

E-mail: democraticservices@teignbridge.gov.uk

21 October 2024

FULL COUNCIL

A meeting of the **Full Council** will be held on **Tuesday, 29th October, 2024** in the **Council Chamber, Forde House, Brunel Road, Newton Abbot, TQ12 4XX** at **10.00 am**

PHIL SHEARS
Managing Director

Membership:

Councillors Atkins, Bradford, Bullivant, Buscombe, Clarence, Cox, Daws, Dawson (Chair), Farrand-Rogers, Foden, Gearon, Goodman-Bradbury, Hall, Hayes, Henderson, Hook, Jackman, James, Jeffries, Keeling, Lake, MacGregor, Major, Morgan, Mullone, Nutley, Nuttall, Palethorpe, C Parker, P Parker, Parrott, Peart, Purser, Radford, Rogers, Rollason, Ryan, Sanders (Vice-Chair), Smith, Steemson, Swain, G Taylor, J Taylor, Thorne, Webster, Williams and Wrigley

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.

A G E N D A

Part I

1. **Apologies for absence**

2. **Minutes**

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

3. **Announcements (if any)**

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

Cllr Keeling advised that Cllr Parrott has been appointed an Executive Member for Corporate Resources, Cllr Hook has replaced Cllr Wrigley on South and East Devon Habitats Regulatory Executive Committee, Cllr Palethorpe has replaced Cllr Keeling on Strata Joint Executive,

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

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

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

6. **21/22 and 22/23 Statement of Accounts**

(Pages 7 - 284)

7. **Recommendation from Audit Scrutiny Committee - Audit Scrutiny Committee Terms of Reference**

To consider the following recommendation from the Audit Scrutiny Committee as follows. The minutes and background information can be found at the link below:

[Agenda for Audit Scrutiny Committee on Wednesday, 9th October, 2024, 10.00 am - Teignbridge District Council](#)

RECOMMENDED to Full Council that the revised terms of reference and authorisation process for the Council Tax base, the Annual Governance Statement, and the Financial Statements, are approved.

8. **Recommendation from Executive 10 September 2024 - Draft treasury management results for 2023/24**

To consider the recommendation from [Executive on Tuesday, 10th September, 2024,](#)

The Executive recommends to Council that the draft treasury management results for 2023/24 at appendix 4 are noted

9. **Recommendation from Executive 7 October - Business Rates and Council Tax Changes**

To consider the recommendation from Executive as follows.

The full Minute can be seen at the link [Agenda for Executive on Monday, 7th October, 2024, 10.00 am - Teignbridge District Council](#)

This was a recommendation from the Medium-Term Financial Plan task and finish group, and subsequently the Overview and Scrutiny Committee on 16 September 2024.

RECOMMENDED to Full Council that:-

1. The Council Tax Policy is amended to remove the 100% Council Tax exemption (1 month period) for empty, unfurnished properties. This revokes a decision made by Full Council on 15 January 2013 and concerns only the Class C discount
2. The Discretionary Non-Domestic (Business) Rate Relief Policy is amended to reflect the following changes:
 - a. £1,500 Cap (no step or phasing) to be introduced across all discretionary relief regardless of organisation type
 - b. 50% maximum award for 'Not for Profit' Organisations (£1,500 Cap would also still apply)
 - c. Maximum two years awards at any one time. After that organisations must re-apply and then depending on circumstances relief can be re-awarded on a one or two year basis if eligible
 - d. The policy will be strengthened to make it clear that Teignbridge District Council view Discretionary Rate Relief as a short-term assistance to allow the organisation to establish itself and achieve financial stability and are not minded to use discretionary rate relief as a financial top-up for organisations that are not otherwise financially viable.

10. **Committee Seat Allocation** (Pages 285 - 290)

11. **Update on Modern 25 Programme** (Pages 291 - 324)

To consider the attached report of the Director of Customer Experience and Transformation - Director of Corporate Resources to present

12. **Polling Districts and Polling Places Review** (Pages 325 - 340)

13. **Corporate Peer Challenge Action Plan** (Pages 341 - 348)

To consider the attached report

14. **Planning Validation Guide** (Pages 349 - 416)

15. **Constitution Amendment to Delegate authority to Head of Assets to waive car parking fees and charges** (Pages 417 - 420)

To consider the attached report

16. Notices of Motion

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

Motion 1

The following motion on the Lawns Covenant has been presented by Cllr Macgregor and supported by Cllrs Ryan, Bradford, Daws, Radford, Hall, P Parker, J Taylor

"In March 2023, the Bishopsteignton Scout Group was granted planning permission for a single storey building to be built at The Lawns, Bishopsteignton. (The Lawns, a former green space owned by Teignbridge District Council was sold to Bishopsteignton Parish Council for £25,000 over 20 years ago. Since then, the space has been looked after and maintained to an extremely high standard with Bishopsteignton matching with facilities and equipment, anything Teignbridge has done elsewhere and usually without the benefit of additional grants.)

The Scout Group were forced to exit their previous location as it was condemned and no longer fit or safe for purpose. The Scout Group which serves multiple neighbouring parishes and towns then sought an alternative site to build anew. Discussions were held with estates who informed the Scout Group there was a covenant, but that it should not be an issue and to proceed to planning. Planning is an expensive process and the application was thorough, detailed and agreement was reached with all the officers on a way forward, leading the application to be passed. Since then, the project has stalled. The covenant, which is far from clearly articulated states the land must be used for recreational purposes. The Scout hut planned and approved is a recreational community building. It is not a housing or residential development, and it is clearly within the scope of the use of The Lawns for recreation.

The Monitoring Officer has quoted cases specific to the removal of any recreational use with plans for the land to be developed. He has stated that the council would be liable, however, as they are no longer the owner of the land their liability would be at the best limited, particularly as 85% of The Lawns area remains open recreational land. An alternative opinion has been sought that paints a quite different picture from that put forward by the Deputy Leader and the Council's Solicitor. That opinion suggests that there is leeway for the construction of a recreational community building and notes that the covenant is poorly framed.

The Motion:

In light of the commitment to being community led and noting the extensive community interest in this Scout Hut, the Scout Group itself and continuing need to provide recreational services for the children of Teignbridge this council wishes to amend the covenant to both allow this recreational community building to proceed as approved by planning officers and to strengthen the covenant for the future protection of this recreation land.

This council seeks to engage an expert legal professional in the specifying and

writing of covenants to carry out this work.”

Motion 2

The following motion on Full Council Review of Equality and Diversity Policy has been presented by Cllr Taylor and supported by Cllrs Daws, Lake, Hall, Macgregor, Bradford

“It is my view and that of many others, as can be seen by the reaction of the public, to what occurred at the last meeting of the Council, that sex matters.

It is my further view that this Council cannot continue to ignore and sideline the centrality of sex as a key factor of discrimination and deny women single sex spaces, where they are necessary, proportionate and legitimate to the objectives of upholding their Safety and dignity.

I ask that you consider why we have toilets and changing rooms for women and girls only and why the Authority places a sign outside those facilities when a male cleaner is in a female only toilet or changing room. When you have answered those questions, you will have identified the legitimate reason for taking the proportionate action, of not allowing biological males into women only spaces.

This equally applies to men's facilities but in my opinion the legitimate aim is more likely to be around dignity and privacy rather than safety. However, the religious practices of some men may prevent them using a facility which could be accessed by biological women.

To lawfully establish a single sex provision, you must meet at least one of a number of statutory conditions and show that limiting any service or provision, on the basis of sex, is a proportionate means of achieving a legitimate aim. So, you need a legitimate aim and to achieve it you must act proportionately.

According to the Equality and Human Rights Commission (EHRC), a legitimate aim for a single sex toilet and changing room, include: reasons of privacy, decency, to prevent trauma, safety and to support religious practices but could include many others. It supports that, as long as it is a proportionate means of meeting the legitimate aim, then trans people can be excluded. (Including those with a Gender Recognition Certificate). Therefore, it stands to reason that if the presence of a member of the opposite sex is the cause, then the exclusion of that person, to meet the legitimate aim, is reasonable and proportionate.

They go on to say that even if you cannot prove that such an act is proportionate to achieving a legitimate aim then it MIGHT be unlawful. It doesn't say that it is but just that it MIGHT be.

Consequently, I am proposing that the matter be deferred to O&S so that a working group can be set up to review the Council's relevant Policies, call independent experts/witnesses and gather such evidence as it considers appropriate in order to:

- 1. agree a definition of single sex spaces, for males and females owned or managed by TDC and any appropriate service provision.*

2. *Consider whether the Council's policies discriminate against anyone on the grounds of a protected characteristic, unless lawful and proportionate. This includes those with the protected characteristic of Gender reassignment.*
3. *Make any recommendations to the Council as it considers appropriate."*

17. **Councillor Questions**

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

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

**Teignbridge District Council
Full Council
29 October 2024
Part i**

2021/22 AND 22/23 FINAL ACCOUNTS

Purpose of Report

To bring an update on the statement of accounts for 2021/22 and 2022/23, letter of representations to Grant Thornton and the revised Annual Governance Statements to Members for approval.

Recommendation(s)

That the Council resolve to

Approve the revised final statement of accounts 2021/22 and 2022/23 including the updated Annual Governance Statements for 2021/22 and 2022/23 and letters of representation for 2021/22 and 2022/23 as recommended by the Audit Scrutiny Committee.

Financial Implications

The financial implications are contained throughout the report. The main implication is that the accounts for the two financial years have now been closed but not audited. General reserves are as previously reported in August 2022 and August 2023 being above the budgeted level anticipated at 31 March 2022 - £2.106 million and at 31 March 2023 - £2.317 million. See section 3.

Martin Flitcroft
Director of Corporate
Email: martin.flitcroft@teignbridge.gov.uk

Legal Implications

See section 5 – the Accounts and Audit Regulations 2015 set out the requirements for the production and publication and audit of the annual statement of accounts.

Martin Flitcroft
Director of Corporate
Email: martin.flitcroft@teignbridge.gov.uk

Risk Assessment

Major risks are summarised in section 4. The most significant of these is the level of future funding from Central Government and the level of reserves held to meet future unexpected variations in income.

Martin Flitcroft
Head of Corporate Services
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Environmental/ Climate Change Implications

The revenue budget supports the funding of a Climate Change Officer and associated budget – see section 7.

David Eaton
Environmental Protection Manager
Email: david.eaton@teignbridge.gov.uk

Report Author

Martin Flitcroft
Director of Corporate
Email: martin.flitcroft@teignbridge.gov.uk

Executive Member

Councillor Richard Keeling – Executive Member for Resources

Councillor Sally Morgan – Chair – Audit Scrutiny Committee

Appendices/Background Papers

Statement of Accounts – final statement of accounts attached as appendix and see link to draft statement of accounts below (which include the Annual Governance Statement).

Letters of representation 2021/22 and 2022/23.

1. PURPOSE

To bring an update on the statement of accounts 2021/22 and 2022/23 for Members to review and approve.

2 BACKGROUND

- 2.1** The accounts and audit regulations 2015 set out the requirements for the production and publication of the annual statement of accounts. The statement usually has to be produced and certified by the chief finance officer by 31 May however the Covid 19 pandemic had triggered amendments to this deadline by extending this to the end of July. Ordinarily the accounts have to be brought for full council approval after external audit and by 31 July however again this had been amended to the end of September 2021 for the financial year 2020/21. The dates for production of the draft accounts for 2022/23 were moved back to 31 May however this proved impractical for most due to the complexities of producing a set of draft accounts and so the deadline has now moved to 30 June for 2024/25.
- 2.2** At the Audit Scrutiny meetings of 30 August 2022 and 29 August 2023 the committee was introduced to the draft accounts and the results for the year 2021/22 and 2022/23 including those for treasury management. The draft accounts were published at the end of July 2022 and end of June 2023 for the respective years accounts. The Audit Scrutiny Committee considered the draft accounts as amended for the audit opinion to be the final accounts and the revised Annual Governance Statements and letter of representations at the meeting held on 9 October 2024. The final accounts and minutes of the Audit Scrutiny Committee meeting held on 9 October 2024 can be found on the Council's website at [Browse meetings - Audit Scrutiny Committee - Teignbridge District Council](#)
- 2.2** The statement of accounts and financial records have not been audited for these two financial years by our external auditors Grant Thornton due to resourcing issues so remain unaltered from the draft accounts produced with a slight refinement to the Annual Governance Statement included in the accounts to reflect the current position for both of those years via an Addendum. The accounts have to be signed off by Full Council due to the 'back stop' dates introduced for outstanding audits – being 13 December 2024 for years 2021/22 and 2022/23.

3 STATEMENT OF ACCOUNTS 2021/22 AND 2022/23

- 3.1** The statement of accounts are now finalised, have not been audited and there are no further changes for 2021/22 or 2022/23 from those reported in 2022 and 2023. The closing general reserves at 31 March 2022 of £2.106 million are an improvement on the original budget of £46,000. The closing general reserves at 31 March 2023 of £2.317 million are an improvement on the original budget of £211,000.
- 3.2** The draft balance sheet for 2021/22 shows a net worth of £29.9 million at 31 March 2022 compared to a net worth of £14.6 million at 31 March 2021. This is due mainly to a reduction in the pension fund deficit, increase in short term

investments and cash and cash equivalents. The draft balance sheet for 2022/23 shows a net worth of £110.4 million at 31 March 2023 compared to a net worth of £29.9 million at 31 March 2022. This is due mainly to a significant decrease in the pension fund deficit.

- 3.3** The regulations require the formal approval of the accounts and this will be signified by the Chair of the Council signing and dating the accounts on the page entitled the Statement of Responsibilities for the Statement of Accounts at the Council meeting. This statement is from the Chief Finance Officer and will be signed by him before presentation of the accounts to the council meeting.

3.4 Annual Governance Statement updates 2021/22 and 2022/23

The Annual Governance Statements for each year have been reviewed to reflect governance related events, particularly around member – officer relations which have evolved since original publication of the draft AGS statements. These include the actions both already taken, and those ongoing, to address findings from reviews undertaken by the Centre for Governance and Scrutiny in 2021 and 2023 and subsequent Peer review and are included in the accounts appended to this report.

3.5 Letter of Representation – 2021/22 and 2022/23

Our external auditor requires assurances from us on various financial matters including statutory and contractual requirements, reasonableness of estimates and provisions, responsibility for internal controls, various disclosures and information provided. These are detailed in the letter for each year which needs recommendation for approval at full Council. See appendix to this report.

4. RISKS

The major risks to be aware of are around future funding and the adequacy of reserves going forward and confirmation as to the correct value of those reserves. Further action is still required to address the future budget gaps. General reserves are maintained at a value higher than originally budgeted and earmarked reserves are held to help deal with future forecast funding changes and earmarked projects/schemes. These risks may impact further on the performance of treasury management and borrowing levels moving forward.

Preparation and approval of the accounts are required by the Accounts and Audit Regulations 2015 and if these regulations are not adhered to the auditors can qualify the accounts.

5. MAIN IMPLICATIONS

The implications members need to be aware of are as follows:

5.1 Legal

The Financial Accounts for 2021/22 and 2022/23 need to be produced and should be audited in accordance with the Accounts & Audit Regulations 2015.

5.2 Resources and Audit Opinion

The report notes that general reserves have been maintained at a level slightly higher than originally budgeted at 31 March 2022 and 31 March 2023.

The auditors 'disclaimer' opinion is now included within the statement of accounts.

6. GROUPS CONSULTED

The accounts are advertised as available for inspection and are available on the website. As required by legislation these will be updated with the final version including the external audit disclaimer opinion on our website.

7. ENVIRONMENTAL/CLIMATE CHANGE IMPACT

The revenue budget supports the appointment of a climate change officer and associated budget.

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

Immediately. No call in.

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Please Ask For: Martin Flitcroft
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Email: martin.flitcroft@teignbridge.gov.uk

Grant Thornton UK LLP
2, Glass Wharf
Temple Quay
Bristol
BS2 0EL

Dear Sirs

29 October 2024

**Teignbridge District Council
Financial Statements for the year ended 31 March 2022**

This representation letter is provided in connection with the audit of the financial statements of Teignbridge District Council for the year ended 31 March 2022 for the purpose of expressing an opinion as to whether the Council financial statements give a true and fair view in accordance with International Financial Reporting Standards, and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 and applicable law.

We confirm that to the best of our knowledge and belief having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Financial Statements

- i. We have fulfilled our responsibilities for the preparation of the Council's financial statements in accordance with International Financial Reporting Standards and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 ("the Code"); in particular the financial statements are fairly presented in accordance therewith.
- ii. We have complied with the requirements of all statutory directions affecting the Council and these matters have been appropriately reflected and disclosed in the financial statements.
- iii. The Council has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance. There has been no non-compliance with requirements of any regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.

- iv. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
- v. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable. Such accounting estimates include the revaluation of land & buildings, accruals and the valuation of net pension liabilities. We are satisfied that the material judgements used in the preparation of the financial statements are soundly based, in accordance with the Code and adequately disclosed in the financial statements. We understand our responsibilities includes identifying and considering alternative, methods, assumptions or source data that would be equally valid under the financial reporting framework, and why these alternatives were rejected in favour of the estimate used. During the year we evaluated our estimation process for the appeals provision for business rates however no changes were made to the estimation process. We are satisfied that the methods, the data and the significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in accordance with the Code and adequately disclosed in the financial statements.
- vi. We confirm that we are satisfied that the actuarial assumptions underlying the valuation of pension scheme assets and liabilities for IAS19 Employee Benefits disclosures are consistent with our knowledge. We confirm that all settlements and curtailments have been identified and properly accounted for. We also confirm that all significant post-employment benefits have been identified and properly accounted for.
- vii. Except as disclosed in the financial statements:
 - a. there are no unrecorded liabilities, actual or contingent;
 - b. none of the assets of the Council has been assigned, pledged or mortgaged; and
 - c. there are no material prior year charges or credits, nor exceptional or non-recurring items requiring separate disclosure.
- viii. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards and the Code.
- ix. All events subsequent to the date of the financial statements and for which International Financial Reporting Standards and the Code require adjustment or disclosure have been adjusted or disclosed.
- x. The Council's financial statements are free from material misstatements, misclassifications and disclosure changes and misstatements, including omissions.
- xi. Actual or possible litigation and claims have been accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards.
- xii. We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.
- xiii. There are no prior period adjustments disclosed in Note 5 to the financial statements and there are no other prior period errors to bring to your attention.
- xiv. We have updated our going concern assessment. We continue to believe that the Council's financial statements should be prepared on a going concern basis and have not identified any material uncertainties related to going concern on the grounds that:

- a. the nature of the Council means that, notwithstanding any intention to cease its operations in their current form, it will continue to be appropriate to adopt the going concern basis of accounting because, in such an event, services it performs can be expected to continue to be delivered by related public authorities and preparing the financial statements on a going concern basis will still provide a faithful representation of the items in the financial statements;
- b. the financial reporting framework permits the entry to prepare its financial statements on the basis of the presumption set out under a) above; and
- c. the Council's system of internal control has not identified any events or conditions relevant to going concern.

We believe that no further disclosures relating to the Council's ability to continue as a going concern need to be made in the financial statements.

- xv. The Council has complied with all aspects of ring-fenced grants that could have a material effect on the Council's financial statements in the event of non-compliance.

Information Provided

- xvi. All transactions have been recorded in the accounting records and are reflected in the financial statements.
- xvii. We have disclosed to you the identity of the Council's related parties and all the related party relationships and transactions of which we are aware.
- xviii. On 5 September 2024 parliament approved the Accounts and Audit (Amendment) Regulations 2024. These Regulations set a publication date for financial statements in respect of 2021/22 of 13 December 2024. The new National Audit Office Code which was approved on 9 September 2024 also requires that where auditors are unable to conclude their work, they should issue either a qualified audit opinion or a disclaimer of opinion by this date, known as the 'statutory backstop date'. It has not been possible to provide you with the all the required information for you to complete your audit for the year ending 31 March 2022 by the statutory backstop date. This includes the following:
 - a. providing you with:
 - i. access to all information of which we are aware that is relevant to the preparation of the Council's financial statements such as records, documentation and other matters;
 - ii. additional information that you have requested from us for the purpose of your audit; and
 - iii. access to persons within the Council via remote arrangements from whom you determined it necessary to obtain audit evidence.
 - b. communicating to you all deficiencies in internal control of which management is aware.
 - c. disclosing to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
 - d. disclosing to you all information in relation to fraud or suspected fraud that we are aware of and that affects the Council and involves:
 - i. management;

- ii. employees who have significant roles in internal control; or
 - iii. others where the fraud could have a material effect on the financial statements.
- e. disclosing to you all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, analysts, regulators or others.
 - f. disclosing to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
 - g. disclosing to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

Annual Governance Statement

- xix. We are satisfied that the Annual Governance Statement (AGS) fairly reflects the Council's risk assurance and governance framework and we confirm that we are not aware of any significant risks that are not disclosed within the AGS.

Narrative Report

- xx. The disclosures within the Narrative Report fairly reflect our understanding of the Council's financial and operating performance over the period covered by the Council's financial statements.

Approval

The approval of this letter of representation was minuted by Full Council at its meeting on 29 October 2024.

