the 2025/2026 Council Budget

Group Membership

Membership of Group

Cllr Phil Bullivant
Cllr Richard Buscombe
Cllr Sally Morgan
Cllr David Palethorpe (until 31 October 2023)
Cllr John Parrott (Vice-Chair)
Cllr John Radford
Cllr Suzanne Sanders
Cllr Robert Steemson
Cllr Bill Thorne (Chair)
Cllr Peter Williams (from 30 November 2023)

Lead Officer(s)

Martin Flitcroft (S151 officer) plus other members of SLT as appropriate

Possible lines of enquiry the T&FG could explore:

Background Documents.

TDC Budget 2023/24, 2024/2025
TDC Financial Plan
Capital Programme
Statutory Services Key Development Plans/Needs
TDC Commercial Strategy
TDC Annual Governance Statement
TDC Assets and Estates Strategy and Policies
CIPFA Guidance
Grant Thornton Audit Opinion
Financial Benchmarking Data from Local Government Inform
Departmental Budgets

Draft review plan (not in priority order)

- 1. To review and consider all revenue and capital budgets across all departments of the Council.**
- 2. To review and consider the savings being delivered through the M25 project.**
- 3. To review all statutory services that the Council has a duty to deliver and the level of effectiveness and efficiency with which they are being delivered**
- 4. To review all discretionary services and projects and the effectiveness of the services and projects being delivered**
- 5. To review and consider in the light of a projected (Aug2023) budget gap of circa £4m in the financial year 2025/2026 how the council will resolve the issue.**
- 6. To review how during the financial year 2024/2025 the Council approach to finding savings of £1.3m in 2024/25.**
- 7. To review and consider the Council strategy and policies on all fees and charges**
- 8. To review the council strategy corporate aims and objectives to ensure that the strategy is financially viable.**

Other Task & Finish Groups

To contribute to the work of other Task & Finish Groups by providing financial advice e.g.

- To review and consider the Council policies on the management of assets and estates that operates on a commercial basis, including asset disposal**
- To review and consider the Council strategy and policies on assets and estates that operates for community benefit and all associated fees and charges**

Time limit for work and to whom report should be submitted

Specific details to be determined. There are likely to be a series of recommendations at different stages. Interim report 1 to O&S1&2 12 December 2023.

Meeting dates

To be discussed/agreed at the first meeting. At least monthly.
Meetings held on 10 & 17 October 2023, 2 & 30 November 2023

Possible witnesses/consultees/interested parties

Suggested Consultees (not an exhaustive list):-

TDC Officers -151 Officer to provide briefings to members
TDC Departments Budget Holders
Local Government Finance Specialist (expert witness)
TDC Council Leader and Executive Members
TDC Group Leaders
TDC Council Members

Resources

The T&FG is responsible for producing the final report for O&S consideration which will be presented by the chair

- Council Officers – Scrutiny Officer
- Council Officers – e.g. Service managers, finance support

SLT/CMT Officer comments if any

The work of the group will help to inform budget decisions as part of the annual budget setting process

Point of contact

Email Democratic Services team email address: [Democratic Services](#)

Appendix B)

MTFP Task & Finish Group – WORKSTREAMS:

@ 17 October 2023

Colour coded lines can be considered together.

	Extract from TDC Financial Plan 2023 – 2028 App 8	Aligns with MTFP Proposal form no(s) (details below)	Suggested Time-frame for delivering savings			Notes
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)	5 & 6	OCT-DEC 23			Aim for O&S 12 Dec.
b	Agreement of our asset strategy and determining best use of our assets – disposal/transfer/re-use and re-model					(separate review group)
c	Pursuit of maximum asset disposal proceeds	1,2,8,9	OCT-DEC 23			Aim for O&S 12 Dec.
d	Exploring commercial investment opportunities including charging policy	1,5,6,7		6 TO 12 MONTHS		
e	Maximising income from existing fees and charges	1,2,5,6,7		6 TO 12 MONTHS		
f	Exploring new opportunities for setting fees and charges	1,2,5,6,7		6 TO 12 MONTHS		
g	Reviewing the savings options from the Ignite work	2,3,4		6 TO 24 MONTHS		Refer to Modern 25 List
h	Investing in our IT provision to deliver more automation and efficiencies	2			12 TO 24 MONTHS	
i	Review our policy for earmarked reserves and funding budget gaps	10	OCT-DEC 23			Aim for O&S 12 Dec.

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	Extract from TDC Financial Plan 2023 – 2028 App 8	Aligns with MTFP Proposal form no(s) (details below)	Suggested Time-frame for delivering savings			Notes
j	Reviewing support for third sector grants and support					(separate review group)
k	Identifying other voluntary grants and future support					(separate review group)
l	Reviewing quick wins and budgets no longer required	1,2,5,6	OCT-DEC 23			Aim for O&S 12 Dec.
m	Periodic review of the capital programme and alignment to strategic priorities	1,10		6 TO 12 MONTHS		
n	Agreement to provide a revenue contribution to capital – currently proposed at £300k per annum in 2023/24 and £500k per annum for future years	1		6 TO 12 MONTHS		
o	Determining adequate borrowing limits including headroom for the capital programme through approval of the appropriate treasury management indicators	1		6 TO 12 MONTHS		
p	Councillors' community fund budget	1,2,4,5,6	OCT-DEC 23			Or in line with j and k?
q	Further payments to reduce the pension fund deficit	1,2,5,6	OCT-DEC 23			Potential use of earmarked reserves?
r	Minimum level of general reserves – currently suggested at £2.3 million	2	OCT-DEC 23			Increase with inflation?

	Extract from TDC Financial Plan 2023 – 2028 App 8	Aligns with MTFP Proposal form no(s) (details below)	Suggested Time-frame for delivering savings			Notes
s	Limit use of earmarked reserves to bridge budget gaps	2,5,6	OCT-DEC 23			Minimum balance?
t	Considering new funding models	2,5,6			12 TO 24 MONTHS	
u	Timeline for delivery of savings					Detailed above (a – t)
NEW	Working with town and parish councils re service provision	1,2,4,5,6,8,9		6 TO 12 MONTHS		

O&S PROPOSALS:

1. To review and consider all revenue and capital budgets across all departments of the Council.
2. To review and consider the savings being delivered through the M25 project.
3. To review all statutory services that the Council has a duty to deliver and the level of effectiveness and efficiency with which they are being delivered
4. To review all discretionary services and projects and the effectiveness of the services and projects being delivered
5. To review and consider in the light of a projected (Aug2023) budget gap of circa £4m in the financial year 2025/2026 how the council will resolve the issue.
6. To review how during the financial year 2024/2025 the Council approach to finding savings of £1.3m in 2024/25.
7. To review and consider the Council strategy and policies on all fees and charges
8. To review and consider the Council policies on the management of assets and estates that operates on a commercial basis, including asset disposal.
9. To review and consider the Council strategy and policies on assets and estates that operates for community benefit and all associated fees and charges
10. To review the council strategy corporate aims and objectives to ensure that the strategy is financially viable

IMPORTANT TO NOTE:

All initiatives must have regard to Modern 25 savings proposals to avoid duplication of effort and risk of 'double-counting' savings

Appendix C)

Council Finance & Budget and Scrutiny Centre for Governance and Scrutiny (Ian Parry)

24 October 2023 2-4pm The Long Room Old Forde House

Designed to give Councillors an understanding of the role scrutiny plays in the development and delivery of the council's budget, medium-term financial strategy, capital budget and treasury and asset management.

Proposed content:

- How finance/budget scrutiny can add value to council
- How budget scrutiny should be planned and managed
- Scope out the task of budget scrutiny
- Process, timeline and milestone in budget scrutiny
- How scrutiny plays a key role in testing assumptions and in shaping budgets
- Build understanding of the role of scrutiny in the budget cycle
- Explore how key lines of enquiry can assist and focus scrutiny in its role
- The role of scrutiny in other areas of the council's financial activities
- Scrutinising and tracking budget delivery, transformation and cost reduction plans
- Understand risk and the role of scrutiny in assessing it
- Scrutinising financial performance and delivery

Learning outcomes

This session will help Members of scrutiny to recognise the vital role of scrutiny in helping to constructively test and challenge to council's budget, corporate priorities and the robustness of financial planning to support them. Members should gain an understanding of how scrutiny can test assumptions, risks and pressures that underline budgets and medium-term financial plans. This session will also help Members to develop questioning strategies to test budget and financial plans and hold to account political decision makers for the delivery of their plans.

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**Teignbridge District Council
Overview & Scrutiny 1
9 January 2024
Part i**

INITIAL FINANCIAL PLAN PROPOSALS 2024/25 TO 2026/27

Purpose of Report

To consider the initial financial plan proposals 2024/25 to 2026/27 to be published for comments over the next six weeks

Recommendation(s)

The Committee is recommended to resolve:

That the Overview and Scrutiny Committee 1 recommends that Council resolves to approve the council tax base of 50,939 for 2024/25 as set out in appendix 2 attached

Financial Implications

The financial implications are contained throughout the Executive report attached. The main purpose being to formulate the initial budget proposals for both revenue and capital budgets and medium term financial plan covering the years 2023/24 to 2026/27.

Martin Flitcroft – Chief Finance Officer
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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 9 of the attached report.

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Risk Assessment

The risks involved in not setting a balanced budget are highlighted throughout the attached report. The major risks are in 3.9, 4.13, 4.15 and 4.26 with reference to uncertainties as to income projections, future funding – particularly business rates

retention and New Homes Bonus and an alternative funding stream to replace New Homes Bonus when this is scrapped. A programme of identifying savings or increased income is required to meet the budget gaps in 2026/27 and future years thereafter 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 6 – 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 4 January 2024 and associated appendices

Budget and settlement files

The Constitution

1. PURPOSE

- 1.1** To consider the initial financial plan proposals 2024/25 to 2026/27 as appended, to be considered by the Executive on 4 January 2024.
- 1.2** To consider the Executive's recommendations to Council in relation to the draft budget proposals, which will be reported at the Overview and Scrutiny 1 Committee on 9 January 2024.
- 1.3** The report and appendices to be considered by the Executive on 4 January 2024 are appended for ease of reference. Members are asked to refer to these papers for all background information.

**Teignbridge District Council
Executive
4 January 2024
Part i**

INITIAL FINANCIAL PLAN BUDGET PROPOSALS 2024/25 TO 2026/27

Purpose of Report

To consider the initial financial plan proposals 2024/25 to 2026/27 to be published for comments over the next six weeks

Recommendation(s)

The Executive Committee is recommended to resolve:

- (1) That comments be invited on these budget proposals**

The Executive Committee recommends that Council resolves:

To approve the council tax base of 50,939 for 2024/25 at appendix 2

To note the mid year review of Treasury Management shown at appendix 8

Financial Implications

The financial implications are contained throughout the report. The main purpose being to formulate the initial budget proposals for both revenue and capital budgets and medium term financial plan covering the years 2023/24 to 2026/27.

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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 9 of the report.

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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 current 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 6 – 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.

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Appendices/Background Papers

App 1 – Budget timetable 2024/25
App 2 – Recommended council tax base 2024/25
App 3 – Council tax calculator 2024/25
App 4 – Summary revenue plan 2023/24 onwards
App 5 – Fees and charges summary
App 6 – Capital programme
App 7 – Financial Plan 2024 - 2029
App 8 – Treasury Management mid year review 2023/24
Budget and settlement files
The Constitution

1. PURPOSE

1.1 To consider the initial financial plan proposals 2024/25 to 2026/27 to be published for comments over the next six weeks.