Yours faithfully

Martin Flitcroft
Chief Finance Officer
29 October 2024

Councillor Rosie Dawson
Chair of the Council
29 October 2024

Signed on behalf of the Council

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Please Ask For: Martin Flitcroft
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Grant Thornton UK LLP
2, Glass Wharf
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Bristol
BS2 0EL

Dear Sirs

29 October 2024

**Teignbridge District Council
Financial Statements for the year ended 31 March 2023**

This representation letter is provided in connection with the audit of the financial statements of Teignbridge District Council for the year ended 31 March 2023 for the purpose of expressing an opinion as to whether the Council financial statements give a true and fair view in accordance with International Financial Reporting Standards, and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 and applicable law.

We confirm that to the best of our knowledge and belief having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Financial Statements

- i. We have fulfilled our responsibilities for the preparation of the Council's financial statements in accordance with International Financial Reporting Standards and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 ("the Code"); in particular the financial statements are fairly presented in accordance therewith.
- ii. We have complied with the requirements of all statutory directions affecting the Council and these matters have been appropriately reflected and disclosed in the financial statements.
- iii. The Council has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance. There has been no non-compliance with requirements of any regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.

- iv. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
- v. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable. Such accounting estimates include the revaluation of land & buildings, accruals and the valuation of net pension liabilities. We are satisfied that the material judgements used in the preparation of the financial statements are soundly based, in accordance with the Code and adequately disclosed in the financial statements. We understand our responsibilities includes identifying and considering alternative, methods, assumptions or source data that would be equally valid under the financial reporting framework, and why these alternatives were rejected in favour of the estimate used. During the year we evaluated our estimation process for the appeals provision for business rates however no changes were made to the estimation process. We are satisfied that the methods, the data and the significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in accordance with the Code and adequately disclosed in the financial statements.
- vi. We confirm that we are satisfied that the actuarial assumptions underlying the valuation of pension scheme assets and liabilities for IAS19 Employee Benefits disclosures are consistent with our knowledge. We confirm that all settlements and curtailments have been identified and properly accounted for. We also confirm that all significant post-employment benefits have been identified and properly accounted for.
- vii. Except as disclosed in the financial statements:
 - a. there are no unrecorded liabilities, actual or contingent;
 - b. none of the assets of the Council has been assigned, pledged or mortgaged; and
 - c. there are no material prior year charges or credits, nor exceptional or non-recurring items requiring separate disclosure.
- viii. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards and the Code.
- ix. All events subsequent to the date of the financial statements and for which International Financial Reporting Standards and the Code require adjustment or disclosure have been adjusted or disclosed.
- x. The Council's financial statements are free from material misstatements, misclassifications and disclosure changes and misstatements, including omissions.
- xi. Actual or possible litigation and claims have been accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards.
- xii. We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.
- xiii. There are no prior period adjustments disclosed in note 5 to the financial statements and there are no other prior period errors to bring to your attention.
- xiv. We have updated our going concern assessment. We continue to believe that the Council's financial statements should be prepared on a going concern basis and have not identified any material uncertainties related to going concern on the grounds that:

- a. the nature of the Council means that, notwithstanding any intention to cease its operations in their current form, it will continue to be appropriate to adopt the going concern basis of accounting because, in such an event, services it performs can be expected to continue to be delivered by related public authorities and preparing the financial statements on a going concern basis will still provide a faithful representation of the items in the financial statements;
- b. the financial reporting framework permits the entry to prepare its financial statements on the basis of the presumption set out under a) above; and
- c. the Council's system of internal control has not identified any events or conditions relevant to going concern.

We believe that no further disclosures relating to the Council's ability to continue as a going concern need to be made in the financial statements.

- xv. The Council has complied with all aspects of ring-fenced grants that could have a material effect on the Council's financial statements in the event of non-compliance.
- xvi. There are no other matters that the auditor may consider appropriate.

Information Provided

- xvii. All transactions have been recorded in the accounting records and are reflected in the financial statements.
- xviii. We have disclosed to you the identity of the Council's related parties and all the related party relationships and transactions of which we are aware.
- xix. On 5 September 2024 parliament approved the Accounts and Audit (Amendment) Regulations 2024. These Regulations set a publication date for financial statements in respect of 2022/23 of 13 December 2024. The new National Audit Office Code which was approved on 9 September 2024 also requires that where auditors are unable to conclude their work, they should issue either a qualified audit opinion or a disclaimer of opinion by this date, known as the 'statutory backstop date'. It has not been possible to provide you with the all the required information for you to complete your audit for year ending 31 March 2023 by the statutory backstop date. This includes the following:
 - a. providing you with:
 - i. access to all information of which we are aware that is relevant to the preparation of the Council's financial statements such as records, documentation and other matters;
 - ii. additional information that you have requested from us for the purpose of your audit; and
 - iii. access to persons within the Council via remote arrangements from whom you determined it necessary to obtain audit evidence.
 - b. communicating to you all deficiencies in internal control of which management is aware.
 - c. disclosing to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
 - d. disclosing to you all information in relation to fraud or suspected fraud that we are aware of and that affects the Council and involves:

- i. management;
 - ii. employees who have significant roles in internal control; or
 - iii. others where the fraud could have a material effect on the financial statements.
- e. disclosing to you all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, analysts, regulators or others.
- f. disclosing to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
- g. disclosing to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

Annual Governance Statement

- xx. We are satisfied that the Annual Governance Statement (AGS) fairly reflects the Council's risk assurance and governance framework and we confirm that we are not aware of any significant risks that are not disclosed within the AGS.

Narrative Report

- xxi. The disclosures within the Narrative Report fairly reflect our understanding of the Council's financial and operating performance over the period covered by the Council's financial statements.

Approval

The approval of this letter of representation was minuted by Full Council at its meeting on 29 October 2024.

Yours faithfully

Martin Flitcroft
Chief Finance Officer
29 October 2024

Councillor Rosie Dawson
Chair of the Council
29 October 2024

Signed on behalf of the Council

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TEIGNBRIDGE DISTRICT COUNCIL

STATEMENT OF ACCOUNTS

2021/22

STATEMENT OF ACCOUNTS 2021/2022

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Part 1

Introduction

STATEMENT OF ACCOUNTS 2021/2022

CHIEF OFFICER OF THE COUNCIL & LOCATION OF OFFICES

CHIEF OFFICER OF THE COUNCIL

Managing Director

Phil Shears

LOCATION OF OFFICES

Building Control
Customer Services
Revenue & Benefits
Environmental Health
Business Transformation team
Spatial Planning
Neighbourhood Planning
Development Management
Housing
Internal Audit
Resorts
Strata Service Solutions Limited
Democratic Services
Communications
Human Resources
Waste, Recycling & Cleansing
Leisure
Green Spaces & Active Leisure
Licensing
Economy/Property & Assets
Health & Wellbeing
Community Safety
Parking
Land Charges
Coastal & Drainage
Elections
Finance
Legal
Procurement
Partnership Development

Forde House
Brunel Road
Newton Abbot
TQ12 4XX

Tel: (01626) 361101

Fax: (01626) 215250

Narrative Report

INTRODUCTION

1. This Narrative Report sets out the overall financial position and details the financial transactions relating to the activities for the year ended 31 March 2022. It provides a brief explanation of the financial aspects of the Council's activities and draws attention to the main characteristics of the Authority's financial position. It also provides a commentary on the financial highlights and identifies any significant events that may affect the reader's interpretation of the accounts. The Authority's Accounts for the year 2021/22 are set out on pages 24-119. They consist of:

THE CORE FINANCIAL STATEMENTS:

These are listed below with a brief description that outlines the purpose of each:

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT (CIES)	This statement on page 31 shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations, but this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.
MOVEMENT IN RESERVES STATEMENT (MIRS)	This statement on page 32 shows the movement in the year on the different reserves held by the authority analysed into 'usable reserves' which can be used to fund expenditure or reduce local taxation and those that are unusable.
BALANCE SHEET	This shows on page 33 the assets and liabilities recognised by the Authority on 31 March 2022.
CASH FLOW STATEMENT	This shows on page 34 the changes in cash and cash equivalents of the Authority during the reporting period.

The financial statements are supported by various notes shown on pages 35-113. These notes include the accounting policies which summarise the framework within which the Council's accounts are prepared and published.

The Expenditure and Funding Analysis statement note 7 on page 53 shows how annual expenditure is used and funded from resources in comparison with those resources consumed or earned in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes across the Council's reporting segments.

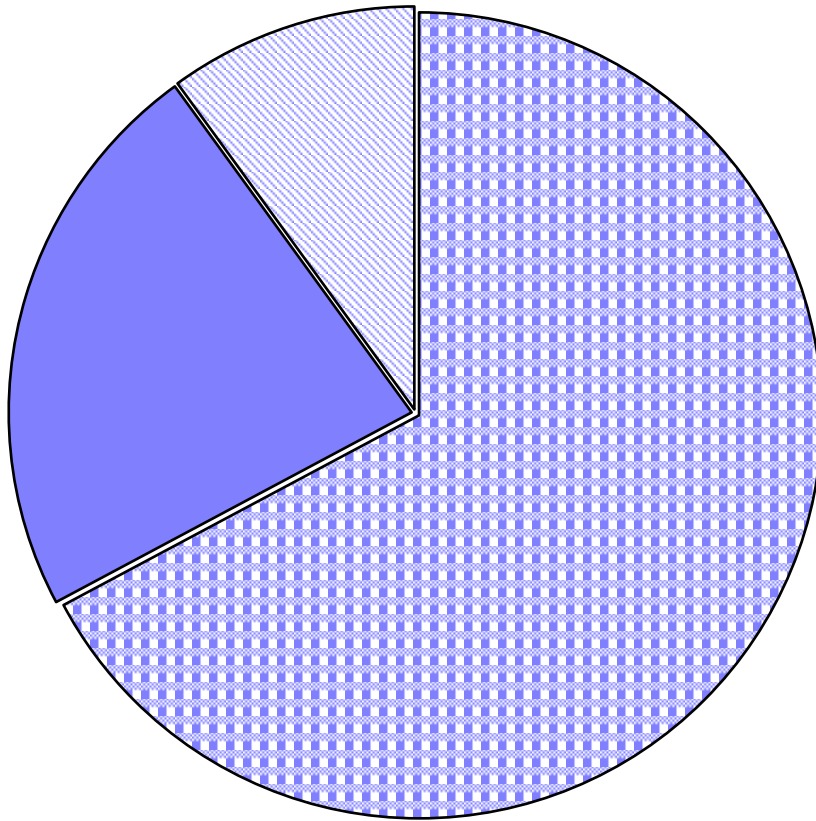
SUPPLEMENTARY FINANCIAL STATEMENTS (Pages 114-115)

COLLECTION FUND

A statutory fund showing administration of council tax and income from business ratepayers on page 114.

2. **Review of the year** - The following three charts show in broad terms where the Authority obtains its finance, what it is spent on and what services it provides.

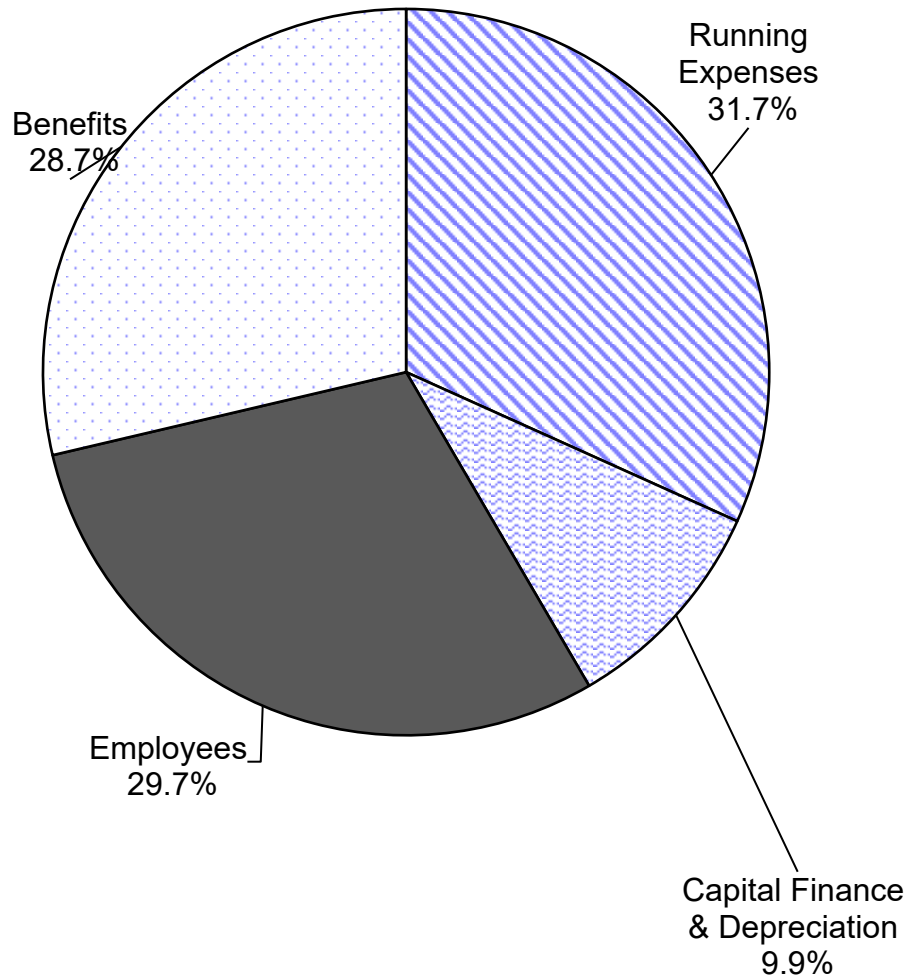
WHERE THE MONEY COMES FROM



The largest single item is Government Grants, for example rent allowances and revenue support grant, and other contributions which provide 67.2% of the total.

Income received from the services provided through fees, charges and other income including interest account for 22.8% of the total.

WHAT THE MONEY IS SPENT ON



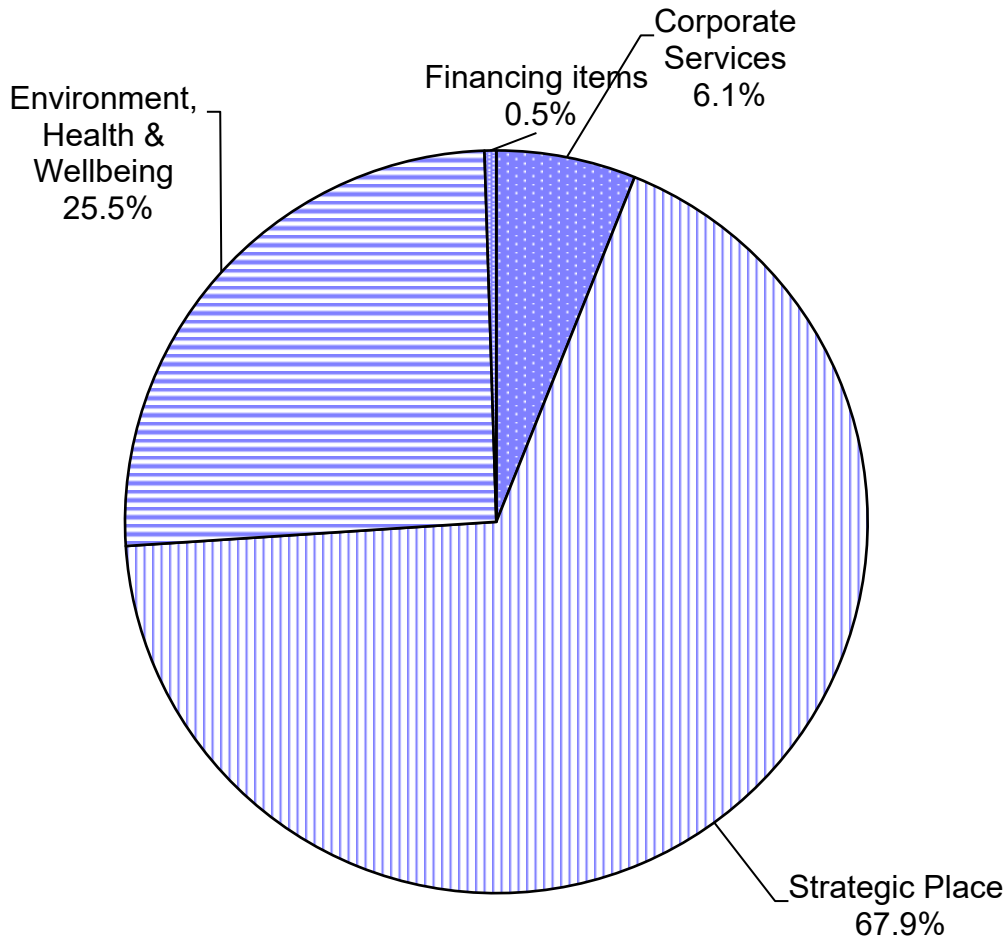
Benefits cover rent allowances and housing rent rebates and amount to 28.7%

Running expenses includes maintenance of buildings, operating vehicles and purchase of supplies and services and takes up 31.7% of the total expenditure.

Employees account for 29.7% of the total.

Capital financing charges are mainly the payments of interest on loans, depreciation and impairment/revaluation adjustments.

THE SERVICES PROVIDED



67.9% of the total expenditure is on Strategic Place which covers services such as building control, economy & assets, housing, parking & transport, revenue & benefits including rent allowances, spatial planning and development management.

Corporate Services includes all support services, for example, finance, human resources, internal audit, legal and procurement. The strategic leadership team together with democratic and electoral services are also included in this heading. Communications, and the business transformation team make up the balance of this segment.

Environment, Health & Wellbeing covers all aspects of environmental health plus green spaces, leisure, resorts, licensing, waste, recycling & cleaning and community safety.

Financing items includes past service pension deficit contributions, pension strain payments, bank charges and external audit fees.

FINANCIAL REQUIREMENTS AND RESOURCES

3. The authority maintains capital and revenue reserves. An appropriate level of balances is a necessary part of our financial management strategy to have funds available to meet known and potential financial commitments. Revenue reserves can be used to finance capital projects or revenue expenditure. Capital reserves can only be used to fund capital projects.

Our reserves are detailed on page 32 in the Movement in Reserves Statement. These are split into 'usable reserves' which can be applied to fund expenditure or reduce local taxation, and other reserves which are 'unusable'. Usable reserves include our general fund balance of earmarked and unearmarked reserves, capital receipts reserve, and capital grants unapplied, all in note 26 to the accounts. Unusable reserves are detailed in note 27 and include a number of reserves such as the revaluation reserve, pensions reserve and capital adjustment account.

Within the year our 'usable reserves' have increased from £42.475 million to £43.848 million. This is mainly due to the increase in capital grants unapplied in the year and increase in earmarked reserves to assist funding of future revenue budget gaps (see the Movement in Reserves Statement).

Our unusable reserve position has improved. The reserves showed a negative £27.908 million at 31 March 2021 due to the deficit on the pension reserve. This deficit has decreased to a negative £13.928 million at 31 March 2022. This is mainly due to a decrease in the pension reserve deficit due to changes in financial assumptions shown in note 40 and a reduction in the deficit on the Collection Fund. Revenue reserves are £25.662 million at 31 March 2022 and capital receipts and grants unapplied are £18.186 million.

REVENUE EXPENDITURE

4. During the year regular budget monitoring has been carried out and reported to members. Overall net expenditure in 2021/22 was £13.102 million compared to the original approved budget of £15.295 million – a favourable variance of £2.193 million.

Income has started to increase again since the Covid 19 pandemic and the ending of lockdowns – in particular increases in fees and charges and sales with waste recycling sales showing a significant increase, property rental income has declined compared to budget. The Council continues to explore savings where possible. As a result there were savings in staffing costs, training, water, repairs and maintenance and advertising. Some costs have risen including energy and fuel. There was a decrease in income from government grants due to adjustments to business rates income to reflect adjustments to the Collection Fund balance deficit in previous years reducing the overall favourable variance to £0.654 million.

5. Set out below is a comparison between actual & budgeted expenditure for the year:-

	Budget	Actual	Difference
	£'000	£'000	£'000
Net expenditure on services	15,245	13,102	(2,143)
Interest payable	50	0	(50)
NET EXPENDITURE	15,295	13,102	(2,193)
Income from Government Grants & Local Taxpayers	(15,295)	(13,756)	1,539
DEFICIT (SURPLUS) FOR THE YEAR	0	(654)	(654)

Actual net expenditure of £13.102 million can be reconciled to the Comprehensive Income and Expenditure Statement on page 31 being:-

	£'000
Deficit on Provision of Services	3,893
Adjustments between accounting basis & funding basis under regulations (note 9 on pages 57 to 61)	<u>(4,547)</u>
(Surplus) for the year	(654)
Add: Income from Government Grants and Local Taxpayers (as listed below)	<u>13,756</u>
Net expenditure (as above)	<u>13,102</u>

Income from Government Grants and Local Taxpayers of £13.576 million can be reconciled to the Comprehensive Income and Expenditure Statement on page 31 as the sum of the Council tax income excluding surplus of £12.578 million, Business Rates income less expenditure, excluding surplus, plus new homes bonus, other sundry general grants and Covid grants of £5.121 million, less precepts paid to Parish Councils of £3.943 million. These are highlighted in notes 11, 13 and 35 to the financial statements. The General Fund balance at 31 March 2022 is £25.662 million being general reserves of £2.106 million and earmarked reserves of £23.556 million.

The accounts are heavily influenced by the shifting pattern of funding receipts moving away from central government grants towards greater reliance on self-generated income. Revenue support grant is virtually zero and revisions to funding for New Homes Bonus are showing reductions in future years as Government intimates this will be eliminated.

Expenditure on services is influenced by our ten year Council Strategy and the major themes running through this document being the Teignbridge Ten (T10). The Council Strategy covers a ten year period from 2020 to 2030. The strategies and action plans are built up around the T10 with business plans. These are integrated with the medium term financial strategy, Local Plan, Neighbourhood plans, partnership working and other service strategies to deliver the desired outcomes.

The Council Strategy will be monitored annually and refreshed if necessary. A review will take place every four years to ensure we are on track and consider new ideas and developments.

We produce Council Strategy performance reports quarterly to monitor how we are doing.

We carry out annual service reviews to consider best practice, alternative working methods, and identify further savings where possible.

More detail can be found here: <https://www.teignbridge.gov.uk/councilstrategy>

6. **Material charges in the accounts** – In 2020/21 there were revaluation losses net of revaluation reversals relating to our land and building values charged to the Comprehensive Income & Expenditure Statement amounting to £0.35 million. Revenue expenditure funded from capital under statute was higher in 2021/22 at £6.9 million (£3.5 million in 2020/21) mainly due to a £1.25 million contribution to Houghton Barton link road, £1.5 million to the A382 road improvements and £1.3 million towards the Marsh Barton railway station. Of the £6.9 million, £6.8 million is charged to ‘Strategic Place’ within Cost of Services in 2021/22 and £3.4 million of the £3.5 million in 2020/21. In 2021/22 the revaluation losses net of revaluation reversals had increased to just under £5.2 million. £4.7 million was charged to ‘Strategic Place’ and £0.5 million to ‘Environment, Health & Wellbeing’ within Cost of Services. A three year up front pension deficit contribution was paid in 2020/21 amounting to £3.7 million covering the years 2020/21 to 2022/23. This was charged to ‘Financing items’ in ‘Cost of Services’ within the Comprehensive Income & Expenditure Statement.

EXPENDITURE AND FUNDING ANALYSIS

Section 5 above identifies the actual deficit made of £3.893 million when compared to the original budget set in February 2021. Further detail is given in note 7 to the Accounts in the Expenditure and Funding Analysis which links the deficit/(surplus) made under generally accepted accounting practices with how annual expenditure is used and funded from resources. As a result the deficit in the Comprehensive Income and Expenditure Statement (CIES) is adjusted for these differences to arrive at the actual deficit/(surplus) to be deducted from/added to the General Fund.

The amounts which are charged to the CIES for items such as depreciation, revaluation of assets, capital grants and pension charges are eliminated to identify that which is chargeable to the General Fund Balance. Approximately half of the net expenditure chargeable to the General Fund relates to the segment ‘Environment, Health and Wellbeing’ for 2020/21 and just over 60% for 2021/22 within Cost of Services.

CAPITAL EXPENDITURE

7. The table below shows the performance on Capital Investment for 2021/22.

The Council spent £15.575 million on capital projects compared with the original budget of £38.477 million.

The decrease is mainly due to projects which have been delayed or re-assessed during the due diligence and feasibility phases. This is to ensure they will be fulfilling Council priorities for example leisure strategy items, carbon management, provisions for employment land and town centre development works, infrastructure and affordable housing schemes.

	Budget	Actual	Difference
	£'000	£'000	£'000
Capital Investment:			
General	32,818	12,739	20,079
Housing	5,659	2,836	2,823
CAPITAL EXPENDITURE	38,477	15,575	22,902
Financed by:			
Capital Receipts	2,594	1,137	1,457
Revenue Contributions	0	393	(393)
Prudential Borrowing	17,919	1,264	16,655
Grants	14,466	8,141	6,325
Contributions	3,498	4,640	(1,142)
CAPITAL FINANCING	38,477	15,575	22,902

The analysis of Capital Investment in 2021/22 is:

Disrepair and Disabled Facilities Grants	£ 1.463 million
Affordable Housing	£ 1.374 million
Environmental Schemes	£ 2.433 million
Flood Alleviation and Prevention	£ 1.021 million
Sports Halls and Recreation	£ 1.118 million
Planning & Development	£ 0.489 million
Industrial, Commercial and Infrastructure	£ 4.302 million
Open spaces (including SANGS)	£ 3.247 million

Car Parks	£ 0.061 million
Other schemes	£ 0.067 million
	£ 15.575 million

The main projects were leisure site decarbonisation £1.410 million, Forde House decarbonisation and agile working £0.859 million, Regional Coastal Monitoring £1.021 million, disrepair and disabled facilities grants £1.463 million, affordable housing construction £0.960 million with a further £0.411 million spent on the purchase of affordable housing. Newton Abbot town centre regeneration accounted for £0.467 million, purchase, instatement and endowment arrangements for Dawlish and Ridgetop country parks £3.134 million, play area refurbishments £0.321 million, contribution to A382 improvements £1.500 million, forward funding Houghton Barton link road £1.250 million, contribution to Marsh Barton railway station £1.300 million, contribution to Teign Estuary Trail £0.100 million.

8. For 2022/23 the budgeted expenditure is as follows:

Sports Halls & Recreation	£ 0.631 million
Open Spaces	£ 1.168 million
Planning & Development	£ 7.271 million
Industrial, Commercial and Infrastructure	£ 4.119 million
Environmental Schemes	£ 3.593 million
Flood Alleviation & Prevention	£ 2.286 million
Disrepair, Disabled Facilities & Heating grants	£ 2.395 million
Affordable Housing	£ 4.536 million
Information Technology & Central Services	£ 0.578 million
	£26.577 million

Some of the specific schemes included in these totals are £1.690 million for the Forde House decarbonisation project. There is £3.479 million towards road improvements such as the Dawlish link road and bridge, the A382 and the Jetty Marsh link road. £1.998 million is budgeted for Regional Coastal Monitoring, funded by Environment Agency grant and £0.685 million for SANGS land purchase, instatement and endowment arrangements, funded from the Housing Infrastructure Fund. There is £0.670 million for Warm homes and Green homes grants, £1.274 million for Disabled Facilities grants, £7.021 million for town centre development including the Future High Street fund projects and £0.591 million for play area refurbishment. £0.250 million goes towards a contribution to superfast broadband, with £0.572 million towards modernising IT systems. In addition, there are provisions of £4.936 million for the construction and enabling of additional affordable housing, £0.370 million for cycle schemes, £1.378 million in relation to future funding rounds of the Public Sector

Decarbonisation Scheme and other carbon action plan items which will be brought back to Full Council for final approval where appropriate.

9. Capital funds:

The capital receipts, grants and contributions received including capital receipts in advance for 2021/22 can be analysed as follows:

	Capital resources brought forward	£23.763 million
Add:	Received in year	£15.072 million
Less:	Capital financing applied to expenditure	£13.435 million
	Loan/other	£ 0 million
	Capital resources carried forward	£25.400 million

BORROWING / FUNDING

10. There was no long term borrowing during the year.

PENSION LIABILITIES

11. International Accounting Standard 19 (IAS19) requires Local Authorities to recognise pension assets and liabilities within their accounts. The impact on the General Fund of the IAS 19 entries is neutral overall.

The actuary has now estimated a net deficit on the funded liabilities within the Pension Fund as at the 31 March 2022 of £98.867 million. The requirement to recognise the net pension liability in the balance sheet has reduced the reported net worth of the authority by 76.8% for 2021/22 and 88.1% for 2020/21 as shown on page 33.

The net deficit has decreased which is mainly due to a favourable movement on the actuarial financial assumptions. The deficit is derived by calculating the pension assets and liabilities at 31 March 2022. This is different to the valuation basis used to calculate the employers' contribution rate which is calculated using actuarial assumptions spread over a number of years. See also note 40 on pages 100 -106 for further information.

CASH FLOW

During the year the cash flow of the Authority increased by £11.0 million. This was mainly due to an increase in grant receipts in advance, capital grants unapplied and a reduction in debtors at 31 March 2022.

BALANCE SHEET

During the year net assets at 31 March 2022 increased by £15.353 million. This was mainly due to a decrease in the pension liability and increases in capital grants unapplied and earmarked reserves. Also see pages 32 and 33 for more information.

JOINT OPERATIONS

The accounts incorporate our share of the jointly owned company Strata Service Solutions Ltd. The ownership is shared with Exeter City Council and East Devon District Council with our share representing 27.372%. The figures consolidated on a joint operation basis are detailed in note 47. In 2021/22 our share of adjustments to the Comprehensive Income and Expenditure Statement amounted to £0.026 million. The cumulative effect on our balance sheet is to reduce net assets by £3.997 million.

CHANGE IN ACCOUNTING POLICIES

12. There have been no changes in accounting policies in 2021/22.

KEY INFORMATION/ ECONOMIC CLIMATE

13. The Council provides a range of services within the District including housing, refuse collection and recycling, planning, economic development, tourism and leisure.

Our vision is: *'Making Teignbridge a healthy and desirable place where people want to live, work and visit'*

Further information on our environment and strategy can be found here:

<https://www.teignbridge.gov.uk/councilstrategy> (not subject to audit)

The economic climate continues to have an impact on the Council although there were no significant changes compared to recent years until the Covid 19 pandemic and lock down in the latter part of March 2020. In year collection of business rates and council tax has altered from last year increasing from 96.77% to 98.99% for rates and decreasing from 98.13% to 97.92% for council tax. There was a further decrease in housing benefit costs. Income from many sources including car parking, planning, rents etc had reduced significantly due to Covid 19 but many income streams are now showing significant recovery.

It is still unclear what the long term outcome from the Covid 19 pandemic will be on businesses as we continue to recover from the impacts and viability of the economy for businesses and the finances of the Council moving forward as inflationary and recessionary pressures are increasing.

ECONOMY, EFFICIENCY AND EFFECTIVENESS IN ITS USE OF RESOURCES

14. The Authority reports on its financial performance and economy, efficiency and effectiveness in its use of resources over the financial year in a number of ways;

Spending against budget has been monitored monthly for Corporate Management Team and quarterly reports are submitted to the Executive Committee.

There are also a number of reports submitted to the Audit Scrutiny Committee including:-

- Internal Audit's Plan, Annual Report and audit findings.
- Annual Governance Statement.
- External Audit's Annual Audit Letter including a Value for Money conclusion.
- Review of risk management.
- Treasury management including mid-year review.

The Annual Governance Statement can be found on pages 121 to 128. This describes the governance framework in place with reference to the guiding principles recommended by the CIPFA/SOLACE Framework for Delivering Good Governance in Local Government. The Framework comprises the systems, processes, culture and values which direct and control our daily business, and includes the methods we use to engage, lead and account to the community. It enables us to monitor how we are doing and to consider whether our plans help us to deliver appropriate services that are value for money in the short, medium and long term. The Annual Governance Statement comments on the effectiveness of our governance arrangements which is informed by various assurance sources including the work of internal and external audit.

Key performance indicators are monitored with reports being taken quarterly to Overview and Scrutiny Committee.

The reports monitor performance against the Council Strategy 'Teignbridge Ten' programmes (T10) which are the 'super projects' that will have a high impact on and bring major benefits to the Council's seven key objectives. Each T10 has seven or more actions with performance indicator(s) and/or project(s) to monitor their progress against targets and milestones.

Every quarter an update on the progress of each T10 is compiled by the T10 managers and presented to Overview & Scrutiny Committee.

The latest T10 report covers the financial year quarter 4 period from 1st January to 31st March 2022 and includes all PIs and reviews of the projects that have started.

At the end of the fourth year of the Council Strategy:

- All T10 programmes are reported
- A total of 62 performance indicators are reported
- 47 projects are reported

Within the report are details of key performance achievements including:

- Number of empty properties impacting on New Homes Bonus, 305, was ahead of target for the 4th consecutive year.
- 273 dwellings were improved through intervention by the Council
- We provided 49 additional gypsy and traveller pitches, according to identified need in Plan Teignbridge
- Homelessness preventions was well ahead of target on helping clients remain in existing homes (180, target 160)
- Household waste that is not recycled is within 3.23% of target
- The recycling rate is at 55.60%

- 100% of beaches rated as excellent or good water quality (target 100)
- 3,083 sqm of employment space has been completed
- 1 km of new cycle routes were provided by working with our partners

Other key performance indicator results for the year are shown in the table below:

'Teignbridge Ten' programme heading and performance description	Target 2021/22	Actual 2021/22
Clean scene		
Street cleaning & litter responsibilities. £'s per household	£24.00	£23.33
Household waste collected: £'s per household	£67.66	£50.68
% Beaches rated as excellent or good water quality	100%	100%
Great places to live and work		
Number of conservation areas with appraisal and management plan adopted within the last 5 years	14	3
Going to town		
% of businesses with the top food hygiene rating of 5	89%	92%
Investing in prosperity		
Processing of major planning applications within 13 weeks	60%	85%
Processing of minor planning applications within 8 weeks	65%	75%
Out and about and active		
Number of young people under 18 participating in activities we organise	No data due to COVID-19	No data due to COVID-19
Number of older people over 60 participating in events we organise	No data due to COVID-19	No data due to COVID-19
A roof over our heads		
Number of households whose housing conditions have been improved through financial assistance	400	273
Net additional homes provided	753	513
Affordable homes delivered in urban areas as defined by the Local Plan	128	122
Homelessness prevented by client remaining in existing home	160	180
Homelessness prevented by assisting with alternative accommodation	267	205
What else will we do		
£ Income generated	£42,775,340	£49,247,784
£ External funding received	£1,732,220	£9,416,057
£ Cost per head of population on all services	£140.12	£113.68

Reports on performance are reported to Overview & Scrutiny Committee and can be found here:

[Committee meetings and agendas - Teignbridge District Council](#)

Internal reviews of all services are conducted every year under the Better 2022 process. This process identifies future efficiencies and savings that will be made to service provision and feeds into the budget.

FORWARD FINANCIAL PLANNING REVIEW

15. The Authority has a Medium Term Financial Plan which covers 3 years and is updated on an annual basis as part of the budget process. It includes planned future developments in service delivery including the capital programme. There are a number of issues that are impacting on the Authority, its finances and service delivery. These include:

Cuts to Central Government grant funding – Revenue Support Grant virtually eliminated, planned reductions in New Homes Bonus and review of business rates.

We continue to have reductions in funding from new homes bonus, brought about initially by the changes in the 2017/18 Local Government Finance Settlement. The introduction of a baseline and reduced time period for legacy payments has required us to identify savings and additional income to meet the shortfall. The 2020/21 and 2021/22 settlements have exacerbated this by eliminating any legacy payments from the New Homes Bonus allocation earned for 2020/21 and thereafter.

We only have a funding agreement from Government for one year. In addition we understand New Homes Bonus will be scrapped and possibly replaced with an alternative form of housing funding but we have no further details. The government is reviewing the major national funding distribution of business rates which creates significant uncertainties for future financial planning. (See also 18 below and the uncertainties in relation to Covid 19).

The capital programme is fully funded in the medium term and by having no long term borrowing at present has the ability to enter the lending market for agreed schemes and if provisions for projects and schemes are approved with an appropriate business case.

UNCERTAINTIES, PROVISIONS, COVID 19, BREXIT & MATERIAL EVENTS AFTER THE REPORTING DATE

16. Please see note 6 to the financial statements for events after the reporting period. Contingent liabilities are itemised in note 41 and relate to any claims that may arise from the transfer of the Authority's housing stock in 2004. See also note 25 to the financial statements for provisions in the accounts. The provision we hold is for non-domestic rates appeals. There have been no major write offs in the year.
17. Withdrawal from the European Union (Brexit) – the opportunities and challenges arising from Brexit are still unclear for the Council and its public services. Withdrawal has probably had some implications for public services however these have been masked by the Covid 19 pandemic.
18. Coronavirus Covid 19 – The overall impact of this virus is difficult to determine. We don't know the long term impact on businesses and the economy. Income to the Council had reduced dramatically but is now seeing significant increases again, see also note 6 to the financial statements together with collection rates for Council tax, business rates and rental income. The budget for 2022/23 will need to be monitored carefully in conjunction with any further funding support from Government/use of reserves and projections/efficiency plans within the Medium Term Financial Plan/cash flow and recovery plans. We don't know the long term impact on asset and liability values – in particular, Property, Plant & Equipment and the Pension liability. More detail on this is available in note 4 to the financial statements. The Covid pandemic created budgetary financial pressures in the medium term financial plan which are being addressed.

We will continue to focus on our working methods, organisational structure and the annual review of business plans and service reviews through the Better 2022 process will pull together savings and suggested savings to meet the likely budget gaps predicted in future years. Support has been provided by Central Government through general Covid grants, furlough and the income compensation scheme but these are no longer available and future funding reforms are awaited from Government, however consultations on these are yet to emerge.

FURTHER INFORMATION

19. Further information about the accounts is available from Financial Services, Forde House, Newton Abbot. This is part of the Council's policy of providing full information about the Council's affairs. Also interested members of the public have a statutory right to inspect the accounts before the audit. The availability of the accounts for inspection is advertised on our website. The accounts have not been audited and the Auditors' disclaimer opinion is on pages 27 to 30. The accounts are available on request in large print, Braille, different colour, e-mail attachment, MP3 file or disc. If English is not your first language we can also arrange for it to be produced in another language.

Martin Flitcroft – Chief Finance Officer

Part 2

Financial Statements

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**THE STATEMENT OF RESPONSIBILITIES FOR THE
STATEMENT OF ACCOUNTS**

The Authority’s Responsibilities

The Authority is required to:-

- ◆ make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Authority, that officer is the Chief Finance Officer;
- ◆ manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- ◆ approve the Statement of Accounts.

The Chief Finance Officer’s Responsibilities

The Chief Finance Officer is responsible for the preparation of the authority's Statement of Accounts in accordance with proper practices as set out in the CIPFA / LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

In preparing this Statement of Accounts, the Chief Finance Officer has:-

- ◆ selected suitable accounting policies and then applied them consistently;
- ◆ made judgements and estimates that were reasonable and prudent;
- ◆ complied with the local authority Code.

The Chief Finance Officer has also:

- ◆ kept proper accounting records which were up to date;
- ◆ taken reasonable steps for the prevention and detection of fraud and other irregularities

The Chief Finance Officer has signed below to certify that the Statement of Accounts gives a true and fair view of the financial position of the Authority at 31 March 2022 and its income and expenditure for the year ended 31 March 2022.

.....

MARTIN FLITCROFT – CHIEF FINANCE OFFICER

I confirm that these accounts were approved by the Council on 29 October 2024

.....

COUNCILLOR ROSIE DAWSON - CHAIR OF THE COUNCIL

29 October 2024

AUDIT OPINION AND CONCLUSION

Independent auditor's report to the Members of Teignbridge District Council Report on the Audit of the Financial Statements

Disclaimer of opinion

We were engaged to audit the financial statements of Teignbridge District Council (the 'Authority') for the year ended 31 March 2022, which comprise the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance Sheet, the Cash Flow Statement, the Collection Fund and Notes to the Financial Statements and Notes to the Collection Fund, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2021/22.

We do not express an opinion on the accompanying financial statements of the Authority. Because of the significance of the matter described in the basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for disclaimer of opinion

The Accounts and Audit (Amendment) Regulations 2024 ('the Regulations') require the Authority to publish audited financial statements for the year ended 31 March 2022 by 13 December 2024 ('the backstop date'). The backstop date has been put in law with the purpose of clearing the backlog of historical financial statements. We have not been able to obtain sufficient appropriate audit evidence by the backstop date to conclude that the Authority's financial statements for the year ended 31 March 2022 as a whole are free from material misstatement. We were also unable to obtain sufficient appropriate evidence for the corresponding figures for the same reason. We have therefore issued a disclaimer of opinion on the financial statements. This enables the Authority to comply with the requirement in the Regulations that they publish audited financial statements for the year ended 31 March 2022 by the backstop date. We have concluded that the possible effects on the financial statements of undetected misstatements arising from this matter could be both material and pervasive.

In addition, in our auditor's report for the year ended 31 March 2021, we reported that we were unable to confirm the accuracy of the valuation calculations for property, plant and equipment or obtain sufficient appropriate audit evidence to conclude whether the basis of the valuations were reasonable. We were also unable to obtain sufficient assurance that the value of car parks were not materially overstated. In addition, we identified significant weaknesses in financial accounting and record keeping at the Authority associated with its property, plant and equipment balances. The Authority did not maintain adequate records to sufficiently support material balances within the financial statements. Due to the significance of these matters, we were unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements. These matters have not been resolved in the current year and therefore their impact could be both material and pervasive to the current year financial statements.