1.2 These proposals include draft revenue and capital budgets for the three years 2024/25 to 2026/27. The main issues taken into account are:

- The level of council tax and the proposal to increase it by £5.70 (2.99%).
- 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 per 5.5.
- A £2 million provision for employment sites funded by borrowing.
- Continuing funding for a Scrutiny Officer to assist Members with the Scrutiny function and working groups and other temporary resources for facilitating the Modern 25 work.
- Authority for Executive to exceed the approved overall revenue budget by up to £200,000 per 4.25.
- Introduction of a blue badge car parking permit at £215 per annum as detailed in 4.3 including the appointment of a Technical Support Officer to administer the scheme.
- Support for housing including the Teignbridge 100 (see 5.3) 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 (see 5.4); continuation of grant-funded South West Regional Coastal Monitoring Programme as per 5.6.
- Town centre investment in infrastructure and employment as per 5.7
- Revenue contributions to capital being maintained at £500,000 per annum
- Councillors community fund set at £1,000 each
- Paying £1,000,000 off our pension deficit liability to reduce on going contributions and reduce the budget gap year on year
- The level of reserves necessary for the council as per 4.22 – recommended at £2.4 million.
- Estimated revenue budget gap of £4.5 million in 2026/27 and ongoing gaps (before use of remaining earmarked reserves) and action required to address this from established working groups informing Overview & Scrutiny on work to reduce the gap (see 4.26).

The Executive committee recommends to Council to note the mid year review of Treasury Management as shown at appendix 8.

- 1.3 To consider the proposed council tax base 2024/25 to recommend for Council approval on 16 January 2024 as shown at appendix 2.

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 2024/25 which in accordance with according to the policy statement issued on 5 December is a settlement for one year. The 3% funding increase guarantee grant and the 'Services Grant' - provided for all local authorities – continue. The Services Grant allocation for Teignbridge reduces to £0.022 million from £0.137 million this year. New Homes Bonus (NHB) is extended for one more year but with no legacy payments. Council tax thresholds are maintained at 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. New homes bonus legacy payments have reduced over a number of years. 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 2023/24. For 2024/25 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 next year 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. We are using the Modern 25 agenda as part of the recovery plan to identify savings through service reviews following the successful Business Efficiency Service Transition (BEST) 2020 reviews and Better 2022 initiatives in earlier years.
- 2.3 The economy still remains turbulent due to fallout from the pandemic, international developments 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 some are still below pre pandemic projections.
- 2.4 General increases in most off street parking charges are proposed to cover inflation and in particular the continuing higher business rates from revaluations which mainly falls on car parking. A new charge has been introduced for blue badge permits (see also 4.3 below).

- 2.5** 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.
- 2.6** The capital programme to 2026/27 includes infrastructure delivery plan projects, which are vital to the development and accessibility of the area, funded by CIL and external sources where available. A contribution of £1.0 million was recently approved towards the Teign Estuary Trail. 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 infrastructure for Battery Electric Vehicles as part of the fleet replacement, supporting local businesses with green business grants and a provision for the second phase of decarbonisation at Broadmeadow Sports Centre, partly funded from Public Sector Decarbonisation Fund grant. 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. Provision is also 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 to 2022/23. In 2023/24 we are receiving £245,000. For 2024/25 we will receive £261,000 but this is mainly due to the transfer in of council tax admin and annex grants previously paid separately up to the end of 2022/23.
- 3.3** The fall out post pandemic continues to impact on income streams in future years with a gradual recovery. Capital schemes providing positive net income have also been reflected within the medium term financial plan.

- 3.4 Modern 25**, continuing review of Business Plans and O&S scrutiny working groups are the key 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 to date have been built into the budgetary figures.
- 3.5** Our ten year Strategy (which is to be reviewed) 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 will be brought to the attention of **businesses**, the residents' panel and Teignbridge relationship groups.
- 3.7** The current council tax for Teignbridge is £190.71 per year for an average band D property. The 2023/24 **tax base** or effective number of properties for calculating council tax income is 50,215. Thus current year council tax income for the district is estimated at £9.6 million as shown in **appendix 2 - the recommended council tax base 2024/25**. 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 £2,279.30 council tax collected per property, Teignbridge keeps just over 8% or just over £3.67 per week for its services. 72% goes to County, 12% to the Police, 4% to the Fire Authority and 4% to parishes and towns for their local precepts.
- 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 2023/24 for a flat rate of £1,925 has been approved and has been reflected in the update to 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 4% for 2024/25 and dropping back to 3% for 2025/26 and thereafter.

The actuarial valuation of the Devon pension 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 reduced this year by £196,520. **£80,000 of this reduction is due to paying off £1 million of the deficit in 2022/23.**

We also repaid a further £500,000 in 2023/24 to reduce the overall deficit and drive down the past deficit contributions and provide ongoing returns;

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 2024/25 or 2025/26 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 is now assumed in 2026/27 rather than 2025/26 and the impact on the business rates retained for 2026/27 and thereafter. It is assumed there will be some damping in 2026/27 however it is not clear how this will be implemented or the level of damping and timeframe of provision.

Additional running costs to maintain delivery of the refuse and recycling service in relation to the leasing costs of the various vehicles. Reduction in the selling price for recyclable waste.

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).

We have progressed work to find **savings** to alleviate these budget pressures and these include the following:

Providing additional contributions to the pension fund to reduce on going deficit contributions in future years as noted above.

The mid year review of fees and charges to counteract the additional inflationary costs we are incurring has created additional income of over £346,000 per annum for future years.

Exploring the best options for investment of our cash deposit funds to increase the interest we receive in our cash flow management activities. Reviewed quick wins and smaller budgetary spends and adjusted accordingly.

Incorporating new/updated letting arrangements, reprofiling other contributions and spends to align with costs being incurred.

Funded substantive positions from grant funding received by Government e.g. homelessness.

Income budgets have been realigned for new charging opportunities e.g. waste containers at new properties.

There has been significant vacancy management savings arising helping with in year pressures.

3.10 The Executive has had two **monitoring** reports this financial year on 10 July and 12 September 2023. These have updated current year budgets and also future year forecasts.

3.11 The **mid year review of treasury management** performance which is required to be noted by Council is attached at appendix 8. This shows average returns of 4.52% 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 4.63%. Interest earned to the end of September, including sums which fall into 2023/24 from lending arranged the previous financial year, is £849,057. It is more than last year (£211,780 at the same point), mainly due to increases in interest rates. The forecast for the year is £1,836,540 an increase of £1,043,670 compared to 2022/23. This is mainly due to increased interest rates as outlined above.

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 2023/24 already approved by Executive and Full Council are included.
- 4.2 Proposed fees and charges** draft income totals for each service are shown at **appendix 5**. Detailed recommended fees and charges will be available on the website early in January via the members' newsletter. 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. 'Jam Packed' Leisure membership fees remain frozen at £39 per month. There are general increases in other leisure charges. There has been a statutory change to planning application fees with effect from 6 December 2023 and the new charges are incorporated into the budget proposals. Major planning application fees increase by 35% and fees for other applications by 25%.
- 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. A new permit for blue badge holders has been proposed at a fee of £215 per annum which will require approval to appoint a Technical Support Officer to administer the scheme.
- 4.4** The successful opt in green waste subscription remained unchanged at £55 at the mid year review of charges in 2023/24 and the fee remains at £55 for 2024/25. The fee continues to be below the national average.
- 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 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 will be 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 policy statement issued on 5 December 2023 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 £5.70 to £196.41. **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 2025/26 and 2026/27. The band A equivalent increase for 2024/25 is £3.80 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** **Settlement funding** of business rates retention baseline to the Council from Government is £3.5 million for the current year.
- 4.10** We had a **four year funding deal** which ended in 2019/20 and one year settlements between 2020/21 and 2022/23. We received a further one year settlement for 2023/24 and some clarity for elements of 2024/25. For 2024/25 we have yet another one year settlement with no clarity about any longer term funding stability. Uncertainty exists for 2026/27 when the delayed proposed reset of the baseline is likely to occur, reducing gains established from growth and altering business rates retention. Some damping is assumed.

- 4.11** 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.
- 4.12** 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 2024/25 still exist and so an application for this has been submitted.
- 4.13** 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 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 2026/27 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.
- 4.14** **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 estimated to receive £0.65 million for 2024/25.
- 4.15** 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 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 previously however for 2024/25 this will be left unaltered at 0.4%.

- 4.16** 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.
- 4.17** 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 minor changes were for a potential uplift in income bands to accommodate any increases in primary benefits. Similarly, for 2024/25 we are proposing to uplift the income band thresholds to reflect any Government increase in primary welfare benefits.
- 4.18** Teignbridge currently receives £285,000 for administering **housing benefit** and the 2022/23 grant of £158,000 for council tax support has now been rolled into revenue support grant funding for 2023/24 along with the council tax annex grant. **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.
- 4.19** The statutory minimum **National Living Wage** increased to £10.42 in April 2023 and will be £11.44 in April 2024. Continued exploration of apprenticeships and training will be encouraged to utilize available apprenticeship levy funding.
- 4.20** 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 increased 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 increasing to £1,140,000 in 2024/25 and £1,180,000 in 2025/26. We have also paid £500,000 off the pension deficit liability in 2023/24. This will generate further savings in future year's past service deficit payments. A further £1,000,000 is proposed to be paid in 2024/25 which will deliver savings of up to £80,000 every year.

- 4.21** Forecasts of investment income receivable have increased over the last year. The Bank of England's monetary policy committee (MPC) left interest rates unchanged at 5.25% in November 2023, with the market view being that they have now peaked. The MPC stated that monetary policy would need to be "sufficiently restrictive for sufficiently long to return inflation to the 2% target". Rates are forecast to remain stable until around the third quarter of 2024, after which they are likely to decline slowly as inflationary pressures ease. Economic commentators forecast a rate of 4% by spring 2025.

Forecast investment income for the current year is £1,836,340 with an average daily lend of £38.7 million to the end of November 2023. This represents an average interest rate of 4.59% 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 4.71%, so this is in line with benchmark expectations. It is forecast that Teignbridge's average rate for the year will be 4.88%.

It is anticipated that Council balances available for investment in 2024/25 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 reduce in 2024/25 to £1,279,610. 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 £361,000 in 2026/27 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 £21.0 million at the beginning of 2023/24 (estimated to be £23.6million by the end of the year) and assuming a combination of Public Works Loans Board (PWL) 10-year and 25-annuity loans (adjusting for lost investment interest at 4.59%), this represents interest saved of around £166,000.

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.

The **mid year review** of **treasury management** performance which is required to be noted by Council is attached as appendix 8. See 3.11 above for analysis of the mid year review.

- 4.22** 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 are increased from £2.3 million to £2.4 million to build in some resilience for inflationary pressures.
- 4.23** 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 areas hit by the economic climate and outfall from the pandemic has created significant uncertainty on likely income receivable for the foreseeable future and predicting trends.
- 4.24** 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 be increased from £2.3 million to £2.4 million being 13.4% of the net revenue budget in 2023/24 and 12.8% in 2024/25. This equates to 12.4% and 13.7% in the two subsequent years. General reserves are held to accommodate continuing future uncertainties and increasing reliance on generating our own income.
- 4.25** 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. Following a review and approval of the doubling of the financial limits it is proposed that this is now at the revised level of £200,000 for future years. All other decisions with regard to budgetary change will be approved by reference to virement rules in the financial instructions.
- 4.26** In conclusion these budget proposals show how Teignbridge can start to prepare for the grant reductions and anticipated funding regime changes by continuing to make savings and generate income. **The revenue budget is 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 £4.5 million in 2026/27 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. With no further work to address the gap it is anticipated that a s114 notice would have to be issued at the end of the 2026/27 financial year.** Right to buy receipts cease after 2024 increasing funding pressures on the capital programme. Further suggestions including the work with Ignite and the Modern 25 agenda will be worked up and costed to deliver savings to move towards balancing future budget years from 2026/27 alongside the ongoing investigation into commercial investment opportunities, alternative service delivery plans and review of our existing assets and their use and the work and findings from Overview & Scrutiny in relation to the MTFP. **The budget deficit for 2026/27 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 work on specific areas of the budget.**

The budget papers also include the updated Financial Plan at **Appendix 7** for approval at Full Council – the **Financial Plan 2024 to 2029**. 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.

- 4.27** These proposals include a £5.70 band D increase in council tax next year and 2.99% in subsequent years and substantial capital investment over the next three years. They will be publicised and comments brought back to the Executive in February before making the final budget recommendation to Council for 27 February 2024.

5. CAPITAL PROGRAMME

- 5.1** The programme between 2024/25 and 2026/27 has the following funding sources: Sales of assets (capital receipts) account for £4 million. There is an element of risk in forecasting receipts from sales, which can be subject to lengthy legal and planning processes. If forecast sales do not materialise, capital expenditure plans will need to be re-assessed. Community Infrastructure Levy (CIL) accounts for £19.7 million, largely for infrastructure projects, with a further £1.4 million from Section 106. Government grants account for £21 million of funding over the 3 years from 2024/25 to 2026/27. This includes £6.4 million assumed towards housing grants and affordable housing with other grants towards decarbonisation, open space, coastal

monitoring, highways and regeneration. Contributions from revenue were re-introduced in 2023/24, with £500,000 per annum budgeted over the course of the Medium Term Financial Plan. Several projects rely either partly or entirely on borrowing, the financing costs of which impact revenue budgets. Additional borrowing over the 3 years is forecast to be £32.6 million. All projects involving borrowing are appraised to ensure the borrowing is affordable.

5.2 Government subsidy for housing disabled facilities grants through Better Care funding (received via Devon County Council) is assumed to continue at £1.4 million per annum. £1.7 million has been received in 2023/24, with the majority invested in grants towards the provision of disabled facilities and energy improvements. There is £0.36 million budgeted over the remainder of 2023/24 and 2024/25 towards Warm Homes Fund and Green Homes Fund schemes, funded from government grant.

5.3 A provision of £6.8 million has been made in 2023/24 for the construction of a social housing scheme in Sherborne House car park. The proposal is for a *Passivhaus* extremely energy-efficient design, enabling residents to benefit from lower energy bills. Subject to planning consent being granted, this scheme will be brought back to Full Council for approval in due course. 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. It is assumed to be funded from a combination of Homes England and One Public Estate grant, S106 contributions, capital receipts and borrowing. This uses the balance of the funding allocated for Phase 1 of the Teignbridge 100 housing programme, in accordance with the priority Actions outlined in the Council Strategy for delivering affordable and social housing. To date, the programme has delivered:

- 7 units of housing allocated to local applicants in housing need at Drake Road and Well House, East Street, Newton Abbot
- 5 units of shared housing in Dawlish
- 5 units of rough sleeper accommodation in Dawlish, Teignmouth and Newton Abbot
- 4 homes for social rent in Chudleigh
- 15 homes for social rent under the government's Local Authority Housing Fund scheme, which in the short term provides accommodation for families with housing needs who have arrived in the UK via Ukrainian and Afghan resettlement and relocation schemes. Longer term, the homes will provide a supply of affordable housing for local communities.

The pipeline covers a range of urban and rural sites, including the Dartmoor National Park, with work ongoing to identify further means of delivery, whether this is direct or by partnership with developers and housing associations. 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.

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 provisional budget line of £0.03 million per annum is in relation to 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 – a further £1.0 million in 2023/24 making a total contribution since 2020/21 of £6.1 million, funded from Community Infrastructure Levy (CIL). There is a £0.2 million provision for South West Exeter bus services in 2025/26 and £1.5 million provision for transport hubs and public transport in 2023/24 and 2024-25, all funded from CIL.
- £5.6 million budgeted towards Dawlish link road and bridge between 2023/24 and 2024/25, funded mostly from government grant, with £1.3 million to be funded from CIL.
- Provision for Education in the wider Teignbridge area of £10.1 million, funded from community infrastructure levy.
- £1.4 million is provided for the final stages of land acquisition, instatement and endowment towards ongoing maintenance at Ridgetop Countryside Park. This is funded from Housing Infrastructure funding via Devon County Council. There is provision of £3.7 million towards new countryside parks in 2025/26 and habitat mitigation between 2023/24 and 2026/27, funded from CIL. An additional £0.4 million is anticipated to be contributed to the RSPB in relation to cirl bunting habitat during the remainder of 2023/24 and 2024/25 and £20,000 towards improvements at Stover Park, both funded from Section 106 developer contributions.
- Sports and leisure provision of £5.2 million over the next 3 years, including £3.5 million to refurbish and further decarbonise Broadmeadow sports centre (approved by Full Council in July 2023). A provisional sum of £1.3 million is included for improvements to Dawlish leisure centre. Work continues on understanding the requirements to improve leisure provision post-Covid and this scheme will be brought back for approval as the business case is developed. Following recent improvements to play areas at Decoy and Ashburton Road in Newton Abbot and the Den in Teignmouth, provisions of £0.2 million are included for Powderham Park in Newton Abbot and Prince Rupert Way play area in Heathfield and other play area refurbishments.

- £1 million in CIL is allocated towards the Teign Estuary Cycle Trail, following approval at Full Council on 28 November 2023. £1.2 million in CIL is provisionally allocated to other cycle schemes over three years. £0.2 million of Garden Communities funding is being used towards the Ogwell Strategic Cycle Link.

5.5 Following successful bids for grant funding under the Public Sector Decarbonisation Fund (PSDF) for Forde House offices, Newton Abbot Leisure Centre, Broadmeadow Sports Centre and Teignmouth Lido, a third phase application was made in relation to further measures at Broadmeadow Sports Centre. This second phase comprises fabric improvements, insulation and installation of an air source heat pump. In addition, consultation is underway to ensure that planned refurbishment proposals meet the needs of centre users. The aim is to deliver a sports centre fit for the future, benefiting both communities and the environment. Funding is a combination of PSDF grant, S106 contributions, revenue contributions and borrowing.

The Forde House offices decarbonisation and agile working project completed earlier in 2023/24, delivering a modern, flexible working environment. The project is also a significant step to phase out fossil fuel use from our buildings and represents a reduction in emissions equivalent to heating around 50 homes with natural gas. There is now the opportunity to let the ground floor of Forde House. The £4.9 million cost of the project is funded from a combination of grant, capital receipts, revenue contributions from the repairs and maintenance budget and borrowing.

In September 2023, Full Council approved the replacement of the vehicle fleet, with all suitable small, medium and large vans switching to Battery Electric Vehicles. £0.8 million is included in 2024/25 for the associated infrastructure improvements. The proposed project will reduce the Authority's Scope 1 Carbon Footprint by 58 tonnes CO₂ per annum and provide the infrastructure necessary to support the long term future needs of a battery electric fleet.

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 top 15 sites by carbon emissions; provisions are likely to include: onsite renewable energy generation, renewable energy power purchase agreements, thermal fabric improvements and energy efficiency improvements.

A provision of £4 million between 2023/24 and 2025/26 is also made towards strategic energy infrastructure and low carbon, funded from CIL.

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 2024/25 the programme will enter the fourth 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.

£0.8 million is included for further measures funded from the UK Shared Prosperity Fund as approved on 26 July 2022, including green business grants. An additional £31,705 is included following a successful grant bid to Heart of the South West LEP.

£16.6 million is included for town centre investment, including the remaining 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, with the balance from prudential borrowing. These budgets are subject to the outcome of project variation approvals from Full Council and the Department of Levelling Up, Housing and Communities.

£0.49 million is included over 2023/24 and 2024/25 for the creation of additional car parking at George Street, Teignmouth.

- 5.8** £0.20 million is included for a new financial management system between 2023/24 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 £1.3 million in provisions for IT infrastructure projects, software upgrades and applications to enable more effective, digital ways of working between 2023/24 and 2026/27. These items form part of the Strata business plan, which will be brought forward for approval in due course.

5.9 An exercise is currently underway to identify likely major expenditure requirement in relation to the Authority's critical assets over the medium term. This will feed into the asset review process and will mean identifying funding resources and prioritising expenditure. There are known issues around the need to further improve waste management infrastructure (workshop, offices, storage, welfare) and assets in need of fabric and heating improvements. The current position is that general fund capital receipts and revenue contributions are fully committed until 2027/28.

6. COUNCIL TAX BASE 2024/25

- 6.1 The **council tax base** is the estimated number of band D equivalent properties in the district for next year less a small allowance for likely collection losses. The details are shown at section 1 of **appendix 2**. The council tax for each of District, County, Fire, Police and towns/parishes multiplied by the base gives the income or precept which the district pays to each authority. The District is responsible for collecting council tax.
- 6.2 The estimate for next year must be based on information available on the 30 November. It has to be approved by Council which is planned for 16 January 2024 and notified to the major preceptors - County, Fire and Police between 1 December 2023 and 31 January 2024. Similarly towns and parishes also need the base for their area to calculate their council tax from their precept.
- 6.3 The initial data is extracted from the council tax records. This includes the deduction for council tax support which reduces the base. Finally an estimate is made of the growth in the number of dwellings to 2024/25 based on recent history and this has been calculated at 0.9%. Thus a total of 52,031.6 is the estimated number of band D properties for next year.
- 6.4 A collection rate of 97.9% has been assumed giving 50,939 for 2024/25. For Teignbridge this base means that at the current council tax level of £190.71 just under £9.7 million of income would be generated next year. This is 1.4% or £138,000 more than in the current year. Estimated 2024/25 income for all preceptors is shown at **appendix 2**, section 2 based on the current council tax.
- 6.5 All the council tax income goes into a collection account from which the precepts are paid. As the income is estimated a surplus or deficit can arise which has to be notified and shared out between the District, County, Fire and Police. The district has to pay for any deficit or take any surplus relating to the towns and parishes. The aim is to minimise balances on the account.
- 6.6 Teignbridge has 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 £2.0 million is currently estimated which has to be shared between the major preceptors in 2024/25 as per their current precepts. The District share is £251,675 allocated to next year's budget as shown in line 18 of appendix 4. Surpluses or deficits arise due to a number of factors including variations to

previous year's assumptions in relation to the number of new houses built, the banding of these properties, the number claiming council tax support, collection rates, discounts, bad debts and provisions in relation thereto.