Other information we are required to report on by exception under the Code of Audit Practice

Because of the significance of the matter described in the basis for disclaimer of opinion section of our report, we have been unable to consider whether the Annual Governance Statement does not comply with 'delivering good governance in Local Government Framework 2016 Edition' published by CIPFA and SOLACE or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

Opinion on other matters required by the Code of Audit Practice

The Chief Finance Officer is responsible for the other information. The other information comprises the information included in the Statement of Accounts, other than the Authority's financial statements and our auditor's report thereon. Because of the significance of the matter described in the basis for disclaimer of opinion section of our report, we have been unable to form an opinion, whether based on the work undertaken in the course of the audit of the financial statements and our knowledge of the Authority gained through our work in relation to the Authority's arrangements for securing economy, efficiency and

effectiveness in its use of resources, whether the other information published together with the financial statements in the Statement of Accounts for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Under the Code of Audit Practice, we are required to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make a written recommendation to the Authority under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or;
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014, in the course of, or at the conclusion of the audit.

We have nothing to report in respect of the above matters.

Responsibilities of the Authority, the Chief Finance Officer and Those Charged with Governance for the financial statements

As explained in the Statement of Responsibilities for the Statement of Accounts set out on page 26, the Authority is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this authority, that officer is the Chief Finance Officer. The Chief Finance Officer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2021/22, for being satisfied that they give a true and fair view, and for such internal control as the Chief Finance Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Finance Officer is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention by government that the services provided by the Authority will no longer be provided.

The Audit Scrutiny Committee is Those Charged with Governance. Those Charged with Governance are responsible for overseeing the Authority's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to conduct an audit of the Authority's financial statements in accordance with International Standards on Auditing (UK) and to issue an auditor's report. However, because of the matter described in the basis for disclaimer of opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on those financial statements.

We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that

material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The audit was defective in its ability to detect irregularities, including fraud, on the basis that we were unable to obtain sufficient appropriate audit evidence due to the matter described in the basis for disclaimer of opinion section of our report.

Report on other legal and regulatory requirements – the Authority’s arrangements for securing economy, efficiency and effectiveness in its use of resources

Matter on which we are required to report by exception – the Authority’s arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2022.

We have nothing to report in respect of the above matter except on 29 August 2023 we identified significant weaknesses in the Authority’s arrangements for governance. This was in relation to the following:

- An independent review of the relationship between members and officers by the Centre for Governance and Scrutiny (CFGS) identified a general lack of respect between members and also evidence of difficult relationships between members and officers. We recommended both members and senior officers commit to building up respect and good working relationships and demonstrate that significant progress has been made within a reasonable timeframe, to be agreed by the Managing Director and Group Leaders.
- Two independent persons resigned from the Authority’s Standards Committee alleging aggressive and disrespectful behaviour by members. These resignations caused some delays to the consideration of associated complaints. A Local Government Ombudsman report identified weaknesses in the Authority’s complaints investigation process including the fairness of the process. We recommended that the Authority should review its procedures for investigating and dealing with complaints of misconduct by members.
- Our work identified that the current whistleblowing arrangements and broader ability for members and officers to speak up are inadequate. This has also led to protracted decision-making processes where members were hesitant to make contentious decisions for fear of being criticised in public. We recommended the Authority should review its whistleblowing arrangements and in particular how it will protect whistleblowers from reprisal.
- A disclaimer opinion was issued on the 2020/21 financial statements. This was due to an imposed scope limitation to gain assurance over the carrying value of property, plant and equipment valuations at 31 March 2021. We recommended the Authority ensures its annual financial statements are supported by appropriately evidenced working papers that meet the increased expectations of current auditing standards.

As part of our work on the Authority’s arrangements for governance for the year ended 31 March 2022, we have reviewed the Authority’s progress implementing these recommendations. Insufficient progress had been made by the Authority in addressing any of the significant weaknesses identified, therefore the significant weaknesses in arrangements remain in place.

Responsibilities of the Authority

The Authority is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

Auditor’s responsibilities for the review of the Authority’s arrangements for securing economy, efficiency and effectiveness in its use of resources

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to be satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the

Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in October 2024. This guidance sets out the arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

- Financial sustainability: how the Authority plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the Authority ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the Authority uses information about its costs and performance to improve the way it manages and delivers its services.

We have documented our understanding of the arrangements the Authority has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor's Annual Report. In undertaking our work, we have considered whether there is evidence to suggest that there are significant weaknesses in arrangements.

Report on other legal and regulatory requirements – Audit certificate

We certify that we have completed the audit of Teignbridge District Council for the year ended 31 March 2022 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

Use of our report

This report is made solely to the members of the Authority, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 [and as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited]. Our audit work has been undertaken so that we might state to the Authority's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

Peter Barber, Key Audit Partner

for and on behalf of Grant Thornton UK LLP, Local Auditor
Bristol

XX XXXX 2024

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

2020/21			2021/22			
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure
£'000	£'000	£'000		£'000	£'000	£'000
3,805	(269)	3,536	Corporate Services	4,706	(573)	4,133
49,309	(44,111)	5,198	Strategic Place**	52,574	(41,320)	11,254
14,569	(5,847)	8,722	Environment, Health & Wellbeing	19,801	(8,008)	11,793
3,893	(154)	3,739	Financing items*	395	(291)	104
71,576	(50,381)	21,195	Cost of Services	77,476	(50,192)	27,284
4,185	(1,163)	3,022	Other Operating Expenditure (Note 11)	8,723	(961)	7,762
1,918	(17)	1,901	Financing and Investment (Income) and Expenditure (Note 12)	2,141	(34)	2,107
10,568	(45,672)	(35,104)	Taxation and Non-Specific Grant (Income) and Expenditure (Note 13) ***	10,478	(43,738)	(33,260)
		(8,986)	(Surplus) or Deficit on Provision of Services			3,893
		(9,434)	(Surplus) or Deficit on revaluation of Property, Plant & Equipment assets			(3,723)
		21,253	Re-measurements of the net defined benefit liability			(15,523)
		11,819	Other Comprehensive (Income) and Expenditure			(19,246)
		2,833	Total Comprehensive (Income) and Expenditure			(15,353)

**In 2020/21 includes £5.5 million for payment of Covid business grants (ARG/discretionary/Tier 2 Open/Closed) from Government grant funding received in response to the Covid pandemic – £2.5 million was paid in 2021/22 for business grants - see note 5(b) to the financial statements.

*** In 2020/21 includes Covid support of £4.0 million for fees and charges compensation, £1.8 million general Covid grants and £6.7 million retail relief grant for business rates. In 2021/22 includes £0.6 million general Covid grants were received, £0.8 million for fees and charges compensation and £3.4 million retail relief grant for business rates (see note 13).

MOVEMENT IN RESERVES STATEMENT

This statement shows the movement in the year on the different reserves held by the Authority, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves. The Surplus or (Deficit) on the Provision of Services line shows the true economic cost of providing the Authority's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance for council tax setting purposes. The Net Increase/(Decrease) before Transfers to Earmarked Reserves line shows the statutory General Fund Balance before any discretionary transfers to or from earmarked reserves undertaken by the Council.

Note: earmarked reserves transfer for 2020/21 includes £8.1 million for collection fund deficit (see note 10) outside the scope of reserves earmarked for service requirements including s.31 grant support as identified in note 13.

	Unearmarked Reserves	Earmarked Reserves	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Authority Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 31 March 2020	1,987	9,124	11,111	5,842	4,972	21,925	(4,525)	17,400
<u>Movements in reserves during 2020/21</u>								
Total Comprehensive Income and Expenditure	8,986	0	8,986	0	0	8,986	(11,819)	(2,833)
Adjustments between accounting basis & funding basis under regulations (Note 9)	4,911	0	4,911	585	6,068	11,564	(11,564)	0
Increase/(Decrease) in 2020/21 before transfer to earmarked reserves	13,897	0	13,897	585	6,068	20,550	(23,383)	(2,833)
Transfer to/from Earmarked Reserves	(13,824)	13,824	0	0	0	0	0	0
Increase/(decrease) in 2020/21	73	13,824	13,897	585	6,068	20,550	(23,383)	(2,833)
Balance at 31 March 2021 carried forward	2,060	22,948	25,008	6,427	11,040	42,475	(27,908)	14,567
<u>Movement in reserves during 2021/22</u>								
Total Comprehensive Income and expenditure	(3,893)	0	(3,893)	0	0	(3,893)	19,246	15,353
Adjustments between accounting basis & funding basis under regulations (Note 9)	4,547	0	4,547	(756)	1,475	5,266	(5,266)	0
Increase/(Decrease) in 2021/22 before transfer to earmarked reserves	654	0	654	(756)	1,475	1,373	13,980	15,353
Transfer to/from Earmarked Reserves	(608)	608	0	0	0	0	0	0
Increase/(decrease) in 2021/22	46	608	654	(756)	1,475	1,373	13,980	15,353
Balance at 31 March 2022 carried forward	2,106	23,556	25,662	5,671	12,515	43,848	(13,928)	29,920

BALANCE SHEET

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Authority. The net assets of the Authority (assets less liabilities) are matched by the reserves held by the Authority. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that the Authority may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves is those that the Authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'

31 March 2021	Notes	31 March 2022
£'000		£'000
109,583	Property, Plant & Equipment 14	106,730
102	Investment Property 15	94
404	Intangible Assets 16	341
0	Assets Held for Sale 23	0
0	Long Term Investments 17	0
5,082	Long Term Debtors 18	4,926
115,171	Long Term Assets	112,091
0	Short Term Investments 19	6,000
0	Assets Held for Sale 23	0
183	Inventories	208
27,550	Short Term Debtors 20	24,193
21,132	Cash and Cash Equivalents 22	32,103
48,865	Current Assets	62,504
0	Bank Overdraft 22	0
0	Short Term Borrowing	0
(17,324)	Short Term Creditors 24	(15,264)
(588)	Provisions 25	(510)
(10,885)	Grants Receipts in Advance-Revenue 35	(14,506)
(6,218)	Grants Receipts in Advance-Capital 35	(7,136)
(35,015)	Current Liabilities	(37,416)
0	Provisions 25	0
(109,239)	Other Long Term Liabilities 43	(102,027)
(5,137)	Grants Receipts in Advance – Revenue 35	(5,154)
(78)	Grants Receipts in Advance - Capital 35	(78)
(114,454)	Long Term Liabilities	(107,259)
14,567	Net Assets	29,920
42,475	Usable Reserves 26	43,848
(27,908)	Unusable Reserves 27	(13,928)
14,567	Total Reserves	29,920

CASH FLOW STATEMENT

The Cash Flow Statement shows the changes in cash and cash equivalents of the Authority during the reporting period. The statement shows how the Authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Authority are funded by way of taxation and grant income or from the recipients of services provided by the Authority. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Authority's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Authority.

2020/21		2021/22
£'000		£'000
(8,986)	Net (surplus) or deficit on the provision of services	3,893
(25,093)	Adjustments to net surplus or deficit on the provision of services for non cash movements (Note 28(a))	(19,132)
9,454	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities (Note 28(b))	7,991
<u>(24,625)</u>	Net cash flows from Operating Activities	<u>(7,248)</u>
(1,257)	Investing Activities (Note 29)	5,228
12,920	Financing Activities (Note 30)	(8,951)
<u>(12,962)</u>	Net (increase) or decrease in cash and cash equivalents	<u>(10,971)</u>
8,170	Cash and cash equivalents at the beginning of the reporting period	21,132
<u>21,132</u>	Cash and cash equivalents at the end of the reporting period (Note 22)	<u>32,103</u>

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies

a. General Principles

The Statement of Accounts summarises the Authority's transactions for the 2021/22 financial year and its position at the year-end of 31 March 2022. The Authority is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015, which those Regulations require to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22, the Local Authorities (Capital Finance and Accounting)(England) Regulations 2003 (SI 2003 No 3146, as amended) supported by International Financial Reporting Standards (IFRS).

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments. The Statement of Accounts has been prepared using the going concern basis.

b. Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- The council recognises revenue from contracts with service recipients when it satisfies a performance obligation by transferring promised goods and services to a recipient, measured as the amount of the overall transaction price allocated to that obligation.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.
- Revenue from council tax and business rates is measured at the full amount receivable (net of any impairment losses) and is accounted for on an accruals basis.

c. Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than 95 days or less from the date of acquisition and that are readily convertible to known amounts of cash with

insignificant risk of change in value.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Authority's cash management.

d. Material Items

When items of income and expense are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to an understanding of the Authority's financial performance.

e. Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Authority's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

f. Charges to Revenue for Non-Current Assets

Services, support services and trading accounts are debited with the following amounts to record the cost of holding non-current assets during the year:

- depreciation attributable to the assets used by the relevant service
- revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off
- amortisation of intangible assets attributable to the service.

The Authority is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisation. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the Authority in accordance with statutory guidance. Depreciation, revaluation and impairment losses and amortisations are therefore replaced by the contribution in the General Fund Balance – Minimum Revenue Provision (MRP), by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

g. Employee Benefits

Benefits Payable During Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and

paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees and are recognised as an expense for services in the year in which employees render service to the Authority. An accrual is made for the cost of holiday entitlements (or any form of leave e.g. time off in lieu) earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday entitlements are charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Authority to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy in exchange for those benefits and are charged on an accruals basis to the appropriate reporting segment (or Financing Items where they relate to pension enhancements) in the Comprehensive Income and Expenditure Statement to terminate at the earlier of when the Authority can no longer withdraw the offer of those benefits or when the Authority recognises costs for a restructuring.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Authority to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

Post Employment Benefits

Employees of the Authority are members of the Local Government Pensions Scheme, administered by Devon County Council.

This schemes provides defined benefits to members (retirement lump sums and pensions), earned as employees worked for the Authority.

The Local Government Pension Scheme

The Local Government Scheme is accounted for as a defined benefits scheme:

- The liabilities of the Devon County Council pension fund attributable to the Authority are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc. and projections of projected earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate based on the annualised yield on the Merrill Lynch AA rated corporate bond curve used by the actuary Barnet Waddington and with consideration of the duration of the liabilities of the Employer (Teignbridge District Council).
- The assets of the Devon County Council pension fund attributable to the Authority are included in the Balance Sheet at their fair value:
 - quoted securities – current bid price

- unquoted securities – professional estimate
- unlisted securities – current bid price
- property – market value.
- The change in the net pensions liability is analysed into the following components:
- Service cost comprising:
 - current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked
 - past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Financing Items
 - net interest on the net defined benefit liability (asset), i.e. net interest expense for the Authority – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period – taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.
- Remeasurements comprising:
 - the return on plan assets – excluding amounts included in net interest on the net defined benefit liability (asset) – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure
 - actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure
 - contributions paid to the Devon County Council pension fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund Balance to be charged with the amount payable by the Authority to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are transfers to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Discretionary Benefits

The Authority also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

h. Events after the Reporting Period

Events after the balance sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events
- those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

i. Financial Instruments

Financial instruments are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of the financial instrument. They are initially measured at fair value.

Financial Liabilities

As the Authority's financial liabilities are basic lending arrangements and mainly of a short term nature they are subsequently measured at amortised cost. For the Authority's borrowing this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest). Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument (which for the Council's loans is the amount payable for the year per the loan agreement).

Financial Assets

As the Authority's financial assets are basic lending arrangements and are not held to make speculative gains through increases in their value, they are subsequently measured at amortised cost: the outstanding principal repayable (plus accrued interest). Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) are based on the carrying amount of the asset, multiplied by the effective rate of interest for the instrument, (which for the Authority's assets is the amount receivable for the year per the deposit agreement).

Allowances for impairment losses have been calculated for amortised cost assets, applying the expected credit losses model (see Note 42 below). This is a

change from previous years and in particular 'other debtors' is using the provision matrices option which takes into consideration historical data and grouping of debtor ages.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Instruments Entered Into Before 1 April 2006

The Authority entered into a financial guarantee that is not required to be accounted for as a financial instrument. This guarantee is reflected in the Statement of Accounts to the extent that a provision might be required or a contingent liability note is needed under the policies set out in the section on Provisions, Contingent Liabilities and Contingent Assets.

j. Government Grants and Contributions

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Authority when there is reasonable assurance that:

- the Authority will comply with the conditions attached to the payments, and
- the grants or contributions will be received.

Amounts recognised as due to the Council are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset in the form of the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as a current or long term liability – 'grants receipts in advance'. If these are not obviously capital in nature then they are treated as revenue grants. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ring-fenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied Reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

k. Intangible Assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Authority as a result of past events (e.g. software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Authority.

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Authority can be determined by reference to

an active market. In practice, no intangible asset held by the Authority meets this criterion, and they are therefore carried at amortised cost. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

l. Inventories

Inventories are included in the Balance Sheet at the lower of cost and net realisable value. The cost of inventories is assigned using the FIFO costing formula.

m. Investment Property

Investment properties are those that are held solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale.

Investment properties are measured initially at cost and subsequently at fair value, being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. As a non-financial asset, investment properties are measured at highest and best use. Properties are not depreciated and gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

n. Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

The Authority as Lessee

Finance Leases

Property, plant and equipment held under finance leases is recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation to pay the lessor. Initial direct costs of the Authority are added to the carrying amount of the asset. Premiums paid on entry into a lease are applied to writing down the lease liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Lease payments are apportioned between:

- a charge for the acquisition of the interest in the property, plant or equipment – applied to write down the lease liability, and
- a finance charge (debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

Property, Plant and Equipment recognised under finance leases is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life (where ownership of the asset does not transfer to the authority at the end of the lease period).

The Authority is not required to raise council tax to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual contribution is made from revenue funds towards the deemed capital investment in accordance with statutory requirements. Depreciation and revaluation and impairment losses are therefore substituted by a revenue contribution in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

Operating Leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefiting from use of the leased property, plant or equipment. Charges are made on a straight-line basis over the life of the lease.

The Authority as Lessor

Finance Leases

Where the Authority grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain, representing the Authority's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal), matched by a lease (long-term debtor) asset in the Balance Sheet.

Lease rentals receivable are apportioned between:

- a charge for the acquisition of the interest in the property – applied to write down the lease debtor (together with any premiums received), and
- finance income (credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement)

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund Balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund Balance to the Capital Receipts Reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund Balance to the Deferred Capital Receipts Reserve in the Movement in Reserves Statement. When the future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the Capital Receipts Reserve.

The written-off value of disposals is not a charge against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

Operating Leases

Where the Authority grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease.

o. Overheads/ Support Services/Central Costs

Total absorption costing is not fully applied under the principles within SeRCoP. Service segments do not have support services recharged to each front line service. Support services are reported separately in their own right within the 'Corporate Services' segment. This segment also includes the costs of the Corporate Leadership Team and the cost of democracy.

However, the central office costs are allocated to all services within the service segments on the basis of floor area.

Certain corporate costs such as discretionary benefits awarded to employees retiring early, past deficit pension contributions and general corporate costs such as bank charges and external audit fees are allocated to the 'Financing items' segment.

p. Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

Recognition

Expenditure over £10,000 on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Authority and the cost of the item can be measured reliably. Expenditure

that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

Measurement

Assets are initially measured at cost, comprising:

- the purchase price
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located

The Authority does not capitalise borrowing costs incurred whilst assets are under construction.

The cost of assets acquired other than by purchase is deemed to be its fair value, unless the cost of acquisition does not have commercial substance (i.e. it will not lead to a variation in the cash flows of the Authority). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Authority.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-specific Grant Income line of the Comprehensive Income and Expenditure Statement, unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Account. Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement.

Assets are then carried in the Balance Sheet using the following measurement bases:

- infrastructure, community assets and assets under construction – depreciated historical cost
- surplus assets – the current value measurement base is fair value, estimated at highest and best use from a market participant's perspective
- all other assets – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV)

Where there is no market-based evidence of current value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of current value.

Where non-property assets that have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for current value.

Assets included in the Balance Sheet at current value are re-valued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year-end. Where material changes in an assets value are identified, all assets within that class (e.g. car parks, public conveniences) will be re-valued in that year. As a minimum all assets will be valued every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Surplus or Deficit on the Provision of Services within the Comprehensive Income and

Expenditure Statement where they arise from the reversal of a loss previously charged to a service.

Where decreases in value are identified, they are accounted for by:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

Componentisation

All assets will be split into their land and buildings elements. Any asset in excess of £400,000 in value will be considered for componentisation. The component must have a minimum value of £200,000 or be at least 15% of the overall value of the asset (whichever is the higher) and the differential in the asset life must be more than 50% of that of the total asset. All three rules above must be met to consider componentisation and will be applied when an asset is revalued or a component is replaced. Where enhancement is integral to the whole asset e.g. roof on a building, then unless there is significant evidence to the contrary, the asset life of the enhancement will have the same remaining life as the existing asset and will not be separately identified as a component.

De-componentisation – Where, subject to materiality, a component is replaced or enhanced the carrying value of the old component shall be derecognised. Our internal valuer will provide a valuation for de-recognition.

Impairment

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for by:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An

exception is made for assets without a determinable finite useful life (i.e. freehold land and certain Community Assets) and assets that are not yet available for use (i.e. assets under construction).

Depreciation is calculated on the following bases:

- dwellings and other buildings – straight-line allocation over the useful life of the property as estimated by the valuer (5 to 50 years)
- vehicles, plant, furniture and equipment – 5 to 30 years
- infrastructure – straight-line allocation over the useful life as estimated by the valuer. Most have useful lives in excess of 50 years and therefore the majority are not depreciated

Where an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Disposals and Non-Current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previous losses recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale.

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale; adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as Held for Sale, and their recoverable amount at the date of the decision not to sell.

Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts and are credited to the Capital Receipts Reserve, and can then only be used for new capital investment or set aside to reduce the Authority's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the

Reserve from the General Fund Balance in the Movement in Reserves Statement.

The written-off value of disposals is not a charge against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

q. Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are made where an event has taken place that gives the Authority a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the Authority may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Authority becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Authority settles the obligation.

Provisions are held for refunds of business rates as a result of appeals. An impairment allowance is held for bad debts.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Authority a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Authority. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

Contingent Assets

A contingent asset arises where an event has taken place that gives the authority a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Authority.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

r. Reserves

The Authority sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against council tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirement and employee benefits and do not represent usable resources for the Authority – these reserves are explained in the relevant policies.

s. Revenue Expenditure Funded from Capital under Statute

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Authority has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the level of council tax.

t. Value Added Tax (VAT)

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

u. Heritage Assets

Heritage assets are valued at insurance valuation which is based on market values. The assets will be revisited at least once every five years for revaluation. Apart from this the recognition and measurement (including the treatment of revaluation gains and losses, impairment and disposal) is in accordance with the Authority's accounting policies on property, plant and equipment. There are currently no material heritage assets which require disclosure.

v. Council Tax, Non-Domestic Rates & Business Rates Retention

Billing authorities act as agents, collecting council tax and non-domestic rates (NDR) and, as principals, collecting council tax and NDR for themselves. Billing authorities are required by statute to maintain a separate fund (i.e. the Collection Fund) for the collection and distribution of amounts due in respect of council tax and NDR. Under the legislative framework for the Collection Fund, billing authorities, major preceptors and central government share proportionately the risks and rewards that the amount of council tax and NDR collected could be less or more than predicted.

Accounting for Council Tax and NDR

The council tax and NDR income included in the Comprehensive Income and Expenditure Statement is the authority's share of accrued income for the year. However, regulations determine the amount of council tax and NDR that must be included in the authority's General Fund. Therefore, the difference between the

income included in the Comprehensive Income and Expenditure Statement and the amount required by regulation to be credited to the General Fund is taken to the Collection Fund Adjustment Account and included as a reconciling item in the Movement in Reserves Statement.

The Balance Sheet includes the authority's share of the end of year balances in respect of council tax and NDR relating to arrears, impairment allowances for doubtful debts, overpayments and prepayments and appeals.

Business Rates Retention

The Local Government Finance Act 2012 introduced a business rates retention scheme that enabled local authorities to retain a proportion of the business rates generated in their area, with effect from 1 April 2013. The General Fund is adjusted as above.

Appeals – Provision is made for likely refunds of business rates as a result of appeals, against the rateable value of business properties. The appeals provision is based on the total value of outstanding appeals at the year end as advised by the Valuation Office Agency and on advice from them about the likely success rate of appeals.

w. Joint Operations

Joint operations are arrangements where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement. The activities undertaken by the Authority in conjunction with other joint operators involve the use of the assets and resources of those joint operators. In relation to its interest in a joint operation, the Authority as a joint operator recognises:

- its assets, including its share of any assets held jointly
- its liabilities, including its share of any liabilities held jointly
- its revenue from the sale of its share of the output arising from the joint operation
- its share of the revenue from the sale of the output by the joint operation
- its expenses, including its share of any expenses incurred jointly

Teignbridge District Council, East Devon District Council and Exeter City Council each share control of Strata Service Solutions Ltd, which was incorporated on 15 May 2014 under the Companies Act 2006 for the provision of a shared Information Communications Technology service. The single entity financial statements for each authority reflect their respective shares of Strata Service Solutions Limited. However, the accompanying notes to the Council's financial statements only include information relating to Strata Service Solutions Limited where this would make a material difference to the usefulness of those notes (see also note 47).

x. Community Infrastructure Levy

The Authority has elected to charge a Community Infrastructure Levy (CIL). The levy will be charged on new builds (chargeable developments for the Authority) with appropriate planning consent. The Authority charges for and collects the levy, which is a planning charge. The income from the levy will be used to fund a number of infrastructure projects (these include transport, leisure facilities, open spaces and schools) to support the development of the area.

CIL is received without outstanding conditions; it is therefore recognised at the

commencement date of the chargeable development in the Comprehensive Income and Expenditure Statement in accordance with the accounting policy for government grants and contributions set out above (see 1 j). CIL charges will be largely used to fund capital expenditure. However, a small proportion of the charges may be used to fund revenue expenditure.

2. Accounting Standards That Have Been Issued but Have Not Yet Been Adopted

The Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (the Code) introduces changes in accounting policies that will have to be adopted fully by the authority in the 2022/23 financial statements i.e. from 1 April 2022.

The authority is required to disclose information relating to the impact of the accounting change on the financial statements as a result of the adoption by the Code of a new / amended standard that has been issued, but is not yet required to be adopted by the Authority.

For 2022/23 there are no standards issued not adopted that are expected to have a material impact on the 2022/23 statement of accounts. IFRS 16 Leases will require local authorities to review all their lessor and lessee accounting arrangements to comply with the new reporting standard with potential balance sheet implications. The initial assessment will be completed during 2022/23. As IFRS 16 is effective on or after 1 April 2024, there will be no impact on 2021/22 comparatives.

3. Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in Note 1, the Authority has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

- There is a high degree of uncertainty about future funding for local government. However, the Authority has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Authority might be impaired as a result of a need to close facilities and reduce levels of service provision.
- The Authority transferred its housing stock in 2004. Warranties were given to safeguard the housing company on staffing, environmental and other issues. The environmental liabilities are covered by an insurance policy but the other liabilities would have to be funded from the Authority's reserves. The uncertainties have been reviewed with the Legal Department and it has been considered that this item is a contingent liability (see note 41).
- The Authority has to decide whether a lease is an operating or finance lease. This is calculated based on the substance of the transaction rather than the form of the contract. We consider the examples highlighted in IAS17, the decision principally being based on whether the lease term is for the major part of the economic life of the asset (over 75%) even if title is not transferred. Other conditions will be considered e.g. who bears the risks and rewards of ownership.
- There is a high degree of uncertainty around the potential number and value of business rates appeals. The provision for any successful appeal is based upon advice from the Valuation Office Agency.
- Strata Service Solutions Ltd is a registered company which has been established to assist the three authorities; Teignbridge District Council, Exeter City Council and East Devon District Council, in the provision and operation of shared ICT services. It is deemed to be a joint operation due to the inherent rights to the assets and

obligations for liabilities each authority has relating to the joint arrangement, based upon the following facts and circumstances:

- i) The three authorities have joint control of the entity. Each authority has one nominated Director and each Director has one vote. The Directors are responsible for the management of the company's business, for which purpose they may exercise all the powers of the company with decisions made collectively and unanimously.
- ii) The Company is required by the Councils to carry out the tasks as set out in the Business Plans and Service Plans and is limited to the business and objectives as set by the Councils.
- iii) The Company's revenue derives from the financial allocations set and controlled by each of the Councils.
- iv) Strata continues to provide services to the three authorities. The Company has been established as an in-house mutual trading local authority controlled company to assist them in the provision of services.

Joint operations are not consolidated into group accounts, instead each authority has recognised in its financial statement its share of assets, liabilities, revenue and expenses pertaining to Strata Service Solutions Ltd.

4. Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Authority about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Authority's Balance Sheet at 31 March 2022 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Property, Plant and Equipment	Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Authority will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets.	If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls. It is estimated that the annual depreciation charge for buildings would increase by £0.052 million for every year that useful lives had to be reduced.
Pensions Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting	The effects on the net pensions liability of changes in individual assumptions can be measured. For instance, a 0.1% increase in the discount rate assumption would result in a decrease in the pension liability of £4.148 million. The assumptions interact in

	<p>actuaries is engaged to provide the Authority with expert advice about the assumptions to be applied.</p> <p>The value of pension assets is estimated based upon information available at the Balance Sheet date, but these valuations may be earlier than the Balance Sheet date. The actual valuations at the Balance Sheet date, which may not be available until sometime later, may give a different value of pension assets, but this difference is not considered to be material.</p>	<p>complex ways. During 2021/22, the Authority's actuaries advised that the net pensions liability had decreased by £9.267 million attributable to updating of the assumptions. An adverse adjustment to age mortality assumptions of one year would increase the present value of the total obligation by £9.836 million.</p>
Arrears	<p>At 31 March 2022, the Authority had a balance of sundry debtors of £3.740 million. A review of significant balances suggested that an impairment of doubtful debts of 32.1% (£1.199 million) was appropriate. However, in the current economic climate it is not certain that such an allowance would be sufficient. See also comments below re Covid 19.</p>	<p>If collection rates were to deteriorate, a doubling of the amount of the impairment of doubtful debts would require an additional £1.199 million to set aside as an allowance.</p>

This list does not include assets and liabilities that are carried at fair value based on a recently observed market price.

Arrears – It is not clear what the ongoing economic position will mean for collectability of debts and ability to pay. Increased inflation, cost of living and recessionary fears may exist for some time to come and the bad debt provisions has been increased to reflect potential further bad debts arising in relation to those debts at the balance sheet date.

Pension liability – whilst the pension assets are based upon month 12 valuations there may be changes in assumptions going forward about the expected return on pension fund assets. Again, this is not something that can be determined with any significant accuracy at this point.

5. Material Items of Income and Expense and Prior Period Adjustments

5 (a) Prior period adjustments:

There were no prior period adjustments to these accounts.

5 (b) Material items in the Comprehensive Income & Expenditure Account :

In 2020/21 there were revaluation losses net of reversals in relation to property, plant & equipment amounting to £0.350 million. £0.9 million was charged to 'Strategic Place' and a net reversal of £0.542 million to 'Environment, Health & Wellbeing' within Cost of Services.

In 2021/22 the revaluation losses net of reversals has increased to just under £5.2 million. £4.7 million was charged to 'Strategic Place' and just under £0.5 million to 'Environment,

Health & Wellbeing' within Cost of Services'. The major revaluation adjustments relate to Market Walk shopping centre and car parking assets totalling £3.656 million.

Revenue expenditure funded from capital under statute was higher in 2021/22 at £6.9 million (£3.5 million in 2020/21) – mainly due to a £1.25 million contribution to Houghton Barton link road, £1.5 million to the A382 road improvements and £1.3 million towards the Marsh Barton railway station. Of the total £3.5 million, £3.4 million is charged to 'Strategic Place' within Cost of Services in 2020/21 and £6.8 million of the £6.9 million in 2021/22.

In 2020/21 the three year pension deficit contributions for the years 2020/21 to 2022/23 were paid in one lump sum up front amounting to £3.7 million. This was charged to 'Financing Items' in Cost of Services within the Comprehensive Income & Expenditure Statement.

5 (c) Other material items within the financial statements:

In 2020/21 the Council administered a number of grants in relation to the Covid 19 pandemic – some as agent (see note 46) and some received and paid as principal through the Comprehensive Income and Expenditure Statement. £5.5 million was received and paid in Strategic Place in relation to additional restrictions grant, Tier 2 Open/Closed scheme and the discretionary grant fund. In 2021/22 these grants were also administered as agent (see note 46) with some received and paid as principal through the Comprehensive Income and Expenditure Statement. £2.8 million was received and £2.5 million paid in 'Strategic Place' in relation to business grants.

6. Events after the Reporting Period

The Statement of Accounts was authorised for issue by the Chief Finance Officer on 29 October 2024. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2022, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

There are no events which took place after 31 March 2022 which require disclosure.

7. Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (government grants, rents, council tax and business rates) by local authorities in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the council's directorates/ services/departments. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

2020/21			2021/22			
Net Expenditure Chargeable to the General Fund Balance	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement		Net Expenditure Chargeable to the General Fund Balance	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
£000	£000	£000		£000	£000	£000
3,615	79	3,536	Corporate Services	3,588	(545)	4,133
1,718	(3,480)	5,198	Strategic Place	(658)	(11,912)	11,254
8,559	(163)	8,722	Environment, Health & Wellbeing	7,554	(4,239)	11,793
1,703	(2,036)	3,739	Financing Items	1,833	1,729	104
15,595	(5,600)	21,195	Net Cost of Services	12,317	(14,967)	27,284
(29,492)	689	(30,181)	Other Income and Expenditure	(12,971)	10,420	(23,391)
(13,897)	(4,911)	(8,986)	(Surplus)/Deficit	(654)	(4,547)	3,893
(11,111)			Opening General Fund Balance	(25,008)		
(13,897)			Less/Plus (Surplus) / Deficit on General Fund in year	(654)		
(25,008)			Closing General Fund Balance at 31 March	(25,662)		

7 a. Note to the Expenditure and Funding Analysis

Adjustments between Funding and Accounting Basis

				2021/22
Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustments for Capital Purposes (Note 1)	Net change for the Pensions Adjustments (Note 2)	Other Differences (Note 3)	Total Adjustments
	£000	£000	£000	£000
Corporate Services	29	512	4	545
Strategic Place	10,091	1,825	(4)	11,912
Environment, Health & Wellbeing	1,848	2,385	6	4,239
Financing Items	0	(1,729)	0	(1,729)
Net Cost of Services	11,968	2,993	6	14,967

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustments for Capital Purposes (Note 1)	Net change for the Pensions Adjustments (Note 2)	Other Differences (Note 3)	Total Adjustments
Other income and expenditure from the Expenditure and Funding Analysis	(8,363)	2,290	(4,347)	(10,420)
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	3,605	5,283	(4,341)	4,547

Adjustments between Funding and Accounting Basis

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustments for Capital Purposes (Note 1)	Net change for the Pensions Adjustments (Note 2)	Other Differences (Note 3)	2020/21
				Total Adjustments
	£000	£000	£000	£000
Corporate Services	27	(109)	3	(79)
Strategic Place	3,949	(463)	(6)	3,480
Environment, Health & Wellbeing	903	(734)	(6)	163
Financing Items	0	2,073	(37)	2,036
Net Cost of Services	4,879	767	(46)	5,600
Other income and expenditure from the Expenditure and Funding Analysis	(10,394)	1,956	7,749	(689)
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	(5,515)	2,723	7,703	4,911

Adjustments for Capital Purposes

- 1) Adjustments for capital purposes – this column adds in depreciation and impairment and revaluation gains and losses in the services line, and for:-
 - **Other operating expenditure** – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.
 - **Financing and investment income and expenditure** – the statutory charges for capital financing i.e. Minimum Revenue Provision and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.

- **Taxation and non-specific grant income and expenditure** – capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. The Taxation and Non Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

Net Change for the Pensions Adjustments

- 2) Net change for the removal of pension contributions and the addition of IAS 19 Employee Benefits related expenditure and income:
 - **For services** this represents the removal of the employer pension contributions made by the authority as allowed by statute and the replacement with current service costs and past service costs.
 - For **Financing and investment income and expenditure** – the net interest on the defined benefit liability is charged to the CIES.

Other differences

- 3) Other differences between amounts debited/credited to the Comprehensive Income and Expenditure Statement and amounts payable/receivable to be recognised under statute:
 - For **services** the other differences column recognises adjustments to the General Fund for amounts by which officer remuneration charged on an accruals basis is different from remuneration chargeable in accordance with statutory requirements the timing differences for premiums and discounts. It also includes the amount by which finance costs charged differ to those chargeable in accordance with statutory requirements.
 - The charge under **Taxation and non-specific grant income and expenditure** represents the difference between what is chargeable under statutory regulations for council tax and NDR that was projected to be received at the start of the year and the income recognised under generally accepted accounting practices in the Code. This is a timing difference as any difference will be brought forward in future Surpluses or Deficits on the Collection Fund.

7 b. Segmental Income

Income received on a segmental basis is analysed below:

Revenue from external customers:

	2020/21	2021/22
Services	Income from Services	Income from Services
	£000	£000
Corporate Services	(157)	(202)
Strategic Place	(8,573)	(10,620)
Environment, Health & Wellbeing	(5,236)	(7,058)
Financing Items	(83)	(184)
Total income analysed on a segmental basis	(14,049)	(18,064)

The largest source of income for Strategic Place is car parking income at £4.041 million (2020/21 £2.682 million). Income from housing schemes including homelessness and rent allowance recoveries amounts to £0.845 million (2020/21 £0.818 million). Other major sources include planning fees and building control.

The major sources of income for Environment, Health & Wellbeing is from leisure related activities of which the income from leisure centres including memberships is £1.624 million (2020/21 £0.949 million) and recycling sales and credits at £3.379 million (2020/21 £2.687 million).

8. Expenditure and Income Analysed by Nature

The authority's expenditure and income is analysed as follows:

Expenditure / Income	2020/21	2021/22
	£000	£000
Expenditure		
Employee benefits expenses	21,269	23,629
Other services expenses*	48,248	47,941
Depreciation, amortisation, impairment	3,880	7,826
Interest payments	0	0
Precepts and levies	3,800	3,943
(Gain) or loss on the disposal of assets	(842)	3,752
Total expenditure	76,355	87,091
Income		
Fees, charges and other service income	(14,049)	(18,064)
Interest and investment income	(17)	(26)
Income from council tax, non-domestic rates (net)	(6,810)	(11,843)
Government grants and contributions**	(64,465)	(53,265)
Total income	(85,341)	(83,198)
(Surplus) or Deficit on the Provision of Services	(8,986)	3,893

*Includes £22.290 million rent allowances paid (£24.660 million in 2020/21) and charged to Strategic Place.

** Includes rent allowance subsidy of £22.367 million (£24.892 million in 2020/21) and charged to Strategic Place.

Rent allowances recovered are within fees, charges and other service income and also charged to Strategic Place (£0.206 million in 2021/22 and £0.031 million in 2020/21).

9. Adjustments between Accounting Basis and Funding Basis under Regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Authority in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Authority to meet future capital and revenue expenditure. The following sets out a description of the reserves that the adjustments are made against.

General Fund Balance

The General Fund is the statutory fund into which all the receipts of an authority are required to be paid and out of which all liabilities of the authority are to be met, except to the extent that statutory rules might provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the General Fund Balance, which is not necessarily in accordance with proper accounting practice. The General Fund Balance therefore summarises the resources that the Council is statutorily empowered to spend on its services or on capital investment (or the deficit of resources that the Council is required to recover) at the end of the financial year.

Capital Receipts Reserve

The Capital Receipts reserve holds the proceeds from the disposal of land or other assets, which are restricted by statute from being used other than to fund new capital expenditure or to be set aside to finance historical capital expenditure. The balance on the reserve shows the resources that have yet to be applied for these purposes at the year-end.

Capital Grants Unapplied

The Capital Grants Unapplied Account (Reserve) holds the grants and contributions received towards capital projects for which the Council has met the conditions that would otherwise require repayment of the monies but which have yet to be applied to meet expenditure. The balance is restricted by grant terms as to the capital expenditure against which it can be applied and/or the financial year in which this can take place.