7. GROUPS CONSULTED

- 7.1** County, Fire and Police and the public are consulted about any changes to the council tax support scheme. 20 December 2023 marks the start of the publication period which includes Overview and Scrutiny 1 and 2 meetings on 9 January 2024 and 6 February 2024. Parishes and town councils will also be advised of these financial proposals with a meeting on 19 December 2023.
- 7.2** A budget survey is planned which will be put on the website and publicised to encourage feedback. In particular it will be brought to the attention of businesses, the residents' panel and Teignbridge relationship groups. Responses will be reported to members for consideration with the final budget proposals by Executive on 13 February 2024 and by Council on 27 February 2024.

8. TIME-SCALE

The financial plan covers the years 2023/24 to 2026/27. Final consideration of the budget by Council is due on 27 February 2024. At that time the council tax resolution is also approved which covers the total council tax including County, Fire, Police and towns & parishes.

9. 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.

10. 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 27 February 2024.

Budget timetable 2024/25

	October	November	December	January	February
Government (Chancellor) Autumn Spending Round Statement		22nd			
Provisional local government settlement			18th		
Town/parish initial budget/precept meeting			19th		
Executive papers sent out - initial budget proposals			20th		
Start of formal six weeks consultation period			20th		
Budget survey emailed to businesses			20th		
Executive - agree initial financial plan proposals including council tax base				4th	
Overview & Scrutiny 1 & 2 - consider Executive's financial plan				9th	
Council - approve council tax base				16th	
Final settlement expected				31st	
Deadline for business rates retention estimate to government, county and fire				31st	
Police and Crime Panel consider precept and approve					2nd
Overview & Scrutiny 1 & 2 - consider Executive's final financial proposals					6th
Executive - agree final financial plan proposals, including budget monitoring					13th
County Cabinet 10.30am budget meeting					9th
Devon County Council 2.15pm - set county precept and council tax					15th
Fire Authority - set fire precept and council tax					16th
Council meeting - consider financial proposals and council tax resolution					27th
Reserve county budget meeting 10.30 am if required					20th
Close council tax accounts and start bills print unless delayed if council tax not set					28th
Reserve Council budget meeting if required					29th

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Section 1

Council Tax Base adjustment for Council Tax Support (CTS) and estimated growth						
	Estimated 24/25 Band D Number	23/24 Council Tax £	Estimated Income £	Estimated Collection Rate %	Estimated Net Income £	Estimated 24/25 Base
Full band D at November 2023	55,955.2	2,279.30	127,538,690			
less CTS at November 2023	<u>-4,387.7</u>	2,279.30	<u>-10,000,880</u>			
Starting point based on Nov 2023	51,567.5		117,537,810			
Anticipated growth at 0.9%	464.1	2,279.30	1,057,820			
Total (rounded)	52,031.6	2,279.30	118,595,630	97.9%	116,105,260	50,939

Section 2

2024/25 Expected Council Tax (CT) Income at Current Council Tax Levels compared with 2023/24				
Preceptor	Estimated CT Base Number	23/24 Council Tax £	Expected income £	
2024/25 expected income (rounded)				
Towns and parishes	50,939	96.11	4,895,750	
District	50,939	190.71	9,714,580	
County	50,939	1,634.13	83,240,950	
Fire	50,939	96.79	4,930,390	
Police	50,939	261.56	13,323,600	
Total (rounded) shows a 1.4% increase in expected income		2,279.30	116,105,270	
2023/24 expected income (rounded)				
Towns and parishes	50,215	96.11	4,826,160	
District	50,215	190.71	9,576,500	
County	50,215	1,634.13	82,057,840	
Fire	50,215	96.79	4,860,310	
Police	50,215	261.56	13,134,240	
Total (rounded)		2,279.30	114,455,050	

To show the extra Council Tax in 2024/25 that would be collected for varying increases by percentage and value.

Teignbridge Band D Council Tax 2023/24 (excluding parish precepts) **£190.71**
 Approved Council Tax Base 2024/25 (at 97.9% collection rate) **[a] 50,939**

Varying increases in Council Tax for 2024/25			Total Band D Council Tax 2024/25	Increase in Council Tax income for 2024/25	[b] Total Council Tax income 2024/25
%	Per Year £	Per Week £	Per Year £	Per Year £	Per Year £
0.00	0.00	0.00	190.71	0	9,714,580
				No council tax freeze grant	0
				Total income	9,714,580
0.27	0.52	0.01	191.23	26,480	9,741,060
0.52	1.00	0.02	191.71	50,940	9,765,520
1.00	1.91	0.04	192.62	97,290	9,811,870
1.05	2.00	0.04	192.71	101,870	9,816,450
1.36	2.60	0.05	193.31	132,440	9,847,020
1.57	3.00	0.06	193.71	152,810	9,867,390
2.00	3.81	0.07	194.52	194,070	9,908,650
2.10	4.00	0.08	194.71	203,750	9,918,330
2.62	5.00	0.10	195.71	254,690	9,969,270
2.99	5.70	0.11	196.41	290,350	10,004,930

Note:

- [a]** Council Tax Base of 50,939 for 2024/25 approved by Council on 15 January 2024
- [b]** Total Council Tax income is calculated by multiplying the Band D Council Tax by the recommended Council Tax Base of 50,939
- [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	2023-24 Forecast	2023-24 Latest	2024-25 Forecast	2025-26 Forecast	2026-27 Forecast
	£	£	£	£	£
EXPENDITURE					
1 Employees	24,398,970	23,963,540	26,934,620	26,142,300	26,863,990
2 Property	5,721,180	5,809,390	5,873,810	6,023,260	6,180,400
3 Services & supplies	6,768,450	8,250,310	6,900,580	6,796,780	6,992,810
4 Grant payments	19,182,450	22,432,450	19,334,800	17,334,800	15,334,800
5 Transport	1,057,840	799,050	1,082,810	1,099,660	1,118,190
6 Leasing & capital charges	1,497,950	1,543,670	2,365,490	2,701,240	2,726,460
7 Contributions to capital	300,000	417,290	500,000	500,000	500,000
8 Total expenditure	58,926,840	63,215,700	62,992,110	60,598,040	59,716,650
INCOME					
9 Sales	-1,467,900	-783,700	-807,690	-840,000	-873,600
10 Fees & charges	-10,781,150	-11,395,240	-11,928,260	-12,524,670	-13,150,900
11 Grants - income	-19,388,510	-22,926,590	-19,542,500	-17,542,500	-15,542,500
12 Property income	-3,343,710	-3,871,920	-3,699,950	-4,127,570	-4,251,700
13 Other income & recharges	-4,105,820	-5,528,090	-4,533,480	-4,010,380	-3,843,720
14 Transfer from (-) / to earmarked reserves	-2,205,900	-920,310	-3,670,140	-2,269,490	-4,480,430
15 Total income	-41,292,990	-45,425,850	-44,182,020	-41,314,610	-42,142,850
16 Total net service cost	17,633,850	17,789,850	18,810,090	19,283,430	17,573,800
Funding					
17 Council tax	-9,576,500	-9,576,500	-10,004,930	-10,507,120	-10,929,500
18 Council tax/community charge surplus(-) / deficit	-125,550	-125,550	-251,670	0	0
19 Revenue support grant	-245,040	-245,040	-261,270	-277,060	0
20 Rates baseline funding	-3,520,800	-3,520,800	-3,634,240	-3,720,860	-3,768,620
21 Estimated rates retention and pooling gain	-2,446,200	-2,684,960	-2,800,410	-2,920,830	-1,319,150
22 New homes bonus	-404,940	-404,940	-650,240	-650,240	0
23 Alternative housing funding/damping	0	0	0	0	-1,500,000
24 Other grants	-1,314,820	-1,314,820	-1,207,330	-1,207,320	-56,530
25 Budget gap (-) to be found	0	0	0	0	0
26 Total funding	-17,633,850	-17,872,610	-18,810,090	-19,283,430	-17,573,800
27 -Surplus/shortfall	0	-82,760	0	0	0
28 General reserves at end of year	2,300,001	2,400,004	2,400,004	2,400,004	2,400,004
29 General reserves as % of net revenue budget	13.0%	13.4%	12.8%	12.4%	13.7%

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Draft Proposed Fees and Charges Income 2024/25

Service	Actual 2022/23 £	Probable 2023/24 £	Proposed 2024/25 £	Dept total 2024/25 £	Department
Building Control	- 1,169,191 -	1,219,840 -	1,295,120 -	1,295,120	Building Control
Land Charges	- 196,431 -	229,730 -	242,600		
Planning	- 865,780 -	846,500 -	923,470		
Planning Admin	- 4,805 -	4,500 -	4,500		
Street Naming	- 7,090 -	7,340 -	7,830 -	1,178,400	Development Management
Livestock Market	- 4,368 -	2,590 -	2,720		
Old Forde House	- 17,814 -	9,410 -	12,050		
Retail Market	- 100,974 -	87,580 -	83,620 -	98,390	Economy & Assets
Electoral Registration	- 2,035 -	2,160 -	2,160 -	2,160	Electoral Services
Dog Control	- 391 -	200 -	200		
Health & Food Safety	- 9,115 -	6,990 -	6,990		
Health Licence Fees	- 20,304 -	27,320 -	27,820		
Litter Clearance	- 8,130 -	4,740 -	4,740		
Nuisance Parking	- -	-	-		
Private Water Supply Sampling	- -	-	-	39,750	Environmental Health
Amenity & Conservation Sites	- 3,262 -	2,570 -	2,690		
Cemetery Fees	- 203,694 -	184,350 -	194,190		
Shaldon Golf	- 116,104 -	71,300 -	71,300		
Sports Pitches	- 19,856 -	20,380 -	20,780 -	288,960	Green Spaces & Active Leisure
Housing	- 11,372 -	15,040 -	4,850 -	4,850	Housing
Legal Fees	- 52,105 -	46,200 -	46,200 -	46,200	Legal
Broadmeadow Sports Centre	- 54,494 -	79,050 -	81,240		
Dawlish Leisure Centre	- 250,353 -	211,780 -	226,710		
Leisure Memberships	- 1,712,889 -	1,318,790 -	1,344,750		
Newton Abbot Leisure Centre	- 524,716 -	530,470 -	560,160		
Outdoor Pools	- 6,555 -	46,640 -	50,950 -	2,263,810	Leisure
Gambling Act 2005	- 20,317 -	22,650 -	22,650		
Hackney Carriage	- 80,301 -	75,380 -	79,410		
Licensing Act 2003	- 128,972 -	134,480 -	134,480 -	236,540	Licensing
Car Parks	- 4,160,059 -	4,449,250 -	4,726,240 -	4,726,240	Parking
Beach Huts	- 16,147 -	17,150 -	20,020		
Boat Storage	- 4,577 -	4,180 -	4,400		
Leisure Events	- 180 -	-	200 -	24,620	Resorts
Council Tax	- 156,693 -	199,500 -	199,500 -	199,500	Revenue & Benefits
Local Development Framework	- 38 -	50 -	50 -	50	Spatial Planning
Abandoned Vehicles	- 25 -	500	-		
Commercial Waste / Household Refuse	- 1,349,791 -	1,506,830 -	1,513,680		
Composting	- 42 -	50 -	50		
Toilets for Disabled	- 143 -	110 -	110		
Vehicle Workshop	- 10,413 -	9,640 -	9,830 -	1,523,670	Waste, Recycling & Cleansing
Grand Totals	- 11,289,524 -	11,395,240 -	11,928,260 -	11,928,260	

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**TEIGNBRIDGE DISTRICT COUNCIL
CAPITAL PROGRAMME 2023-24 to 2026-27**

					38,367	24,609	56,977	17,467	7,203		
Code /bid no.	Asset/Service Area		Description	Provision?	C/f ?	ORIGINAL	LATEST	LATEST	LATEST	LATEST	Council Strategy
						BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	
						2023-24	2023-24	2024-25	2025-26	2026-27	
						£'000	£'000	£'000	£'000	£'000	
KL1	Broadband		Contribution to Superfast Broadband subject to procurement arrangements (RS) (2024/25) subject to satisfactory assurances of funds being spent within Teignbridge area.	No			-	250			6. Investing in prosperity
KY6	Climate Change		Forde House Decarbonisation and Flexible Working Arrangements (GG,CR,PB,RS)	No	✓	1,000	613				10. Action on climate
Provision	Climate Change		Provision for Carbon Action Plan (PB)	Yes		439	-	439	439	439	10. Action on climate
KY2	Climate Change		Broadmeadow Sports Centre Decarbonisation Phase 2 and Refurbishment (GG, PB, S106, RS)	No		200	200	3,501			10. Action on climate
Provision	Climate Change		Energy infrastructure and low carbon (CIL)	Yes		2,000	2,000		2,000		10. Action on climate
KY7	Climate Change		Leisure Site Measures (S106)	No	✓		50	50			10. Action on climate
KY1	Climate Change		UK Shared Prosperity Fund/Heart of the SW LEP including Green Business Grants (GG)	No			243	562			10. Action on climate
KR1	Coastal Monitoring		SW Regional Coastal Monitoring Programme. (GG,EC)	No	✓	1,879	1,903	2,210	1,674	1,666	9. Strong communities
KR6	Coastal Monitoring		Coastal asset review (GG)	No	✓		6	219			9. Strong communities
KG2	Cycle paths		Teign Estuary Trail (CIL)	No				525	475	-	7. Moving up a gear
Provision	Cycle paths		Provision for Other cycling (CIL)	Yes	✓	250		250	250	250	7. Moving up a gear
Provision	Cycle paths		Dawlish/Teignmouth Cycle Schemes (CIL)	Yes	✓	205	-	200	205		7. Moving up a gear
Provision	Cycle paths		Heart of Teignbridge Cycle Provision (CIL)	Yes	✓	90	-				7. Moving up a gear
KG7	Cycle paths		Garden Communities: Ogwell Strategic Link (Revenue GG)	No			190				7. Moving up a gear
Provision	Heart of Teignbridge		Levelling up Cycling Routes (CIL)	Yes		250	-				7. Moving up a gear
KX7	Dawlish		Dawlish link road and bridge (GG)	No	✓	4,253	4,282				7. Moving up a gear
KX7	Dawlish		Dawlish link road and bridge (CIL)	No		1,300	-	1,300			7. Moving up a gear

Code /bid no.	Asset/Service Area		Description	Provision?	C/f ?	ORIGINAL	LATEST	LATEST	LATEST	LATEST	Council Strategy
						BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	
						2023-24 £'000	2023-24 £'000	2024-25 £'000	2025-26 £'000	2026-27 £'000	
Provision	Dawlish Leisure Centre		Provision for Dawlish Leisure Centre Improvement Plan (S106; PB).	Yes		-			660	661	8. Out and about and active
Provision	Habitat Regulations		Provision for Habitat Regulations infrastructure measures (CIL)	Yes	√	88	425	88	88	88	4. Great places to live & work
Provision	Heart of Teignbridge: Employment		Provision for employment sites (PB)	Yes		2,000	-	2,000			6. Investing in prosperity
KL2	Heart of Teignbridge: Employment		Newton Abbot employment land feasibility (PB)	No	√		17				6. Investing in prosperity
KX8	Heart of Teignbridge		A382 Improvements (CIL)	No		900	1,000				7. Moving up a gear
KW1	Heart of Teignbridge		Highweek Scout Hut improvements (S106)	No			175				4. Great places to live & work
KW8	Heart of Teignbridge		Houghton Barton land (EC)	No	√		48				4. Great places to live & work
KW8	Heart of Teignbridge		Houghton Barton land (GG)	No	√	585	-	585			4. Great places to live & work
KW4	Heart of Teignbridge		Mineral Rights (S106)	No	√	85	-	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/JD	Housing		Better Care-funded grants re: Housing loans and grants policy, including Disabled Facilities (GG)	No	√	1,250	2,051	1,400	1,400	1,400	1. A roof over our heads
JV7	Housing		Warm Homes Fund (Park Homes) (GG)	No	√		83				1. A roof over our heads
JV3	Housing		Warm Homes Fund (Category 1 Gas and Category 2 Air Source Heat Pumps) (GG)	No	√		328	13			1. A roof over our heads
JV2	Housing		Green Homes Fund (GG)	No	√		117				1. A roof over our heads
JY3	Housing		Teign Housing: Widecombe in the Moor (Revenue GG)	No	√	71	71				1. A roof over our heads
JX1 - JX4	Housing		Teignbridge 100: Social/Affordable Housing Chudleigh (S106, GG, PB)	No			248				1. A roof over our heads
JA/B	Housing		Local Authority Housing Fund: Refugee Accommodation (GG; CR; S106; PB)	No			4,908				1. A roof over our heads
Provision	Housing		Teignbridge 100: Provision for Sherborne House (GG; CR; PB; S106)	Yes		4,001	-	6,795			1. A roof over our heads
JX5	Housing		Teignbridge 100: Social/Affordable housing - Sherborne House (PB)	No	√		260				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
Provision	Housing		Orchard Lane, Dawlish (GG)	Yes		275	-				1. A roof over our heads
Provision	Housing		Social Housing Capital Replacements (Roofs/Fabric improvements/Heating/Furniture, fixtures & fittings etc) (CR; RS)	Yes		30	30	30	30	30	1. A roof over our heads
KV8	IT - Capital contribution		Ongoing contributions towards Strata (CR; RS)	No		41	41	41	41	41	Vital, Viable Council

Code /bid no.	Asset/Service Area	Description	Provision?	C/f ?	ORIGINAL	LATEST	LATEST	LATEST	LATEST	Council Strategy
					BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	
					2023-24	2023-24	2024-25	2025-26	2026-27	
					£'000	£'000	£'000	£'000	£'000	
Provision	IT - Capital contribution	End User Computing: Replacement laptops and staff (CR; RS)					36	68	68	Vital, Viable Council
Provision	IT - Capital contribution	Bookings (CR)					14			Vital, Viable Council
Provision	IT - Capital contribution	Web content management system (cost tbc)								Vital, Viable Council
Provision	IT - Capital contribution	Contact Centre telephony (CR)					14	73		Vital, Viable Council
Provision	IT - Capital contribution	Core telephony (CR)					14			Vital, Viable Council
Provision	IT - Capital contribution	Sharepoint resource (CR)					16			Vital, Viable Council
Provision	IT - Capital contribution	Chatbot (CR)					14			Vital, Viable Council
Provision	IT - Capital contribution	Car parks system (CR)					132			3. Going to town
KU1	IT - Capital contribution	SAN replacement (CR)	No	✓		58				Vital, Viable Council
KU2	IT - Capital contribution	Data Centre Relocation (CR)	No					27		Vital, Viable Council
KU3	IT - Capital contribution	NCSC Zero Trust (CR)	No		25	25				Vital, Viable Council
KU4	IT - Capital contribution	System upgrade costs - 2012 server replacement (CR)	No	✓		12				Vital, Viable Council
KU5	IT - Capital contribution	Office 365 (CR)	No	✓		27				Vital, Viable Council
KV9	IT - Finance	Provision for Finance Convergence (CR)	No	✓	89	110	89			Vital, Viable Council
Provision	IT - Property and Assets	SaM improvements (CR)	Yes			-	25			Vital, Viable Council
KU8	IT - communications	PSTN migrations (CR)	No		15		15			Vital, Viable Council
KU9	IT - Corporate	Anticipated Software Upgrade Costs 2023-2025 (CR)	No		22	22	11			Vital, Viable Council
KV5	IT - Corporate	Microsoft Power Apps (CR)	No		27	27				Vital, Viable Council
KV2	IT - Revenue & Benefits	Civica Open Revenues License (RS; CR)	No		175	115			175	Vital, Viable Council
KU6	IT - Housing	Homelessness System Replacement (CR; Revenue GG)	No		10	110				1. A roof over our heads
KU7	IT - Waste Management	Bartec separate databases (CR)	No		10	10				2. Clean scene
KG4	Newton Abbot	3G artificial playing pitch, Coach Road, Newton Abbot (S106; RS)	No	✓		36				8. Out and about and active
Provision	Newton Abbot Leisure Centre	Provision for Newton Abbot Leisure Centre Improvement Plan (PB) (2028-31)	Yes			-				8. Out and about and active
KF5	Newton Abbot Leisure Centre	Newton Abbot Leisure Centre Gym Equipment (S106; RS)	No	✓	40	216	40	40	40	8. Out and about and active
KF6	Newton Abbot Leisure Centre	Flume Refurbishment (S106)	No		-	72				8. Out and about and active
KM2	Newton Abbot Multi Storey Car Park	Lift Modernisation Work (RS)					80			3. Going to town

Code /bid no.	Asset/Service Area	Description	Provision?	C/f ?	ORIGINAL	LATEST	LATEST	LATEST	LATEST	Council Strategy
					BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	
					2023-24 £'000	2023-24 £'000	2024-25 £'000	2025-26 £'000	2026-27 £'000	
KL8	Newton Abbot Town Centre Regeneration	Newton Abbot Town Centre Improvements (GG)	No	√	-	400				3. Going to town
KX1	Newton Abbot Town Centre Regeneration	Halcyon Rd (PB)	No	√	6,375	-	6,375			3. Going to town
Provision	Newton Abbot Town Centre Regeneration	Cattle Market Enabling Works (PB)	Yes	√	200	-	200			3. Going to town
KL7	Newton Abbot Town Centre Regeneration	Bradley Lane Enabling Works (CR)	No	√		32				3. Going to town
KO3	Newton Abbot Town Centre	Future High Street Fund project: Market Improvements (GG, PB)	No	√	2,149	449	2,695	630		3. Going to town
KO2	Newton Abbot Town Centre	 Future High Street Fund project: Gateway to the Town Centre and Queen Street (GG, CIL)	No	√	453	453	-			3. Going to town
KO4	Newton Abbot Town Centre	Future High Street Fund project: Cinema development (GG, PB)	No	√	4,669	893	5,354	1,325		3. Going to town
KW5	Open Spaces	Cirl bunting land (S106)	No	√	146	161	277			4. Great places to live & work
KB3	Open Spaces	Stover Park improvements (S106)	No		20	-	20			4. Great places to live & work
KG9	Open Spaces: Active	Provision for Tennis Court Improvements (GG; S106; CR)	No			244				8. Out and about and active
KG9	Open Spaces: Active	Forde Park Path (S106)	No			25				8. Out and about and active
KB2	Open Spaces	Replacement Gator (GG)	No			20				4. Great places to live & work
Provision	Play area equipment/refurb	Provision for Powderham Newton Abbot play space equipment and wider park improvements (S106)	Yes			-	100			8. Out and about and active
KJ5	Play area equipment/refurb	Ashburton Rd, Newton Abbot play area (S106, EC)	No	√		66				8. Out and about and active
KJ6	Play area equipment/refurb	Furlong Close, Buckfastleigh (RS, CR)	No	√	28	28				8. Out and about and active
Provision	Play area equipment/refurb	Prince Rupert Way, Heathfield (S106)	Yes		40	-	40			8. Out and about and active
KJ2	Play area equipment/refurb	Mill Marsh Park, Bovey Tracey play improvements (S106)				70				8. Out and about and active
Provision	Play area equipment/refurb	Provision for Teignbridge-funded play area refurb/equipment (CR)	Yes		86	-	80			8. Out and about and active
KL3	Rural areas	Rural England Prosperity Fund (GG)	No			163				6. Investing in prosperity
KB1	SANGS/Open Spaces	Ridgetop Countryside Park (South West Exeter SANGS) (GG)	No	√	1,105	-	1,367			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							7. Moving up a gear
Provision	South West Exeter	 Provision for South West Exeter Bus Services (CIL)	Yes					200		7. Moving up a gear
Provision	Teignbridge	Provision for Education (CIL)	Yes				4,000	4,050	2,000	4. Great places to live & work
KX5	Teignmouth Town Centre	George Street Car Park (S106; CR)	No	√	480	50	435			3. Going to town
KR2	Teignmouth	Beach Management Plan (GG)	No	√	82	92				9. Strong communities