The detail of the adjustments made for 2021/22 and 2020/21 are as follows:

2021/22

	Usable reserves			
	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied	Movement in Unusable Reserves
	£'000	£'000	£'000	£'000
Adjustments primarily involving the Capital Adjustment Account:				
<u>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</u>				
Charges for depreciation and impairment of non current assets	2,379	0	0	(2,379)
Revaluation (gains) losses on Property, Plant and Equipment	5,557	0	0	(5,557)
Revaluation reversals on Property, Plant and Equipment	(386)	0	0	386
Movements in the market value of Investment Properties	8	0	0	(8)
Operating / finance lease income adjustment	0	0	0	0
Amortisation of intangible assets	129	0	0	(129)
Capital grants and contributions applied	(9,096)	0	0	9,096
Revenue expenditure funded from capital under statute (REFCUS)	6,936	0	0	(6,936)
Amounts of non current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	4,685	0	0	(4,685)
Income in relation to donated assets	0	0	0	0
Gain arising from donated assets	0	0	0	0
Amortisation of long term debtors	148	0	0	(148)
Disposal costs relating to future capital disposal	0	0	0	0
<u>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</u>				
Statutory provision for the financing of capital investment	(231)	0	0	231
Financing of loan	0	0	0	0
Capital expenditure charged against the General Fund balance	(684)	0	0	684
Adjustments primarily involving the Capital Grants Unapplied Account:				
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	(4,889)	0	4,889	0
Application of grants to capital financing transferred to the Capital Adjustment Account	0	0	(3,414)	3,414

Adjustments primarily involving the Capital Receipts Reserve:

Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(10)	10	0	0
Use of the Capital Receipts Reserve to finance new capital expenditure	0	(1,728)	0	1,728
Right to buy/shared ownership receipts	(911)	911	0	0
Contribution from the Capital Receipts Reserve towards administrative costs of non current asset disposals	0	0	0	0
Loan repayment	(7)	29	0	(22)
Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts pool.	0	0	0	0
Renovation grants repaid	(22)	22	0	0
Transfer from Deferred Capital Receipts Reserve upon receipt of cash	0	0	0	0

Adjustments primarily involving the Deferred Capital Receipts Reserve:

Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement/funding of loan	0	0	0	0
Transfer to the Capital Receipts Reserve upon receipt of cash-mortgages	0	0	0	0

Adjustments primarily involving the Financial Instruments Adjustment Account:

Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	(0)	0	0	0
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Adjustments primarily involving the Pensions Reserve:

Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see Note 40)	9,155	0	0	(9,155)
Employer's pensions contributions and direct payments to pensioners payable in the year	(3,872)	0	0	3,872

Adjustments primarily involving the Collection Fund Adjustment Account:

Amount by which council tax and non-domestic rating income credited to the Comprehensive Income and Expenditure Statement is different from council tax and non-domestic rating income calculated for the year in accordance with statutory requirements	(4,347)	0	0	4,347
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Adjustment primarily involving the Accumulated Absences Account

Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	5	0	0	(5)
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Total Adjustments	4,547	(756)	1,475	(5,266)
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2020/21

	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied	Movement in Unusable Reserves
	£'000	£'000	£'000	£'000
Adjustments primarily involving the Capital Adjustment Account:				
<u>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</u>				
Charges for depreciation and impairment of non current assets	3,423	0	0	(3,423)
Revaluation (gains) losses on Property, Plant and Equipment	2,068	0	0	(2,068)
Revaluation reversals on Property, Plant and Equipment	(1,717)	0	0	1,717
Movements in the market value of Investment Properties	26	0	0	(26)
Operating / finance lease income adjustment	(1)	0	0	1
Amortisation of intangible assets	107	0	0	(107)
Capital grants and contributions applied	(4,596)	0	0	4,596
Revenue expenditure funded from capital under statute (REFCUS)	3,456	0	0	(3,456)
Amounts of non current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	320	0	0	(320)
Income in relation to donated assets	0	0	0	0
Gain arising from donated assets	0	0	0	0
Bank investment written off	0	0	0	0
Disposal costs relating to future capital disposal	0	0	0	0
<u>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</u>				
Statutory provision for the financing of capital investment	(169)	0	0	169
Financing of loan	0	0	0	0
Capital expenditure charged against the General Fund balance	(130)	0	0	130
Adjustments primarily involving the Capital Grants Unapplied Account:				
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	(7,131)	0	7,131	0
Application of grants to capital financing transferred to the Capital Adjustment Account	0	0	(1,063)	1,063

Adjustments primarily involving the Capital Receipts Reserve:

Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(362)	362	0	0
Use of the Capital Receipts Reserve to finance new capital expenditure	0	(586)	0	586
Right to buy receipts	(796)	796	0	0
Contribution from the Capital Receipts Reserve towards administrative costs of non current asset disposals	0	0	0	0
VAT sharing receipt	0	0	0	0
Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts pool.	0	0	0	0
Renovation grants repaid	(13)	13	0	0
Transfer from Deferred Capital Receipts Reserve upon receipt of cash	0	0	0	0

Adjustments primarily involving the Deferred Capital Receipts Reserve:

Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement/funding of loan	0	0	0	0
Transfer to the Capital Receipts Reserve upon receipt of cash-mortgages	0	0	0	0

Adjustments primarily involving the Financial Instruments Adjustment Account:

Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	(38)	0	0	38
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Adjustments primarily involving the Pensions Reserve:

Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see Note 40)	6,536	0	0	(6,536)
Employer's pensions contributions and direct payments to pensioners payable in the year	(3,814)	0	0	3,814

Adjustments primarily involving the Collection Fund Adjustment Account:

Amount by which council tax and non-domestic rating income credited to the Comprehensive Income and Expenditure Statement is different from council tax and non-domestic rating income calculated for the year in accordance with statutory requirements	7,749	0	0	(7,749)
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Adjustment primarily involving the Accumulated Absences Account

Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(7)	0	0	7
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Total Adjustments	4,911	585	6,068	(11,564)
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10. Movements in Earmarked Reserves

This note sets out the amounts set aside from the General Fund in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund expenditure in 2021/22.

	Balance at 1 April 2020	Transfers Out 2020/21	Transfers In 2020/21	Balance at 31 March 2021	Transfers Out 2021/22	Transfers In 2021/22	Balance at 31 March 2022
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
General Fund:							
Building control partnership reserve	344	(349)	196	191	(17)	172	346
Open spaces reserve	254	0	0	254	(6)	233	481
Collection fund reserve	0	0	8,136	8,136	(3,980)	0	4,156
Insurance reserve	85	0	0	85	0	0	85
Revenue contribution to capital reserve	1,405	(654)	136	887	(27)	490	1,350
Business rates / funding reserve	2,512	0	7,500	10,012	0	2,054	12,066
Sundry revenue grants reserve	2,906	(2,158)	1,366	2,114	(1,177)	1,729	2,666
Carry forward reserve	1,407	(1,407)	1,071	1,071	(1,071)	2,210	2,210
Strata usable reserves	211	(13)	0	198	(2)	0	196
Total	9,124	(4,581)	18,405	22,948	(6,280)	6,888	23,556

The sundry revenue grants reserve covers grants received which have no repayment conditions attached to them and have not been spent in total or in part by the end of the financial year. The carry forward reserve represents major items of planned expenditure not carried out in the year but set aside for expenditure in the following year. The Collection Fund reserve covers deficit funding issues for future years from accounting arrangements and grant funding received to assist with those deficits as identified in note 13 and falls outside the scope of the reserves earmarked for service requirements. The Strata reserve represents our share of the usable funds held from the Strata joint operations. The Funding reserve has been built up to cover anticipated revenue funding deficits over the medium term financial plan.

11. Other Operating Expenditure

2020/21		2021/22
£'000		£'000
3,800	Parish council precepts	3,943
(796)	Shared ownership/Right to Buy receipts	(911)
64	Pension administration expenses	66
(46)	(Gains)/losses on the disposal of non current assets*	4,664
0	(Gain) on share of donated assets - Strata	0
3,022	Total	7,762

*Includes transfer of Dawlish and SW Exeter SANGS at a loss of £3.8 million to Land Trust and abortive capital costs of £0.85 million in 2021/22.

12. Financing and Investment Income and Expenditure

2020/21		2021/22
£'000		£'000
0	Interest payable and similar charges	0
1,918	Net interest on the net defined benefit liability	2,133
(22)	Interest receivable and similar income	(32)
5	Income and expenditure in relation to investment properties and changes in their fair value (see note 15)	6
0	Bank investment loss	0
1,901	Total	2,107

13. Taxation and Non Specific Grant Income and Expenditure

2020/21		2021/22
£'000		£'000
(12,332)	Council tax income (incl surplus/deficit)	(13,026)
(5,044)	Business rates (including surplus/deficit)	(9,292)
	Non ring fenced government grants:	
0	Revenue support grant	0
(1,809)	General Covid grants	(637)
(2,244)	New Homes Bonus	(1,485)
0	Lower tier services grant	(331)
(3,976)	Sales/fees and charges compensation	(773)

0	Donated asset	0
(9,283)	Capital grants and contributions**	(11,214)
(6,730)	Retail relief grant***	(3,435)
(8)	Transparency Code grant	(8)
(2,068)	Small business rate relief/threshold changes grant	(2,100)
(842)	Other business rates grants	(675)
(196)	Other general grants	(410)
9,513	Business rates tariff payment	9,623
1	Pooling/pilot costs	2
(320)	Pooling/pilot gain	(271)
(820)	Council tax support/ TIG grants	(81)
1,054	Business rates levy	853
<hr/>		<hr/>
(35,104)	Total	(33,260)

** includes various grants towards capital expenditure.

In 2021/22 £4.076 million relates to the Community Infrastructure Levy (CIL), and £3.161 million for SANGS

In 2020/21 £7.042 million is receivable for CIL and £0.792 million for SANGS.

*** business rates relief S.31 grant provided by Government as part of the Covid pandemic support

14. Property, Plant and Equipment

Movements on Balances

Movements in 2021/22:

	Other Land and Buildings	Vehicles, Plant, Furniture & Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets Under Construction	Total Property, Plant and Equipment
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation							
At 1 April 2021	98,015	4,751	4,355	7,570	152	2,392	117,235
Additions	2,724	547	0	215	0	2,053	5,539
Donations	0	0	0	0	0	0	0
Revaluation increases/(decreases) recognised in the Revaluation Reserve	1,756	0	0	0	(1)	0	1,755
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(6,169)	0	0	0	0	0	(6,169)
Derecognition - Disposals	(66)	(169)	0	(3,800)	0	(853)	(4,888)
Strata reclassify/additions/disposals	0	117	0	0	0	0	117
Assets reclassified (to)/from Held for Sale	0	0	0	0	0	0	0
Other movements/reclassifications in Cost or Valuation	453	0	0	0	440	(893)	0
At 31 March 2022	96,713	5,246	4,355	3,985	591	2,699	113,589

	Other Land and Buildings	Vehicles, Plant, Furniture & Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets Under Construction	Total Property, Plant and Equipment
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Accumulated Depreciation and Impairment							
At 1 April 2021	3,833	2,891	511	375	42	0	7,652
Depreciation charge	1,784	363	86	83	15	0	2,331
Depreciation written out to the Revaluation Reserve	(1,955)	0	0	0	(14)	0	(1,969)
Depreciation written out to the Surplus/Deficit on the Provision of Services	(998)	0	0	0	0	0	(998)
Impairment losses/(reversals) recognised in the Revaluation Reserve	0	0	0	0	0	0	0
Impairment losses/(reversals) recognised in the Surplus/Deficit on the Provision of Services	0	0	0	0	0	0	0
Derecognition – Disposals	(26)	(168)	0	(9)	0	0	(203)
Strata – reclassify/charge/disposals	0	46	0	0	0	0	46
Other movements in Depreciation and Impairment	0	0	0	0	0	0	0
At 31 March 2022	2,638	3,132	597	449	43	0	6,859
Net Book Value							
At 31 March 2022	94,075	2,114	3,758	3,536	548	2,699	106,730
At 31 March 2021	94,182	1,860	3,844	7,195	110	2,392	109,583

Comparative Movements in 2020/21:

	Other Land and Buildings	Vehicles, Plant, Furniture & Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets Under Construction	Total Property, Plant and Equipment
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation							
At 1 April 2020	93,446	4,838	4,355	6,706	237	1,056	110,638
Additions	637	181	0	250	0	1,458	2,526
Donations	0	0	0	0	0	0	0
Revaluation increases/(decreases) recognised in the Revaluation Reserve	5,958	0	0	0	(22)	0	5,936
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(1,335)	0	0	0	0	0	(1,335)
Derecognition - Disposals	(250)	(134)	0	0	(12)	0	(396)
Strata reclassify/additions/disposals	0	(134)	0	0	0	0	(134)
Assets reclassified (to)/from Held for Sale	0	0	0	0	0	0	0
Other movements/reclassifications in Cost or Valuation	(441)	0	0	614	(51)	(122)	0
At 31 March 2021	98,015	4,751	4,355	7,570	152	2,392	117,235

	Other Land and Buildings	Vehicles, Plant, Furniture & Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets Under Construction	Total Property, Plant and Equipment
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Accumulated Depreciation and Impairment							
At 1 April 2020	5,470	2,733	424	302	45	0	8,974
Depreciation charge	2,895	347	87	85	17	0	3,431
Depreciation written out to the Revaluation Reserve	(3,466)	0	0	(12)	(20)	0	(3,498)
Depreciation written out to the Surplus/Deficit on the Provision of Services	(985)	0	0	0	0	0	(985)
Impairment losses/ (reversals) recognised in the Revaluation Reserve	0	0	0	0	0	0	0
Impairment losses/(reversals) recognised in the Surplus/Deficit on the Provision of Services	(72)	0	0	0	0	0	(72)
Derecognition – Disposals	(9)	(128)	0	0	0	0	(137)
Strata – reclassify/charge/disposals	0	(61)	0	0	0	0	(61)
Other movements in Depreciation and Impairment	0	0	0	0	0	0	0
At 31 March 2021	3,833	2,891	511	375	42	0	7,652

The freehold and leasehold properties which comprise the Authority's property portfolio are valued by a qualified internal valuer, Chris Bouchard (FRICS) in accordance with the Valuation Standards Practice and Guidance Notes of The Royal Institution of Chartered Surveyors. Inspections are carried out annually to achieve full revaluation every 5 years. Approximately 20% of assets are revalued each year as at 1 April. Where material changes in an assets value are identified all assets within that class (e.g. car parks, public conveniences) will be revalued within that year. Plant and machinery are included in the buildings valuation where appropriate unless the value is material and valued as a component within the Authority's componentisation policy. Other vehicles, plant and equipment are identified separately.

Other land and buildings are valued at current value. Surplus assets, investment properties, and assets held for sale are valued at fair value. Infrastructure, community assets, assets in the course of construction and vehicle, plant and equipment are valued at historical cost. Donated assets are measured initially at fair value. Assets acquired other than by purchase are deemed to be at fair value. Depreciation has been charged on a straight line basis to assets excluding land which have a useful life of 60 years or less. The assets incurring depreciation have useful lives of between 5 and 60 years.

Capital commitments – There are contracts for future capital expenditure to carry out coastal monitoring work of £3.0 million and decarbonisation work on leisure centres of £0.6 million at 31 March 2022.

The following statement shows the progress of the Authority's rolling programme for the revaluation of property, plant and equipment, including assets valued following completion of significant projects. Valuations of land and buildings are carried out by Chris Bouchard (FRICS) (an internal valuer) in accordance with the methodologies and basis for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors (RICS). The basis for valuation is set out in the Statement of Accounting Policies. The Authority is not aware of any material changes in asset values that have not been updated.

	Other Land & Buildings	Vehicles, Plant, Furniture & Equipment	Surplus Assets	Infrastructure Assets	Community Assets
	£'000	£'000	£'000	£'000	£'000
Carried at historical cost	0	5,246	0	4,355	3,985
Valued at current value in year:					
2021/22	76,540	0	502	0	0
2020/21	82,082	0	0	0	0
2019/20	47,922	0	87	0	0
2018/19	59,154	0	109	0	0
2017/18	22,782	0	0	0	0
Total cost or valuation *	288,480	5,246	698	4,355	3,985

* The five year totals for those assets at current value include some assets that have been valued twice over this period or subsequently sold or moved to an alternative asset category.

15. Investment Properties

The following items of income and expense have been accounted for in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement:

2020/21		2021/22
£'000		£'000
21	Rental income from investment property	2
(0)	Direct operating expenses arising from investment property	(0)
21	Net gain/(loss)	2

There are no restrictions on the Authority's ability to realise the value inherent in its investment property or on the Authority's right to the remittance of income and the proceeds of disposal. The Authority has no contractual obligations to purchase, construct or develop investment property or repairs, maintenance or enhancement.

The following table summarises the movement in the fair value of investment properties over the year:

2020/21		2021/22
£'000		£'000
128	Balance at start of the year	102
	Additions:	
0	Purchases	0
0	Construction	0
0	Subsequent expenditure	0
(0)	Disposals	(0)
(26)	Net gains/(losses) from fair value adjustments	(8)
	Transfers:	
(0)	To/from Inventories	(0)
0	To/from Property, Plant and Equipment	0
0	Other changes	0
102	Balance at end of the year	94

16. Intangible Assets

The Authority accounts for its software as intangible assets, to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware item of Property, Plant and Equipment. The intangible assets are purchased licenses. There is no internally generated software.

The carrying amount of intangible assets is amortised on a straight-line basis over 5 years. All amortisation charged to revenue is allocated to the various headings within 'cost of services'. Software specifically for an individual service is charged directly to that service whereas corporate software is spread across the various services. The purchased intangible assets are grouped into the heading 'other assets' below. There are no contractual commitments for future capital expenditure at 31 March 2022.

The movement on Intangible Asset balances during the year is as follows:

	2020/21		2021/22	
	Other Assets £'000	Total £'000	Other Assets £'000	Total £'000
Balance at start of year:				
• Gross carrying amounts	1,246	1,246	1,366	1,366
• Accumulated amortisation	(855)	(855)	(962)	(962)
Net carrying amount at start of year	391	391	404	404
Additions				
• Purchases	0	0	0	0
Retirements and disposals (net)	(0)	(0)	(0)	(0)
Strata reclassify/movements/additions	120	120	66	66
Amortisation for the period	(107)	(107)	(129)	(129)
Net carrying amount at end of year	404	404	341	341
Comprising				
• Gross carrying amounts	1,366	1,366	1,432	1,432
• Accumulated amortisation	(962)	(962)	(1,091)	(1,091)
	404	404	341	341

17. Long term Investments

The Council has purchased 3,333 Founder shares in South West Mutual Ltd at £15 each. The shares have subsequently been converted into 15 new £1 shares changing the shareholding to 49,995.

These represent a long term investment in a regional bank which has yet to obtain a banking licence and commence trade. Due to these factors it is considered at this stage that there is currently no value to the investment and it has remained impaired to zero at the balance sheet date as detailed below:

	£000's
Opening balance at 1 April 2021	0
Purchase	0
Impairment	(0)
Closing balance 31 March 2022	0

18. Long term debtors

This balance covers the long term element of the Collection Fund balance from sharing local authorities and central government re. non domestic rates, mortgages / loans, sundry trade debtors and finance leases. In addition the transfer of SANGS at Dawlish and South West Exeter to the Land Trust has created a long term debtor for the improved public space and service potential. This is being written off over a 20 year period:

	31 March 2021 £'000	31 March 2022 £'000
Collection Fund balance – non domestic rates	1,399	0
SANGS	0	2,807
Sundry trade debtors/Community Infrastructure Levy	3,300	1,791
Mortgages / loans	365	310
Finance leases	18	18
	<u>5,082</u>	<u>4,926</u>

19. Short term investments

These relate to sums invested with banks / building societies or other local authorities repayable within one year but for an investment period greater than 95 days.

20. Short Term Debtors

31 March 2021 £'000		31 March 2022 £'000
16,624	Trade debtors*	12,585
109	Other debtors	79
9,610	Prepayments and accrued income	10,303
556	Council tax / Non domestic rates	583
651	Strata debtors	643
27,550	Total	24,193

*Includes Collection Fund debtors of £12.666 million at 31 March 2021 and £6.903 million at 31 March 2022.

21. Debtors for Local Taxation

The past due but not impaired amount for local taxation (council tax and non-domestic rates) can be analysed by age as follows:

31 March 2021 £'000		31 March 2022 £'000
318	Less than one year	344
180	One to three years	165
58	Over three years	74
556	Total	583

The analysis above only shows those balances where assessment has indicated that, by exception, no impairment is required and is analysed based upon the reporting information available.

22. Cash and Cash Equivalents

The balance of Cash and Cash Equivalents is made up of the following elements:

31 March 2021		31 March 2022
£'000		£'000
75	Cash held by the Authority	27
6,821	Bank current/instant call accounts	4,036
14,000	Short term deposits with banks/building societies/money market funds	27,750
236	Strata	290
21,132	Total Cash and Cash Equivalents	32,103

This item can be reconciled to the balance sheet as being the net total of cash and cash equivalents within 'current assets' and the bank overdraft within 'current liabilities'.

23. Assets Held for Sale

	Current		Non-Current	
	2020/21	2021/22	2020/21	2021/22
	£'000	£'000	£'000	£'000
Balance outstanding at start of year	0	0	0	0
Assets newly classified as held for sale:				
• Property, Plant and Equipment	0	0	0	0
• Intangible Assets	0	0	0	0
Revaluation losses	0	0	0	0
Revaluation gains	0	0	0	0
Impairment losses	0	0	0	0
Assets declassified as held for sale:				
• Property, Plant and Equipment	0	0	0	0
• Intangible Assets	0	0	0	0
• Other assets / liabilities in disposal groups	0	0	0	0
Assets sold	0	0	0	0
Transfers from non current to current	0	0	0	0
Balance outstanding at year-end	0	0	0	0

24. Short Term Creditors

31 March 2021 £'000	31 March 2022 £'000
(5,096) Trade creditors	(4,905)
(292) Other creditors	(292)
(11,445) Accrued expenditure and income in advance*	(9,348)
(293) Council tax / Non domestic rates	(389)
(198) Strata creditors	(330)
(17,324) Total	(15,264)

*Includes £9.7 million of business rates grants repayable to Government at 31 March 2021 and £6.3 million at 31 March 2022.

25. Provisions

A provision is a liability of uncertain timing or amount. The Council has the following provision:

	Short Term	
	Non Domestic Rates Appeals £'000	Total £'000
Balance at 1 April 2021	(588)	(588)
Additional provisions made in 2021/22	0	0
Amounts used in 2021/22	0	0
Unused amounts reversed in 2021/22	78	78
Balance at 31 March 2022	(510)	(510)

Short term – Non domestic rates appeals:

The Local Government Finance Act 2012 introduced a business rates retention scheme that enabled local authorities to retain a proportion of the business rates generated in their area with effect from 1 April 2013. Provision has therefore been made for likely refunds as a result of appeals against the rateable value of business properties.