Code /bid no.	Asset/Service Area	Description	Provision?	C/f ?	ORIGINAL	LATEST	LATEST	LATEST	LATEST	Council Strategy
					BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	
					2023-24 £'000	2023-24 £'000	2024-25 £'000	2025-26 £'000	2026-27 £'000	
Provision	Teignmouth	Storage containers (RS)	Yes			14			9. Strong communities	
Provision	Transport	 Transport Hubs and Public Transport (CIL)	Yes	750	750	750			7. Moving up a gear	
Provision	Waste Management	Provision for Bulking Station - replace telehandlers 2028-31 (CR)	Yes		-			110	2. Clean scene	
KS3	Waste Management	Sortline Baler (CR; RS)	No		203				2. Clean scene	
Provision	Waste Management	Provision for Bulking Station - replace Sortline (RS)					250		2. Clean scene	
Provision	Waste Management	Provision for replacement card baler (2028) (CR)	Yes						2. Clean scene	
Provision	Waste Management	Provision for Simpler Recycling Statutory Requirements (RS; CR)	Yes				350	35	2. Clean scene	
KS1	Waste Management	Provision for Waste vehicles (Technically PB under new IFRS 16 No accounting rules - in practice,	No		-	13,274			2. Clean scene	
KS2	Waste Management	 Fleet Decarbonisation Infrastructure (CR, RS)	No		20	769			2. Clean scene	
Provision	Waste Management	Provision for improvements to waste management infrastructure (workshop, offices, storage, welfare) 2028-31 funding as yet unidentified							2. Clean scene	
Provision	Waste Management	Provision for waste fleet IC100 units (CR) 2028-31							2. Clean scene	
KS0	Waste Management	Purchase of Wheeled Bins (CR;RS)	No	155	155	160	168	176	2. Clean scene	
					38,367	24,609	56,977	17,467	7,203	

Code /bid no.	Asset/Service Area	Description	Provision?	C/f ?	ORIGINAL	LATEST	LATEST	LATEST	LATEST	Council Strategy
					BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	
					2023-24	2023-24	2024-25	2025-26	2026-27	
					£'000	£'000	£'000	£'000	£'000	
FUNDING										
GENERAL										
		Capital Receipts Unapplied - Brought forward			(1,693)	(1,030)	(472)	(534)	(135)	
		Capital Receipts - Anticipated			-	(282)	(1,100)	-	-	
		Capital Receipts Unapplied - Carried forward			719	472	534	135	5	
		Revenue Contributions Reserve - Brought forward			(587)	(1,108)	(1,033)	(6)	(9)	
		Budgeted Revenue Contribution			(300)	(300)	(500)	(500)	(500)	
		Additional specific revenue contributions from departmental budgets and revenue grants.			(145)	(46)	(225)	(145)	-	
		Revenue contribution: movement in reserves				(166)				
		Revenue Contributions Reserve - revenue support/provisions.			38	114	132	153	-	
		Balance of Revenue Contributions Reserve - carried forward			588	1,033	6	9	4	
		Government Grants			(14,583)	(9,034)	(11,196)	(1,908)	(1,666)	
		S106			(546)	(1,013)	(791)	(40)	(206)	
		Other External Contributions			-	(70)	-	-	-	
		Community Infrastructure Levy			(5,833)	(4,256)	(7,113)	(10,268)	(2,338)	
		Prudential borrowing			(10,405)	(622)	(26,986)	(2,939)	(934)	
HOUSING										
		Capital Receipts Unapplied - Brought forward			(3,669)	(3,497)	(3,435)	(1,021)	(1,017)	
		Capital Receipts - Anticipated			(141)	(141)	(20)	(20)	(20)	
		Capital Receipts - Right to Buy			-	-	-	-	-	
		Revenue contributions				(71)				
		Better Care Funding and other government grants.			(2,121)	(4,790)	(3,646)	(1,400)	(1,400)	
		S106			(464)	(935)	(368)	-	-	
		Other External Contributions			-	-	-	-	-	
		Internal or Prudential Borrowing			(1,761)	(2,302)	(1,785)	-	-	
		Capital Receipts Unapplied - Carried forward			2,536	3,435	1,021	1,017	1,013	
TOTAL FUNDING					(38,367)	(24,609)	(56,977)	(17,467)	(7,203)	

Programme Funding

All Revenue contributions	(405)	(544)	(1,620)	(489)	(505)
Capital Receipts	(2,249)	(1,043)	(3,472)	(423)	(154)
Section 106	(1,010)	(1,948)	(1,159)	(40)	(206)
Other External Contribution Grant	-	(70)	-	-	-
Community Infrastructure Levy	(16,704)	(13,824)	(14,842)	(3,308)	(3,066)
Community Infrastructure Levy	(5,833)	(4,256)	(7,113)	(10,268)	(2,338)
Prudential borrowing	(12,166)	(2,924)	(28,771)	(2,939)	(934)
Total	(38,367)	(24,609)	(56,977)	(17,467)	(7,203)
Balance of capital receipts	(3,256)	(3,647)	(1,555)	(1,152)	(1,018)

Key:

- EC** External Contributions
S106 S106 - Section 106 developer contribution
CIL Community Infrastructure Levy
GG Government Grant
CR Capital Receipts
RS Revenue Savings
PB Prudential Borrowing
C Project complete. Where this relates to payment of a contribution, indicates contribution has been paid.



Climate Change project

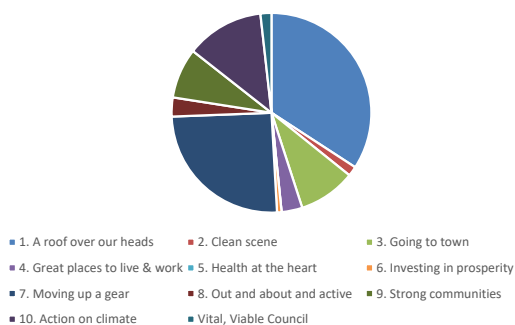
√ Budget carried forward from previous years

Bold**Denotes a change in the programme**

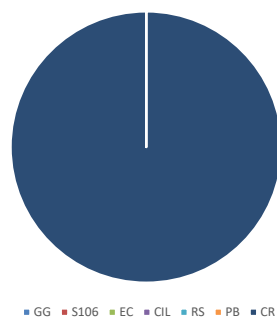
Code /bid no.	Asset/Service Area	Description	Provision?	C/f ?	ORIGINAL	LATEST	LATEST	LATEST	LATEST	Council Strategy
					BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	
					2023-24	2023-24	2024-25	2025-26	2026-27	
					£'000	£'000	£'000	£'000	£'000	

1. A roof over our heads				5,661	8,412	8,262	1,454	1,454
2. Clean scene				165	388	14,203	768	321
3. Going to town				14,326	2,277	15,271	1,955	-
4. Great places to live & work				2,029	829	6,422	7,138	2,088
5. Health at the heart				-	-	-	-	-
6. Investing in prosperity				2,000	180	2,250	-	-
7. Moving up a gear				7,998	6,222	3,025	1,130	250
8. Out and about and active				194	757	260	700	701
9. Strong communities				1,961	2,001	2,443	1,674	1,666
10. Action on climate				3,639	3,106	4,552	2,439	439
Vital, Viable Council				394	437	289	209	284
Totals				38,367	24,609	56,977	17,467	7,203

Strategy Summary



Funding Summary



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Teignbridge District Council

Draft Financial Plan

2024 to 2029

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 further one year settlement for 2024/25 with no clarity on what will happen about when central funding is to be reviewed again which is now predicted to be in 2026/27. 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 higher inflation rates, interest rates, energy and food costs and a potential recession. As a consequence the indications are higher national pay awards and other direct cost implications mainly associated with contractor and partner costs. There has traditionally been low investment income received however this increased 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 2023/24 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 and other economic factors and their 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 2023/24 for comparison and forms the basis from which future assessments have been made. The 2023/24 position is the set budget from February 2023 and then the latest position for 2023/24, 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 £1.0 million as a one off to pay an element of the pension fund deficit and reduce future deficit funding contributions.
- Additional temporary resources to deliver significant projects, climate change, service reviews, business/systems improvements etc and for the Modern 25 work and scrutiny function.
- Renewal of the vehicle leasing contracts.
- The 2023/24 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 approved and implemented. This equates to a net cost over the budgeted sum in the General Fund in excess of £750,000 for 2023/24 and over £850,000 for future years based on full employment. 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.

The Council's previous full set of budget papers [Agenda for Full Council on Tuesday, 21st February, 2023, 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 2023/24 Local Government Finance Settlement was a one-year spending round only with some information in relation to 2024/25. 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 previous years settlements and issue a settlement for one year only for 2024/25. There was no announcement about when they intend to undertake a review of local authority funding however this is probably going to be in 2025/26 with likely funding resets to be in 2026/27. Any change in Government following the General Election could alter this.

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 2026/27; taking away any growth in business rates (2024/25 budget £2.8 million (including pooling gain) and £2.9 million assumed for 2025/26 and the change in NHB from £0.4 million per annum in 2023/24 to £0.6 million in 2024/25 with an assumption of £0.6 million in 2025/26) and nothing thereafter. 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 (this is referred to as 'damping' and some provisional estimated figures are now included to reflect a possible likely position but still very uncertain).

The Local Government Finance Settlement is announced normally late November/early December and for 2024/25 was announced on 18 December which makes planning extremely difficult as councils initial budget processes are finalised at that point. The finance policy statement published on 5 December 2023 only outlined some of the key principles for 2024/25.

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.

7. 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 2024/25 the Council will be £2.800 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.

8. 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 allowance for 2023/24 was increased to 2.99% before a referendum is triggered and this is built into the model for 2024/25 and future years (£5.70 for 2024/25).

9. 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 has reduced significantly and is currently £0.4 million. The scheme is supposedly ending in its current form with the annual amount reducing; this gives £0.4 million available in 2023/24 which is then increasing to £0.6 million for 2024/25 and projected to be £0.6 million for 2025/26 and then potentially not replaced so zero for 2026/27 onwards. There are still no guarantees about future years after 2024/25 or whether a replacement will be available.

A replacement for NHB was consulted on over three 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 had been included for potential repurpose of the NHB funding stream but this now seems unlikely. 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). A provision for smoothing of the funding changes is also incorporated into 2026/27.

10. 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	2023-24	2023-24	2024-25	2025-26	2026-27
	Forecast	Latest	Forecast	Forecast	Forecast
<i>EXPENDITURE</i>	£	£	£	£	£
1 Employees	24,398,970	23,963,540	26,934,620	26,142,300	26,863,990
2 Property	5,721,180	5,809,390	5,873,810	6,023,260	6,180,400
3 Services & supplies	6,768,450	8,250,310	6,900,580	6,796,780	6,992,810
4 Grant payments	19,182,450	22,432,450	19,334,800	17,334,800	15,334,800
5 Transport	1,057,840	799,050	1,082,810	1,099,660	1,118,190
6 Leasing & capital charges	1,497,950	1,543,670	2,365,490	2,701,240	2,726,460
7 Contributions to capital	300,000	417,290	500,000	500,000	500,000
8 Total expenditure	58,926,840	63,215,700	62,992,110	60,598,040	59,716,650
<i>INCOME</i>					
9 Sales	-1,467,900	-783,700	-807,690	-840,000	-873,600
10 Fees & charges	-10,781,150	-11,395,240	-11,928,260	-12,524,670	-13,150,900
11 Grants - income	-19,388,510	-22,926,590	-19,542,500	-17,542,500	-15,542,500
12 Property income	-3,343,710	-3,871,920	-3,699,950	-4,127,570	-4,251,700
13 Other income & recharges	-4,105,820	-5,528,090	-4,533,480	-4,010,380	-3,843,720
14 Transfer from (-) / to earmarked reserves	-2,205,900	-920,310	-3,670,140	-2,269,490	-4,480,430
15 Total income	-41,292,990	-45,425,850	-44,182,020	-41,314,610	-42,142,850
16 Total net service cost	17,633,850	17,789,850	18,810,090	19,283,430	17,573,800
<i>Funding</i>					
17 Council tax	-9,576,500	-9,576,500	-10,004,930	-10,507,120	-10,929,500
18 Council tax/community charge surplus(-) / deficit	-125,550	-125,550	-251,670	0	0
19 Revenue support grant	-245,040	-245,040	-261,270	-277,060	0
20 Rates baseline funding	-3,520,800	-3,520,800	-3,634,240	-3,720,860	-3,768,620
21 Estimated rates retention and pooling gain	-2,446,200	-2,684,960	-2,800,410	-2,920,830	-1,319,150
22 New homes bonus	-404,940	-404,940	-650,240	-650,240	0
23 Alternative housing funding/damping	0	0	0	0	-1,500,000
24 Other grants	-1,314,820	-1,314,820	-1,207,330	-1,207,320	-56,530
25 Budget gap (-) to be found	0	0	0	0	0
26 Total funding	-17,633,850	-17,872,610	-18,810,090	-19,283,430	-17,573,800
27 -Surplus/shortfall	0	-82,760	0	0	0
28 General reserves at end of year	2,300,001	2,400,004	2,400,004	2,400,004	2,400,004
29 General reserves as % of net revenue budget	13.0%	13.4%	12.8%	12.4%	13.7%

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	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	2033/34 £000
Budget Shortfall/(Surplus)	3,670	2,269	4,480	4,344	4,090	Not costed	Not costed	Not costed	Not costed	Not costed



Shortfalls are covered by earmarked reserves. 2026/27 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.

11. MTFP Revenue - The Way Forward

The funding gap for 2024/25, 2025/26 and 2026/27 needs to be addressed working with SLT, senior officers and Members – ultimately eliminating the ongoing gap in 2026/27 when reset of funding is now likely 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 service plans and Modern 25, 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 work 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.

- Each year 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 (now incorporated into Modern 25) 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 2026/27 of £4.5 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 depleted 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. There is also some uncertainty around some further funding in the form of 'damping'. It is difficult to determine the value of this funding with no guidance available but this could assist for a period of 24/36 months in 2026/27 and 2027/28 (and possibly 2028/29).

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

- a. **Approval of Council tax increases at the maximum allowed – £5 or 2.99% currently**
- 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 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 £2.4 million**
- s. **Limit use of earmarked reserves to bridge budget gaps**
- t. **Considering new funding models**
- u. **Timeline for delivery of savings**
- v. **Working with Town and Parish councils re service provision**

12. 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	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
A roof over our heads	8,412	8,262	1,454	1,454	1,454
Clean scene	388	14,203	768	321	220
Going to town	2,277	15,271	1,955	-	-
Great places to live and work	829	6,422	7,138	2,088	5,138
Health at the heart	-	-	-	-	-
Investing in prosperity	180	2,250	-	-	-
Moving up a gear	6,222	3,025	1,130	250	550
Out and about and active	757	260	700	701	40
Strong communities	2,001	2,443	1,674	1,666	-
Action on climate	3,106	4,552	2,439	439	2,000
Vital, viable council	437	289	209	284	41
Total Capital Expenditure	24,609	56,977	17,467	7,203	9,443
Borrowing	(2,924)	(28,771)	(2,939)	(934)	-
Capital Receipts	(1,043)	(3,472)	(423)	(154)	(24)
Revenue contributions (includes specific sums)	(544)	(1,620)	(489)	(505)	(291)
Grants / external contributions	(13,894)	(14,842)	(3,308)	(3,066)	(1,400)
CIL	(4,256)	(7,113)	(10,268)	(2,338)	(7,688)
S.106	(1,948)	(1,159)	(40)	(206)	(40)
Total Funding	(24,609)	(56,977)	(17,467)	(7,203)	(9,443)

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 £35.6 million of borrowing between 2023/24 and 2027/28 in addition to the current underlying need to borrow of £21.0 million. Cash flow monitoring and balance sheet review exercises indicate no immediate need to borrow externally over the next 2-3 years. This is dependent upon the speed with which capital projects progress and 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 2023 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, for example IT improvements and asset refurbishments.
- The introduction of £300,000 per year baseline 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. Revenue contributions are all committed until 2027/28.

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)**

13. 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 11 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
High 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

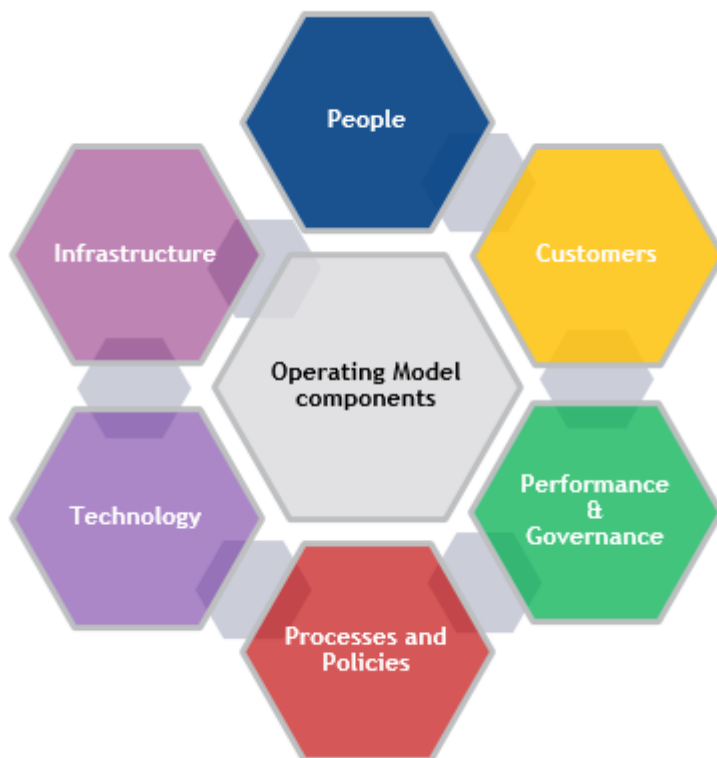
14. Modern 25 Programme

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 are currently designing, developing and delivering 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. Changes to the structure and potential investments are/will be incorporated into the revenue and capital budgets.

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 – Claire Moors

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 2024/25 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 has not been a high risk but currently rates are historically high with Bank of England projecting inflation to remain relatively 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 2024/25.

Factor	MTFP Predicted Inflation Costs £000	Worse by 1% £'000	Worse by 2% £'000
Pay, N.I & Pension & other employee costs + other costs	872	218	436

- **Investment Returns**

The approach adopted, of budgeting for investment income remains prudent. Investment return predictions have been factored in with higher income in 2023/24 but reducing in future years.

- **Council Tax Income**

The MTFP had previously followed recent Government practice of allowing a £5 a year increase.

This was modified to reflect the change in percentage to 2.99% for 2023/24 and 2.99% for 2024/25 (£5.70) and future years.

Financial impact of changes in council tax levels (2024/25).

Level of council Tax increase	Predicted council tax income £000	Loss of income in MTFP 2024/25 £'000
Council tax yield at £5 (2.62%) increase	(9,969)	36
Yield at 2.0%	(9,909)	96
Yield at 1.0%	(9,812)	193
Yield at 0.0%	(9,715)	290

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.

- **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 £2.800 million additional benefit has been budgeted in 2024/25 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	2023-24	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	
	Forecast	Latest	Forecast	Forecast	Forecast	Forecast	Forecast	
<i>EXPENDITURE</i>	£	£	£	£	£	£	£	
1 Employees	24,398,970	23,963,540	26,934,620	26,142,300	26,863,990	27,669,910	28,500,010	
2 Property	5,721,180	5,809,390	5,873,810	6,023,260	6,180,400	6,337,540	6,494,680	
3 Services & supplies	6,768,450	8,250,310	6,900,580	6,796,780	6,992,810	7,188,840	7,384,870	
4 Grant payments	19,182,450	22,432,450	19,334,800	17,334,800	15,334,800	13,334,800	11,334,800	
5 Transport	1,057,840	799,050	1,082,810	1,099,660	1,118,190	1,118,190	1,118,190	
6 Leasing & capital charges	1,497,950	1,543,670	2,365,490	2,701,240	2,726,460	2,726,460	2,726,460	
7 Contributions to capital	300,000	417,290	500,000	500,000	500,000	500,000	500,000	
8 Total expenditure	58,926,840	63,215,700	62,992,110	60,598,040	59,716,650	58,875,740	58,059,010	
INCOME								
9 Sales	-1,467,900	-783,700	-807,690	-840,000	-873,600	-908,540	-944,880	
10 Fees & charges	-10,781,150	-11,395,240	-11,928,260	-12,524,670	-13,150,900	-13,808,450	-14,498,870	
11 Grants - income	-19,388,510	-22,926,590	-19,542,500	-17,542,500	-15,542,500	-13,542,500	-11,542,500	
12 Property income	-3,343,710	-3,871,920	-3,699,950	-4,127,570	-4,251,700	-4,379,250	-4,510,630	
13 Other income & recharges	-4,105,820	-5,528,090	-4,533,480	-4,010,380	-3,843,720	-3,959,030	-4,077,800	
14 Transfer from (-) / to earmarked reserves	-2,205,900	-920,310	-3,670,140	-2,269,490	-4,480,430	-1,437,870	0	
15 Total income	-41,292,990	-45,425,850	-44,182,020	-41,314,610	-42,142,850	-38,035,640	-35,574,680	
16 Total net service cost	17,633,850	17,789,850	18,810,090	19,283,430	17,573,800	20,840,100	22,484,330	
Funding								
17 Council tax	-9,576,500	-9,576,500	-10,004,930	-10,507,120	-10,929,500	-11,368,850	-11,825,870	
18 Council tax/community charge surplus(-) / deficit	-125,550	-125,550	-251,670	0	0	0	0	
19 Revenue support grant	-245,040	-245,040	-261,270	-277,060	0	0	0	
20 Rates baseline funding	-3,520,800	-3,520,800	-3,634,240	-3,720,860	-3,768,620	-3,816,000	-3,867,000	
21 Estimated rates retention and pooling gain	-2,446,200	-2,684,960	-2,800,410	-2,920,830	-1,319,150	-1,375,870	-1,435,030	
22 New homes bonus	-404,940	-404,940	-650,240	-650,240	0	0	0	
23 Alternative housing funding/damping	0	0	0	0	-1,500,000	-1,317,000	-1,210,000	
24 Other grants	-1,314,820	-1,314,820	-1,207,330	-1,207,320	-56,530	-56,530	-56,530	
25 Budget gap (-) to be found	0	0	0	0	0	-2,905,850	-4,089,900	
26 Total funding	-17,633,850	-17,872,610	-18,810,090	-19,283,430	-17,573,800	-20,840,100	-22,484,330	
27 -Surplus/shortfall	0	-82,760	0	0	0	0	0	
28 General reserves at end of year	2,300,001	2,400,004	2,400,004	2,400,004	2,400,004	2,400,004	2,400,004	
29 General reserves as % of net revenue budget	13.0%	13.4%	12.8%	12.4%	13.7%	13.4%	13.0%	