26. Usable Reserves

Movements in the Authority's usable reserves are detailed in the Movement in Reserves Statement on page 32. See also note 9 for further breakdown and note 10 for movement on earmarked reserves. The Council has the following usable reserves:

Un-earmarked Reserves - Resources available to meet future running costs and provides a financial cushion should anything unexpected happen which would require unplanned expenditure.

Earmarked Reserves - The Council has a carry forward reserve for monies reserved for specific projects and unspent at the end of the financial year and a sundry revenue grants reserve which covers grants received which have no repayment conditions attached to them and have not been spent in total or in part by the end of the financial year.

The total of un-earmarked and earmarked reserves represent the Total General Fund balance.

Capital Receipts Reserve - Proceeds from the sale of non current assets are held in this reserve to be made available for future capital investment.

Capital Grants Unapplied - These represent grants and contributions received in advance of matching to new capital investment.

27. Unusable Reserves

The Council has the following unusable reserves and balances:

31 March 2021		31 March 2022
£'000		£'000
44,270	Revaluation Reserve	47,184
46,470	Capital Adjustment Account	42,956
0	Financial Instruments Adjustment Account	0
(110,393)	Pensions Reserve	(100,153)
103	Deferred Capital Receipts Reserve	103
(8,072)	Collection Fund Adjustment Account	(3,727)
(286)	Accumulated Absences Account	(291)
(27,908)	Total Unusable Reserves	(13,928)

A detailed breakdown of the movement in these reserves and their purpose is as follows:

Revaluation Reserve

The Revaluation Reserve contains the gains made by the Authority arising from increases in the value of its Property, Plant and Equipment. The balance is reduced when assets with accumulated gains are:

- revalued downwards or impaired and the gains are lost
- used in the provision of services and the gains are consumed through depreciation, or
- disposed of and the gains are realised.

The Reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

2020/21		2021/22
£'000		£'000
35,944	Balance at 1 April	44,270
13,894	Upward revaluation of assets	11,145
(4,460)	Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	(7,422)
9,434	Surplus or deficit on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services	3,723
(1,003)	Difference between fair value depreciation and historical cost depreciation	(770)
(105)	Accumulated gains on assets sold or scrapped	(39)
(1,108)	Amount written off to the Capital Adjustment Account	(809)
44,270	Balance at 31 March	47,184

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or additions to those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or subsequent costs as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert current and fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Authority as finance for the costs of acquisition, construction and subsequent costs.

The Account contains accumulated gains and losses on Investment Properties and gains

recognised on donated assets that have yet to be consumed by the Authority.

The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

Notes 7/9 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

2020/21		2021/22
£'000		£'000
46,500	Balance at 1 April	46,470
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:	
(3,423)	• Charges for depreciation and impairment of non current assets	(2,378)
1	• Operating lease income adjustment	1
(2,068)	• Revaluation losses on Property, Plant and Equipment	(5,557)
1,717	• Revaluation reversals on Property, Plant & Equipment	386
(107)	• Amortisation of intangible assets	(129)
(3,456)	• Revenue expenditure funded from capital under statute	(6,936)
(320)	• Amounts of non current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(4,685)
0	• Amortisation of long term debtors	(148)
(7,656)		(19,446)
1,108	Adjusting amounts written out of the Revaluation Reserve	809
(6,548)	Net written out amount of the cost of non current assets consumed in the year	(18,637)
	Capital financing applied in the year:	
586	• Use of the Capital Receipts Reserve to finance new capital expenditure/repay loan	1,728
0	• Use of the Capital Receipts Reserve to meet previous year disposal costs	0

4,596	• Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	9,096	
1,063	• Application of grants to capital financing from the Capital Grants Unapplied Account	3,414	
0	• Transfer to the Capital Receipts Reserve upon receipt of cash	0	
169	• Statutory provision for the financing of capital investment charged against the General Fund balance	231	
0	• Disposal costs relating to future capital disposal	0	
0	• Financing of loan	0	
130	• Capital expenditure charged against the General Fund balance	684	
<hr/>		<hr/>	
6,544			15,153
(26)	Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement		(8)
0	Bank investment written off		0
0	Loan repayment adjustment		(22)
0	Donated asset		0
<hr/>		<hr/>	
46,470	Balance at 31 March		42,956

Financial Instruments Adjustment Account

The Financial Instruments Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for income and expenses relating to certain financial instruments and for bearing losses or benefiting from gains per statutory provisions. The Authority uses the Account to adjust financial assets and financial liabilities to 'fair value' – principally for 'soft loans' issued and planning agreements received (see Note 1 re accounting policies). Adjustments are debited / credited to the Comprehensive Income and Expenditure Statement when they are incurred, but reversed out of the General Fund Balance to the Account in the Movement in Reserves Statement.

2020/21		2021/22
£'000		£'000
(38) Balance at 1 April		0
38	Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement	0

are different from finance costs chargeable in the year in accordance with statutory requirements

0 Balance at 31 March

0

Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions. The Authority accounts for post employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Authority makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Authority has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

2020/21		2021/22
£'000		£'000
(86,418)	Balance at 1 April	(110,393)
(21,253)	Re-measurements of the net defined benefit liability/(asset)	15,523
(6,536)	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(9,155)
3,814	Employer's pensions contributions and direct payments to pensioners payable in the year	3,872
(110,393)	Balance at 31 March	(100,153)

Deferred Capital Receipts Reserve

The Deferred Capital Receipts Reserve holds the gains recognised on the disposal of non-current assets but for which cash settlement has yet to take place. Under statutory arrangements, the Authority does not treat these gains as usable for financing new capital expenditure until they are backed by cash receipts. When the deferred cash settlement eventually takes place, amounts are transferred to the Capital Receipts Reserve.

2020/21		2021/22
£'000		£'000
103	Balance at 1 April	103
0	Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement/funding of loan from capital receipts	0

(0) Transfer to the Capital Receipts Reserve upon receipt of cash	(0)
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103 Balance at 31 March	103
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Collection Fund Adjustment Account

The Collection Fund Adjustment Account manages the differences arising from the recognition of council tax and non domestic rates income in the Comprehensive Income and Expenditure Statement as it falls due from council tax payers and business rates payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

2020/21	2021/22
£'000	£'000
(323) Balance at 1 April	(8,072)
(7,749) Amount by which council tax and non domestic rates income credited to the Comprehensive Income and Expenditure Statement is different from council tax and non domestic rates income calculated for the year in accordance with statutory requirements	4,345
(8,072) Balance at 31 March	(3,727)

Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

2020/21	2021/22
£'000	£'000
(293) Balance at 1 April	(286)
293 Settlement or cancellation of accrual made at the end of the preceding year	286
(286) Amounts accrued at the end of the current year	(291)
7 Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(5)
(286) Balance at 31 March	(291)

28. Cash Flow Statement – Operating Activities

- (a) The surplus or deficit on the provision of services has been adjusted for the following non cash movements:

2020/21		2021/22
£'000		£'000
(3,495)	Depreciation	(2,379)
(279)	Impairment, downward valuations & revaluation reversals	(5,171)
(107)	Amortisation	(277)
(468)	(Increase)/ decrease in impairment for bad debts	(16)
(17,604)	(Increase)/decrease in creditors	(1,654)
7,638	Increase/(decrease) in debtors	(4,034)
5	Increase/(decrease) in inventories	25
(2,722)	Movement in pension liability	(5,283)
(320)	Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	(4,685)
(7,741)	Other non-cash items charged to the net surplus or deficit on the provision of services	4,342
(25,093)		(19,132)

- (b) The surplus or deficit on the provision of services has been adjusted for the following items that are investing and financing activities:

2020/21		2021/22
£'000		£'000
0	Proceeds from short-term (not considered to be cash equivalents) and long-term investments	0
362	Proceeds from the sale of property, plant & equipment, investment property and intangible assets	10
4,596	Capital grants and contributions applied	9,096
(3,456)	Revenue expenditure funded from capital under statute	(6,936)
7,952	Any other items for which the cash effects are investing or financing cash flows	5,821
9,454		7,991

- (c) The cash flows for operating activities include the following items:

2020/21		2021/22
£'000		£'000
(24)	Interest received	(20)
0	Interest paid	0

29. Cash Flow Statement – Investing Activities

2020/21		2021/22
£'000		£'000
2,818	Purchase of property, plant and equipment, investment property and intangible assets	5,659
8,000	Purchase of short term and long term investments	20,000
264	Investment in Strata Service Solutions Ltd	146
3,699	Other payments for investing activities	9,838
(362)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(10)
0	Proceeds from short term and long term investments	(14,000)
(15,676)	Other receipts from investing activities*	(16,405)
(1,257)	Net cash flows from investing activities	5,228
	*Includes s.106 monies, capital grants and right to buy receipts.	

30. Cash Flow Statement – Financing Activities

2020/21		2021/22
£'000		£'000
0	Cash receipts of short- and long-term borrowing	0
0	Other receipts from financing activities**	(8,951)
0	Cash payments for the reduction of the outstanding liabilities relating to finance leases	0
0	Repayments of short and long term borrowing	0
12,920	Other payments for financing activities**	0
12,920	Net cash flows from financing activities	(8,951)

**Net non-domestic rates/council tax after payments to major preceptors/sharing authorities/Central Government and after settlement of the estimated deficit/surplus on the Collection Fund.

Reconciliation of Liabilities arising from Financing Activities

	Balance at 1 April 2021	Financing cash flows		Non-cash changes		Balance at 31 March 2022
		Proceeds	Repayment	Acquisition	Other non- cash changes	
	£'000	£'000	£'000	£'000	£'000	£'000
Long-term borrowings	0	0	0	0	0	0
Short-term borrowings	0	0	0	0	0	0
Lease liabilities	0	0	0	0	0	0
Total liabilities from financing activities	0	0	0	0	0	0

31. Financial Instruments

Financial instruments are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of the financial instrument. They are initially measured at fair value.

Financial Liabilities

As the Authority's financial liabilities are basic lending arrangements and mainly of a short term nature they are subsequently measured at amortised cost. Within the category table below, 'creditors – financial liabilities carried at contract amounts' mainly includes trade creditor invoices due and accrued trade expenditure for revenue and capital work.

Financial Assets

As the Authority's financial assets are basic lending arrangements and are not held to make speculative gains through increases in their value, they are subsequently measured at amortised cost: the outstanding principal repayable (plus accrued interest). Within the category table below, long term debtors – assets carried at amortised cost include car loans and miscellaneous mortgage balances.

Financial assets carried at contract amounts include sundry trade debtors and accrued income, the short term element of car loans etc.

Categories of Financial Instruments

The following categories of financial instruments are carried in the Balance Sheet:

	Long-Term		Current	
	31 March 2021 £'000	31 March 2022 £'000	31 March 2021 £'000	31 March 2022 £'000
Investments				
Assets carried at amortised cost:	0	0	0	6,000
Total investments	0	0	0	6,000
Debtors				
Assets carried at amortised cost	383	3,136	5,619	6,439
Total included in debtors	383	3,136	5,619	6,439
Non financial assets	4,699	1,790	21,931	17,754
Total	5,082	4,926	27,550	24,193
Cash and cash equivalents	0	0	21,132	32,103
Total cash & cash equivalents	0	0	21,132	32,103
Borrowings				
Financial liabilities at amortised cost – bank overdraft	0	0	0	0
Total included in borrowings	0	0	0	0
Creditors				
Financial liabilities carried at amortised cost	0	0	(10,045)	(4,781)
Total creditors	0	0	(10,045)	(4,781)
Non financial assets	0	0	(7,279)	(10,483)
Total	0	0	(17,324)	(15,264)

**Income, Expense, Gains and Losses
2021 / 2022**

	Financial Liabilities measured at amortised cost	Financial Assets: measured at amortised cost	Total
	£'000	£'000	£'000
Interest expense	0	0	0
Losses on derecognition	0	0	0
Impairment losses	0	0	0
Total expense in Surplus or Deficit on the Provision of Services	0	0	0
Interest income	0	(32)	(32)
Interest income accrued on impaired financial assets	0	0	0
Gains on derecognition	0	0	0
Total income in Surplus or Deficit on the Provision of Services	0	(32)	(32)
Gains on revaluation	0	0	0
Losses on revaluation	0	0	0
Amounts recycled to the Surplus or Deficit on the Provision of Services after impairment	0	0	0
Surplus/deficit arising on revaluation of financial assets in Other Comprehensive Income and Expenditure	0	0	0
Net (gain) / loss for the year	0	(32)	(32)

2020 / 2021

	Financial Liabilities measured at amortised cost	Financial Assets: measured at amortised cost	Total
	£'000	£'000	£'000
Interest expense	0	0	0
Losses on derecognition	0	0	0
Impairment losses	0	0	0
Total expense in Surplus or Deficit on the Provision of Services	0	0	0
Interest income	0	(22)	(22)
Interest income accrued on impaired financial assets	0	0	0

Gains on derecognition	0	0	0
Total income in Surplus or Deficit on the Provision of Services	0	(22)	(22)
Gains on revaluation	0	0	0
Losses on revaluation	0	0	0
Amounts recycled to the Surplus or Deficit on the Provision of Services after impairment	0	0	0
Surplus/deficit arising on revaluation of financial assets in Other Comprehensive Income and Expenditure	0	0	0
Net (gain) / loss for the year	0	(22)	(22)

There is no substantial difference between the carrying amount of financial assets and liabilities and their fair value at 31 March 2022, mainly due to their short term nature. The fair value of trade and other receivables is taken to be the invoiced or billed amount.

32. Members' Allowances

The scheme in operation is based upon the Local Authorities (Members' allowances) (England) Regulations 2003. The total allowances paid in 2021/22 (including travel and subsistence) amounts to £404,391 (2020/21 £403,323). Further details on members' allowances can be obtained from the payroll section within the Finance department.

33. Officers' Remuneration / Exit Packages & Termination Benefits

The number of employees whose remuneration, excluding employer's pension contributions, was £50,000 or more in bands of £5,000 (including senior officers listed below) were:

Remuneration Band	Number of employees		Remuneration Band	Number of employees	
	2020/21	2021/22		2020/21	2021/22
£50,000 - £54,999	6	5	£95,000 - £99,999	1	1
£55,000 - £59,999	5	6	£100,000 - £104,999	0	0
£60,000 - £64,999	1	4	£105,000 - £109,999	0	0
£65,000 - £69,999	1	0	£110,000 - £114,999	0	0
£70,000 - £74,999	0	0	£115,000 - £119,999	1	0
£75,000 - £79,999	1	0	£120,000 - £124,999	0	1
£80,000 - £84,999	2	3	£125,000 - £129,999	0	0
£85,000 - £89,999	0	0	£130,000 - £134,999	0	0
£90,000 - £94,999	0	0	£135,000 - £140,999	0	0

Senior Officers reporting directly to the Managing Director and statutory posts whose salary is between £50,000 and £150,000 per year for the year 2021/22 are as follows:

	Salary (inc. fees & allowances)	Compensation for loss of employment	Benefits in Kind (e.g. car allowance)	Total Remuneration Excl. Employers pension contributions	Pension Contributions	Total Remuneration Inc. Employers pension contributions
	£	£	£	£	£	£
Managing Director	120,900	0	0	120,900	19,910	140,810
Head of Corporate Services & Section 151 Officer	97,228	0	0	97,228	15,918	113,146
Head of Operations	82,596	0	0	82,596	13,494	96,090
Head of Service Delivery and Improvement	82,596	0	0	82,596	13,494	96,090
Head of Place and Commercial Services	82,596	0	0	82,596	13,494	96,090
Solicitor to the Council & Monitoring Officer (1)	38,251	6,647	0	44,898	5,504	50,402
Head of Legal Services & Monitoring Officer (2)	20,489	0	0	20,489	3,401	23,890
Head of HR and OD	62,304	0	0	62,304	10,179	72,483

(1) Solicitor to the Council & Monitoring Officer left the post on 26 September 2021.

(2) Head of Legal Services & Monitoring Officer started in post on 1 December 2021.

Senior Officers reporting directly to the Managing Director and statutory posts whose salary is between £50,000 and £150,000 per year for the year 2020/21:

	Salary (inc. fees & allowances)	Compensation for loss of employment	Benefits in Kind (e.g. car allowance)	Total Remuneration Excl. Employers pension contributions	Pension Contributions	Total Remuneration Inc. Employers pension contributions
	£	£	£	£	£	£
Managing Director	119,288	0	0	119,288	19,758	139,046

Head of Corporate Services & Section 151 Officer	95,994	0	0	95,994	15,935	111,929
Head of Operations	81,173	0	0	81,173	13,475	94,648
Head of Service Delivery and Improvement	81,173	0	0	81,173	13,475	94,648
Head of Place and Commercial Services	78,090	0	0	78,090	12,963	91,053
Solicitor to the Council & Monitoring Officer	66,894	0	0	66,894	11,104	77,998
Head of HR and OD	61,230	0	0	61,230	10,164	71,394
Business Manager (1)	10,687	0	0	10,687	1,774	12,461

(1) Business Manager ceased role on 30 June 2020

(a) Exit package cost band (including special payments)	(b) Number of compulsory redundancies		(c) Number of other departures agreed		(d) Total number of exit packages by cost band [(b) + (c)]		(e) Total cost of exit packages in each band	
	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22
							£'000	£'000
£0 - £20,000	6	1	4	4	10	5	72	28
£20,001 – £40,000	0	0	2	1	2	1	66	36
£40,001 - £60,000	0	0	0	0	0	0	0	0
£60,001 - £80,000	0	0	0	0	0	0	0	0
£80,001 - £100,000	0	0	0	0	0	0	0	0
£100,001 - £150,000	0	1	0	0	0	1	0	115
£150,001 - £200,000	0	0	0	0	0	0	0	0

£200,001 - £250,000	0	0	0	0	0	0	0	0
£250,001 - £300,000	0	0	0	0	0	0	0	0
Total cost Included in bandings	6	2	6	5	12	7	138	179
Add: Amounts provided for in Comprehensive Income & Expenditure Statement not included in bandings							0	0
Total cost included in Comprehensive Income & Expenditure Statement							138	179

Termination Benefits:

The Authority terminated the contracts of a number of employees in 2021/22, incurring liabilities of £89k (£134k in 2020/21). Six of the liabilities were payable in the form of compensation for loss of office with no enhancement of pension benefits and a further one received the enhancement of pension benefits. They were all part of the Authority's rationalisation of its service costs and were charged to the Authority's Comprehensive Income and Expenditure Statement. These figures are included in the table above re. exit packages including those who retired early and the relevant pension strain payments. The comprehensive Income and Expenditure Statement has also been charged with those costs highlighted in note 40 relating to the pension scheme.

34. External Audit Costs

The Authority has incurred the following costs in relation to the audit of the Statement of Accounts:

	2020/21	2021/22
	£'000	£'000
Fees payable to Grant Thornton with regard to external audit services carried out by the appointed auditor for the year*	59	76
Fees payable in respect of certification of grant claims provided by Grant Thornton during the year**	11	12
Total	70	88

* £21,760 relates to additional audit fees for changes to the audit scope in 2020/21. These are in addition to the scale fees of £37,240 set by PSAA. Any additional fees in excess of the scale fees of £40,240 in relation to the 2021/22 audit would be subject to approval by the PSAA.