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Teignbridge District Council Treasury Management Mid-Year Review 2023-24

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 2023:

Fixed lending - * denotes investment placed in 2022-23 with end date in 2023-24

Borrower	Rate (%)	Amount	Start date	End date	Days lent April to September	Interest (£)
Nationwide	1.46	1,000,000	11/05/2022	10/05/2023	39	1,560.00
London Borough Of Haringey	3.17	3,000,000	21/09/2022	20/09/2023	172	44,814.25
DMO	3.845	1,500,000	03/02/2023	19/04/2023	18	2,844.25
Cheshire East Council	3.85	3,000,000	15/03/2023	19/04/2023	18	5,695.89
DMO	3.845	500,000	09/02/2023	06/04/2023	5	263.36
DMO	3.865	1,000,000	13/02/2023	19/04/2023	18	1,906.03
DMO	3.86	1,500,000	15/02/2023	19/04/2023	18	2,855.34
DMO	3.89	1,000,000	20/02/2023	19/04/2023	18	1,918.36
DMO	3.925	1,000,000	27/02/2023	19/04/2023	18	1,935.62
DMO	3.985	500,000	01/03/2023	09/05/2023	38	2,074.38
DMO	3.995	1,500,000	01/03/2023	25/05/2023	54	8,865.62
DMO	3.95	3,000,000	15/03/2023	28/04/2023	27	8,765.75
London Borough of Barking & Dagenham	4.45	1,000,000	15/03/2023	25/05/2023	54	6,583.56
DMO	4.1	1,000,000	28/03/2023	25/05/2023	54	6,065.75
DMO	4.1	4,000,000	03/04/2023	22/05/2023	49	22,016.44
DMO	4.05	500,000	04/04/2023	21/04/2023	17	943.15
DMO	4.11	2,000,000	05/04/2023	25/05/2023	50	11,260.27
DMO	4.06	500,000	06/04/2023	21/04/2023	15	834.25
North Lanarkshire Council	4.28	3,000,000	17/04/2023	15/03/2024	167	58,747.40
DMO	4.05	2,000,000	17/04/2023	19/04/2023	2	443.84
DMO	4.06	1,000,000	17/04/2023	24/04/2023	7	778.63
DMO	4.135	2,000,000	17/04/2023	25/05/2023	38	8,609.86
DMO	4.165	1,000,000	19/04/2023	25/05/2023	36	4,107.95
DMO	4.28	1,000,000	28/04/2023	19/06/2023	52	6,097.53
DMO	4.305	2,000,000	02/05/2023	19/06/2023	48	11,322.74
DMO	4.31	1,000,000	02/05/2023	23/06/2023	52	6,140.27

Appendix 8

Borrower	Rate (%)	Amount	Start date	End date	Days lent April to September	Interest (£)
DMO	4.205	1,000,000	03/05/2023	23/05/2023	20	2,304.11
DMO	4.275	1,000,000	09/05/2023	22/05/2023	13	1,522.60
DMO	4.13	1,000,000	10/05/2023	12/05/2023	2	226.30
DMO	4.35	1,000,000	11/05/2023	12/05/2023	1	119.18
DMO	4.35	1,000,000	11/05/2023	15/05/2023	4	476.71
DMO	4.38	2,000,000	12/05/2023	03/07/2023	52	12,480.00
Nationwide	4.63	1,000,000	15/05/2023	13/05/2024	139	17,632.05
DMO	4.415	6,000,000	15/05/2023	03/07/2023	49	35,561.92
DMO	4.45	1,500,000	22/05/2023	19/07/2023	58	10,606.85
DMO	4.38	1,000,000	23/05/2023	25/05/2023	2	240.00
DMO	4.525	1,000,000	31/05/2023	19/07/2023	49	6,074.66
DMO	4.525	1,000,000	01/06/2023	21/07/2023	50	6,198.63
DMO	4.57	4,000,000	01/06/2023	08/08/2023	68	34,055.89
DMO	4.38	1,000,000	15/06/2023	19/06/2023	4	480.00
DMO	4.4	1,000,000	15/06/2023	23/06/2023	8	964.38
DMO	4.525	500,000	15/06/2023	30/06/2023	15	929.79
DMO	4.675	5,000,000	15/06/2023	08/08/2023	54	34,582.19
DMO	4.67	1,000,000	20/06/2023	08/08/2023	49	6,269.32
London Borough of Barking & Dagenham	5.35	2,000,000	26/06/2023	24/11/2023	97	28,435.62
DMO	4.94	1,500,000	03/07/2023	14/08/2023	42	8,526.58
DMO	5.11	1,000,000	11/07/2023	11/09/2023	62	8,680.00
DMO	4.88	500,000	17/07/2023	31/07/2023	14	935.89
DMO	5.07	2,000,000	17/07/2023	21/08/2023	35	9,723.29
DMO	5.075	1,000,000	17/07/2023	23/08/2023	37	5,144.52
DMO	5.085	500,000	17/07/2023	25/08/2023	39	2,716.64
DMO	5.14	3,000,000	17/07/2023	14/09/2023	59	24,925.48
DMO	5.135	1,000,000	24/07/2023	14/09/2023	52	7,315.62
DMO	5.145	1,000,000	31/07/2023	14/09/2023	45	6,343.15
DMO	5.15	5,000,000	01/08/2023	14/09/2023	44	31,041.10
DMO	5.145	2,000,000	15/08/2023	19/09/2023	35	9,867.12
DMO	5.155	1,000,000	15/08/2023	22/09/2023	38	5,366.85
DMO	5.16	500,000	15/08/2023	25/09/2023	41	2,898.08
DMO	5.175	2,500,000	15/08/2023	29/09/2023	45	15,950.34
DMO	5.205	1,500,000	15/08/2023	09/10/2023	47	10,053.49
DMO	5.235	1,000,000	15/08/2023	19/10/2023	47	6,740.96
DMO	5.26	1,000,000	18/08/2023	19/10/2023	44	6,340.82
DMO	5.26	1,000,000	22/08/2023	19/10/2023	40	5,764.38
DMO	5.255	2,000,000	25/08/2023	19/10/2023	37	10,653.97

Appendix 8

Borrower	Rate (%)	Amount	Start date	End date	Days lent April to September	Interest (£)
DMO	5.255	500,000	30/08/2023	19/10/2023	32	2,303.56
DMO	5.255	3,000,000	31/08/2023	19/10/2023	31	13,389.45
DMO	5.245	4,000,000	01/09/2023	19/10/2023	30	17,243.84
DMO	5.24	1,000,000	15/09/2023	29/09/2023	14	2,009.86
DMO	5.29	1,500,000	15/09/2023	23/10/2023	16	3,478.36
DMO	5.3	1,500,000	15/09/2023	27/10/2023	16	3,484.93
DMO	5.315	1,500,000	15/09/2023	06/11/2023	16	3,494.79
DMO	5.335	2,500,000	15/09/2023	20/11/2023	16	5,846.58
DMO	5.19	4,000,000	20/09/2023	22/09/2023	2	1,137.53
DMO	5.19	1,000,000	22/09/2023	24/11/2023	9	1,279.73
Lloyds	5.3	1,000,000	22/09/2023	20/09/2024	9	1,306.85
Nationwide	5.26	1,000,000	22/09/2023	19/03/2024	9	1,296.99
DMO	5.17	1,000,000	25/09/2023	29/09/2023	4	566.58

Sub-total fixed lending

£662,438.01

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	2.56% - 3.31%	7,494.25
Public Sector Deposit Fund	4.12% - 5.21%	70,846.61
Aberdeen Sterling Liquidity Fund	4.06% - 5.29%	70,379.71
Lloyds plc Deposit and current account	0.01%	3.48
Lloyds Call account	4.16% - 5.14%	37,894.86
Sub-total call accounts and money market funds		£186,618.90
Grand total all lending		£849,056.92

Temporary Borrowing 1 April to 30 September 2023:

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 2023

	Apr-Sep 2022-23	Apr-Sep 2023-24
(i) Short Term Funds Invested		
Interest received and receivable for the period	£211,780	£849,057

Appendix 8

Maximum period of investment on any one loan made in the period	364 days	364 days
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Days in table of fixed lending are those which fall into 2022-23 – actual loan lengths may be longer.

“Fixed” investment rates in period.	0.55% - 3.17%	4.050%- 5.335%
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(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
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“Fixed” borrowing rates.	n/a	n/a
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(iii) Average Net Interest Rate Earned	1.02%	4.52%
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(iv) Average Short Term Net Lending	£41,392,002	£37,463,048
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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 £1,836,540. This compares to £792,870 in 2022-23. This forecast increase is mainly due to the increase in interest rates. Between April and September 2023, the Bank of England’s base rate rose three times, from 4.25% at the start of the year to 5.25% in August, where it has remained since. Base rate during the same period in 2022 ranged from 0.75% to 2.25%. During the first half of the year, there has been a decrease in the funds available for lending out (average daily lending is £37.5 million in 2022-23 compared to £41.4 million at the same stage in 2022-23). This is mainly due to expenditure or return of grants previously received. The average net interest rate achieved is 4.52% up to the end of September 2023, compared to 1.02% at the same point in 2022. The average SONIA (Sterling Overnight Index Average) rate as published on the first of each month for April to September is 4.63%, so this is in line with benchmark expectations. It is forecast that Teignbridge’s average rate for the year will be 4.88%.

Treasury Management Indicators

These are part of the Prudential Indicators, as agreed at Full Council on 21 February 2023. They are available on request or on the Teignbridge website agenda for that meeting.