**This fee is a non-audit fee.

35. Grant Income

The Authority credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2021/22:

	2020/21	2021/22
	£'000	£'000
Credited to Taxation and Non Specific Grant Income		
Revenue Support Grant	0	0
Council tax support trans/new burdens	0	0
Small business rate relief/threshold changes grant	(2,068)	(2,100)
Community Infrastructure Levy	(7,042)	(4,076)
Transparency code grant	(8)	(8)
Environment agency	0	0
Returned New Homes Bonus top slice	0	0
Homes & Communities Agency	0	0
Sales/fees and charges compensation grant	(3,976)	(773)
Homes England	(332)	(58)
General Covid grants	(1,809)	(637)
Dept for Levelling Up, Housing and Communities – Future High St Fund	0	(1,223)
Miscellaneous SANGS	(792)	(3,161)

New Homes Bonus	(2,244)	(1,485)
Retail relief grant	(6,730)	(3,435)
BEIS decarbonisation grants	0	(1,770)
Other business rates/TIG grants	(1,662)	(756)
Other contributions	(1,313)	(1,667)
Total	(27,976)	(21,149)

	2020/21	2021/22
	£'000	£'000
Credited to Services		
REFCUS grants:		
Renovation/Disabled/energy grants	(1,111)	(1,452)
Shoreline/Coastal Monitoring	(1,129)	(1,019)
Play/recreation	(204)	(102)
Other	0	(198)
Rent Allowance subsidy	(24,247)	(21,839)
Housing Benefit administration subsidy	(330)	(297)
Rent rebate subsidy	(401)	(363)
Garden Communities	(150)	(164)
Homelessness / rough sleeper grants	(642)	(950)
COMF grant	0	(164)
Elections	0	(278)
RPA/Habitat Regulations/open space	(119)	(25)
Business grants	(5,530)	(3,007)
Council tax / hardship fund / household support grants	(940)	(669)
Other grants/contributions	(1,686)	(1,589)
Total	(36,489)	(32,116)

The Authority has received a number of grants and contributions that have yet to be recognised as income as they have conditions attached to them that will require the monies or property to be returned to the giver. The balances at the year end are as follows:

Current liabilities

Grants Receipts in Advance (Revenue Grants)	31 March 2021	31 March 2022
	£'000	£'000
Miscellaneous crime/disorder/community regeneration grants	(96)	(56)
Business rates compensation	0	0
Estuary contributions	(50)	(47)

Watercourse improvement contributions	(170)	(170)
Air quality / environmental health	(229)	(233)
Heritage trail	(10)	(26)
Community facilities/open space contributions	(1,461)	(1,312)
Homelessness	(35)	0
Business grants	(8,590)	(12,118)
Hardship grant	(103)	(208)
Miscellaneous	(141)	(336)
Total	(10,885)	(14,506)

Grants Receipts in Advance (Capital Grants)	31 March 2021 £'000	31 March 2022 £'000
Environment Agency/Natural England – Flood Prevention and Alleviation	(558)	(2,853)
DFG (Better Care Fund)	(1,021)	(918)
DEFRA – Air Quality	(50)	(50)
Public Open Spaces and recreation	(9)	(9)
Dept for Energy/DCC – Central Heating Fund	(8)	(3)
Decarbonisation	(2,875)	(927)
Green Homes	(1,147)	(1,130)
Housing/infrastructure	(370)	(253)
Self build	0	(860)
Other	(180)	(133)
Total	(6,218)	(7,136)

Long term liabilities

Grants Receipts in Advance (Revenue Grants)	31 March 2021 £'000	31 March 2022 £'000
Dawlish Town Centre – community facilities	0	0
Parks, play & recreation facilities contribution	(2,484)	(2,331)
Carswells – open space contribution	0	0
Newton Abbot / Kingsteignton/Dawlish etc – air quality	(225)	(219)
Drainage - Kingsteignton	0	0
Miscellaneous open space, community facilities & wildlife contributions	(1,161)	(764)
Sundry drainage & flood defence contributions	0	0
Dawlish - drainage	0	(199)
Health contributions	(47)	(47)
Chudleigh – open space, indoor sports & play provision	(97)	0
Teignmouth town centre – pedestrianisation & public art	0	0
Other miscellaneous grants/contributions	(45)	(12)
Affordable housing	(1,078)	(1,582)
Total	(5,137)	(5,154)

Grants Receipts in Advance (Capital Grants)	31 March 2021 £'000	31 March 2022 £'000
Open Space and Recreation	(78)	(78)
Total	(78)	(78)

36. Related Parties

The Authority is required to disclose material transactions with related parties - bodies or individuals that have the potential to control or influence the Authority or to be controlled or influenced by the Authority. Disclosure of these transactions allows readers to assess the extent to which the Authority might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Authority.

Central Government

Central government has significant influence over the general operations of the Authority – it is responsible for providing the statutory framework within which the Authority operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Authority has with other parties (e.g. council tax bills, housing benefits). Grant receipts credited to the Comprehensive Income and Expenditure Statement and those outstanding at 31 March 2022 are shown in Note 35.

Members

Members of the Authority have direct control over the Authority's financial and operating policies. The total of Members' allowances paid in 2021/22 is shown in Note 32.

Grants and payments for services rendered totalling £82,130 were paid to the Citizens Advice Bureau (CAB) in 2021/22. Councillors of Teignbridge District Council are invited to oversee the business plan of the organisation but they are not involved in controlling the decision making of the CAB or issues which involve the interests of the District Council.

During the financial year the Council paid grants to organisations totalling £21,041 (£33,951 2020/21) in which seven Members had an interest. In all instances the grants were made with proper considerations of declarations of interest. The relevant Members did not take part in any discussion relating to the grants.

Details of all items are recorded in the Register of Members Interest, open to public inspection at the Council offices during opening hours.

Other

Dextco Limited was incorporated on 1 December 2016. It was established to fund and implement low carbon energy projects across Devon to deliver a reliable, low cost energy infrastructure which will encourage inward investment, thereby driving growth in the local economy and skilled jobs for the workforce. Teignbridge District Council is one of five equal shareholders comprising; Devon County Council, Royal Devon & Exeter NHS Foundation Trust, University of Exeter and Exeter City Council.

Dextco Limited is deemed to be a joint venture, as it is a separate legal entity with shareholders that have equal and collective control with decisions made unanimously.

There were no grant payments in 2020/21 or 2021/22 and the company is currently dormant.

37. Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the table below (including the value of assets acquired under finance leases), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Authority, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Authority that has yet to be financed. The CFR is analysed in the second part of this note.

	2020/21	2021/22
	£'000	£'000
Opening Capital Financing Requirement	19,944	19,646
Capital investment :		
Property, Plant and Equipment	2,526	5,539
Strata ICT Capital Investment	264	146
Intangible Assets	0	0
Revenue Expenditure Funded from Capital under Statute	3,456	6,936
Bank investment	0	0
Long term debtors relating to capital transactions	0	2,955
Expenditure re. future capital receipts/other	0	0
Sources of finance :		
Capital receipts	(586)	(1,728)
Government grants and other contributions	(5,659)	(12,510)
Sums set aside from revenue:		
Direct revenue contributions	(130)	(684)
Financing of loan/other	0	(0)
MRP	(169)	(231)
Closing Capital Financing Requirement	<u>19,646</u>	<u>20,069</u>
Explanation of movements in year:		
Increase (decrease) in underlying need to borrowing (unsupported by government financial assistance)	(298)	423
Repayments of long-term debtors/other	(0)	(0)
Assets acquired under finance leases	0	0
Increase/(decrease) in Capital Financing Requirement	<u>(298)</u>	<u>423</u>

38. Leases

Authority as Lessee

Finance Leases

The Council had the use of one leisure centre under a finance lease in 2021/22.

The assets acquired under the lease are carried as Property, Plant and Equipment (Land & Buildings – other) in the Balance Sheet at the following net amounts:

31 March 2021 £'000		31 March 2022 £'000
7,684	Other Land and Buildings	9,055
<hr/> 7,684		<hr/> 9,055

The Authority is not committed to making any lease payments under this lease and is only responsible for the day to day running costs.
There has been no subletting of any part of the premises held under this finance lease.

Operating Leases

Vehicles, Plant & Equipment – the Authority leases refuse vehicles, sweepers, other vehicles and miscellaneous equipment under terms of an operating lease.

Land & buildings – the Authority leases properties from private sector landlords as part of its housing function on short leases together with other miscellaneous land and property which have been accounted for as operating leases.

The future minimum lease payments due under non-cancellable leases in future years are:

31 March 2021 £'000		31 March 2022 £'000
1,650	Not later than one year	1,545
900	Later than one year and not later than five years	1,705
127	Later than five years	72
<hr/> 2,677		<hr/> 3,322

The expenditure charged to the various segments within Net Cost of Services in the Comprehensive Income and Expenditure Statement during the year in relation to all operating leases was:

2020/21		2021/22
£'000		£'000
1,635	Minimum lease payments	1,705
0	Contingent rents	0
0	(Sublease payments receivable)	0
1,635		1,705

Authority as Lessor

Finance Leases

The Authority has leased out three properties in Teignmouth (museum, golf clubhouse, yacht club) on finance leases with remaining terms of between 69 and 86 years. These leases generate no / peppercorn rental streams on an annual basis and no residual value is anticipated for the buildings when the leases come to an end.

The Authority has an additional property in Newton Abbot rented out as a football headquarters. The Authority has a gross investment in this lease, made up of the minimum lease payments expected to be received over the remaining term and the residual value anticipated for the property when the lease comes to an end. The minimum lease payments comprise settlement of the long-term debtor for the interest in the property acquired by the lessee and finance income that will be earned by the Authority in future years whilst the debtor remains outstanding. The gross investment is made up of the following amounts:

31 March		31 March
2021		2022
£'000		£'000
	Finance lease debtor (net present value of minimum lease payments):	
0	• Current	0
18	• Non-current	18
64	Unearned finance income	62
0	Unguaranteed residual value of property	0
82	Gross investment in the lease	80

The gross investment in the lease and the minimum lease payments will be received over the following periods:

	Gross Investment in the Lease		Minimum Lease Payments	
	31 March 2021 £'000	31 March 2022 £'000	31 March 2021 £'000	31 March 2022 £'000
Not later than one year	1	1	0	0
Later than one year and not later than five years	5	5	0	0
Later than five years	76	74	18	18
	82	80	18	18

No provision has been made for lease payments not being made, the Authority has therefore not set aside an allowance for uncollectible amounts at 31 March 2022 (£0 at 31 March 2021).

The minimum lease payments do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews. In 2021/22 £5k contingent rents were receivable by the Authority (2020/21 £2k).

Operating Leases

The Authority leases out property and equipment under operating leases for various activities including the following purposes:

- for the provision of community services, such as sports facilities, tourism services and community centres
- for economic development purposes to provide suitable affordable accommodation for local businesses

The future minimum lease payments receivable under non-cancellable leases in future years are:

31 March 2021 £'000		31 March 2022 £'000
1,758	Not later than one year	1,643
3,073	Later than one year and not later than five years	2,426
6,397	Later than five years	6,044
<u>11,228</u>		<u>10,113</u>

The minimum lease payments receivable do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews. In 2021/22 £57k contingent rents were receivable by the Authority (2020/21 £16k).

39. Impairment Losses

Impairment losses and impairment reversals charged to the 'Surplus/Deficit on the Provision of Services' and to 'Other Comprehensive Income and Expenditure' are disclosed in Note 14 reconciling the movement over the year in Property, Plant and Equipment.

In 2020/21 and 2021/22 there were no impairment losses. There was no impairment reversal in 2021/22 credited to the Comprehensive Income & Expenditure Statement. There was an impairment reversal of £72,000 in 2020/21 which was credited to the Comprehensive Income & Expenditure Statement.

40. Defined Benefit Pension Scheme

Participation in Pension Scheme:

As part of the terms and conditions of employment of its officers, the Authority makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Authority has a commitment to make the payments that needs to be disclosed at the time that employees earn their future entitlement.

The Authority participates in the Local Government Pension Scheme administered by Devon County Council – this is a funded defined benefit final salary scheme, meaning that the Authority and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets.

The principal risks to the Authority of the scheme are the longevity assumptions, statutory changes to the scheme (i.e. large-scale withdrawal from the scheme), changes to inflation, bond yields and the performance of the equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge to the general fund the amounts required by statute as described in the accounting policies note.

In accordance with International Accounting Standard No. 19 – Employee Benefits (IAS 19) the Authority is required to disclose certain information concerning assets, liabilities, income and expenditure related to pension schemes for its employees. The information supplied is from a report by Barnett Waddingham.

Transactions Relating to Post-employment Benefits:

We recognise the cost of retirement benefits in the reported Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge we are required to make against council tax is based on the cash payable in the year, so the real cost of post employment / retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement.

Pensions Assets and Liabilities and charges to the Comprehensive Income & Expenditure Statement (CIES):

The movement in the pension scheme asset and liabilities is detailed below together with their treatment in the CIES.

	Scheme Assets £'000	Pensions Obligations £'000	Net Pensions Liability £'000	Notes on Accounting Treatment
2021/22:				
Opening balance at 1 April 2021	109,240	(217,105)	(107,865)	
Current service cost		(7,648)	(7,648)	Absorbed into the total cost of services in the CIES
Past service cost and gains/losses on settlements		(154)	(154)	Charged to Financing items in the CIES
Interest income and expenses	2,163	(4,297)	(2,134)	Charged as a net item to Financing and Investment Income and Expenditure in the CIES
Administration expenses	(66)		(66)	Charged to Other Operating Expenditure
Remeasurements:	6,256		6,256	Credited as Remeasurements of the Net Defined Benefit Liability to Other Comprehensive Income and Expenditure in the CIES
• Return on plan assets				
• Actuarial gains and losses arising from changes in demographic assumptions		0	0	Credited as Remeasurements of the Net Defined Benefit Liability to Other Comprehensive Income and Expenditure in the CIES
• Actuarial gains and losses arising from changes in financial assumptions		9,775	9,775	Debited as Remeasurements of the Net Defined Benefit Liability to Other Comprehensive Income and Expenditure in the CIES
• Other actuarial gains and losses	0	(508)	(508)	Credited as Remeasurements of the Net Defined Liability to Other Comprehensive Income and Expenditure in the CIES
Contributions:	2,630		2,630	Transactions in the Cash Flow Statement. Debited to the General Fund Balance in the Movement in Reserves Statement (MIRS) as part of the adjustments between Accounting and Funding basis.
• Council employer's contributions				
• Employee contributions	847		847	Absorbed into the total cost of services in the CIES – netted off Current Service Cost
Retirement grants and pensions	(5,887)	5,887	0	Transactions in the Cash Flow Statement. Debited to the General Fund Balance in the MIRS as part of the Adjustments between Accounting and Funding basis
Closing Balance at 31 March 2022	115,183	(214,050)	(98,867)	

2020/21:	Scheme Assets £'000	Pensions Obligations £'000	Net Pensions Liability £'000	Notes on Accounting Treatment
Opening balance at 1 April 2020	85,448	(171,866)	(86,418)	
Current service cost		(5,388)	(5,388)	Absorbed into the total cost of services in the CIES
Past service cost and gains/losses on settlements		(15)	(15)	Charged to Financing items in the CIES
Interest income and expenses	2,066	(3,984)	(1,918)	Charged as a net item to Financing and Investment Income and Expenditure in the CIES
Administration expenses	(66)		(66)	Charged to Other Operating Expenditure
Remeasurements:	20,174		20,174	Credited as Remeasurements of the Net Defined Benefit Liability to Other Comprehensive Income and Expenditure in the CIES
• Return on plan assets				
• Actuarial gains and losses arising from changes in demographic assumptions		1,933	1,933	Debited as Remeasurements of the Net Defined Benefit Liability to Other Comprehensive Income and Expenditure in the CIES
• Actuarial gains and losses arising from changes in financial assumptions		(45,558)	(45,558)	Credited as Remeasurements of the Net Defined Benefit Liability to Other Comprehensive Income and Expenditure in the CIES
• Other actuarial gains and losses	0	2,198	2,198	Credited as Remeasurements of the Net Defined Liability to Other Comprehensive Income and Expenditure in the CIES
Contributions:	6,342		6,342	Transactions in the Cash Flow Statement. Debited to the General Fund Balance in the Movement in Reserves Statement (MIRS) as part of the adjustments between Accounting and Funding basis.
• Council employer's contributions				
• Employee contributions	851		851	Absorbed into the total cost of services in the CIES – netted off Current Service Cost
Retirement grants and pensions	(5,575)	5,575	0	Transactions in the Cash Flow Statement. Debited to the General Fund Balance in the MIRS as part of the Adjustments between Accounting and Funding basis
Closing Balance at 31 March 2021	109,240	(217,105)	(107,865)	

Expected Return on Assets

For accounting years beginning on or after 1 January 2013, the expected return and the interest cost is replaced with a single net interest cost, which effectively set the expected return equal to the IAS19 discount rate.

The liabilities show the underlying commitments that the authority has in the long run to pay post employment (retirement) benefits. The total liability of £98.867 million has a substantial impact on the net worth of the authority as recorded in the Balance Sheet, resulting in a reduced net assets position of £29.920 million at 31 March 2022. However, statutory arrangements for funding the deficit mean that the financial position of the Authority remains healthy. The deficit will be made good by increased contributions over the remaining working life of employees (i.e. before payments fall due), as assessed by the scheme actuary.

Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method - an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc. This has been assessed by Barnett Waddingham an independent firm of actuaries, estimates for the County Council Fund being based on the latest full valuation of the scheme as at 1 April 2019.

The expected return and the interest cost has been replaced with a single net interest cost which effectively sets the expected return equal to the discount rate. The principal assumptions used by the actuary have been:

Mortality assumptions:	31 March 2021	31 March 2022
Longevity at 65 for current pensioners:		
Men	22.6	22.7
Women	23.9	24.0
Longevity at 65 for future pensioners: (assumed retiring in 20 years)		
Men	24.0	24.0
Women	25.4	25.4
Take-up of option to convert annual pension into retirement lump sum	50%	50%

It is also assumed members will retire at one retirement age for all tranches of benefit, which will be the pension weighted average tranche retirement age. It is assumed that members opted in to the 50% of contributions for 50% of the benefits at the previous valuation date will continue.

Financial Assumptions

	31 March 2021	31 March 2022
	% p.a.	% p.a.
Salary increases	3.80%	4.20%
Pension increases	2.80%	3.20%
Discount rate	2.00%	2.60%

Demographic / Statistical assumptions

These assumptions by the actuary are set with reference to market conditions at 31 March 2022. The estimate of the duration of the Authority's liabilities is 20 years. An estimate of the Employer's future cashflows is made using notional cashflows based on the estimated duration above. These estimated cashflows are then used to derive a Single Equivalent Discount Rate (SEDR). The discount rate derived is such that the net present value of the notional cashflows, discounted at this single rate, equates to the net present value of the cashflows, discounted using the annualised Merrill Lynch AA rated corporate bond yield curve (where the spot curve is assumed to be flat beyond the 30 year point). This is consistent with the approach used at the previous accounting date.

Similarly to the approach used to derive the discount rate, the Retail Prices Index (RPI) increase assumption is set adopting a Single Equivalent Inflation rate (SEIR) approach. The SEIR adopted is such that the single rate of inflation results in the same liability value when discounted using the annualised Merrill Lynch AA rated corporate bond yield curve, as applying the Bank of England implied inflation curve. As above, the Merrill Lynch AA rated corporate bond yield spot curve is assumed to be flat beyond the 30 year point and the Bank of England implied inflation spot curve is assumed to be flat beyond the 40 year point. This is consistent with the approach used at the previous accounting date.

As future pension increases are expected to be based on the Consumer Prices Index (CPI) rather than RPI there is a further assumption about CPI which is that it will be 1.0% p.a. below the market implied increases in RPI i.e. 3.2% p.a. up to 2030 and will be in line with RPI inflation thereafter.

Salaries are assumed to increase at 1.0% p.a. above CPI. This is consistent with the approach at the previous accounting date.

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The assumptions in longevity, for example, assumed that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit method. Demographic assumptions are consistent with those used for the most recent Fund valuation carried out as at 31 March 2019.

A judgement in the Court of Appeal about cases involving judges' and firefighters' pensions (the McCloud judgement) has the potential to impact on the Council. The cases concerned possible age discrimination in the arrangements for protecting certain scheme members from the impact of introducing new pension arrangements. As the Local Government Pension Scheme was restructured in 2014, with protections for those members who were active in the Scheme in 2012 and over the age of 55, the judgement is likely to extend to the Scheme.

The potential impact is uncertain but on the presumption that the remedy is for the Council to incur costs in extending protection to all members who were active at 31 March 2012 until their retirement, the Councils actuaries calculated a potential increase in pension liabilities which was incorporated into the accounting results at 31 March 2021. These results included an allowance which has been rolled forward and re-measured to obtain the accounting results as at 31 March 2022.

Impact on the Defined Benefit Obligation in the Scheme

	Increase in Assumption £'000	Decrease in Assumption £'000
Longevity (increase or decrease in 1 year) (increase is a shorter lifespan)	(9,836)	9,386
Rate of increase in salaries (increase or decrease by 0.1%)	(425)	423
Rate of increase in pensions (increase or decrease by 0.1%) and deferred revaluation	(3,778)	3,705
Rate for discounting scheme liabilities (increase or decrease by 0.1%)	4,148	(4,233)

The figures in brackets assume an increase in the obligation.

Impact on the Authority's Cash Flows

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. The County Council has agreed a strategy with the scheme's actuary to achieve a funding level of 100% over the period to 2040. Funding levels are monitored on an annual basis. The next triennial valuation will be set as at 31 March 2022.

The authority is anticipated to pay £2.186 million expected contributions to the scheme in 2022/23.

The scheme assets consist of the following categories, by proportion of the total assets held:

	31 March 2021		31 March 2022	
	£'000	%	£'000	%
Equities**	68,513	63	68,194	59
Gilts	3,715	3	15,319	13
Other Bonds	4,899	5	2,356	2
Property	8,775	8	10,852	10
Cash	1,126	1	1,361	1
Target Return Portfolio	10,284	9	10,647	9
Infrastructure	4,426	4	6,503	6
Other	7,502	7	(48)	0
Total	109,240	100	115,184	100

**At 31 March 2022 equities include £57.928 million of overseas equities.

Of the total fund asset at 31 March 2022, the following table identifies the split of those assets with a quoted market price and those that do not:

		31 March 2022	
		% Quoted	% Unquoted
Fixed interest government securities	UK	0	0
	Overseas	13	0
Corporate bonds	UK	0	0
	Overseas	0	0
Equities	UK	8	0
	Overseas	51	0
Property	All	0	10
Others	Absolute return portfolio	9	0
	Private Debt	0	2
	Infrastructure	0	6
	Multi sector credit fund	0	0
	Derivatives	0	0
	Cash/Temporary investments	0	1
Net current assets	Debtors	0	0
	Creditors	0	0
Total		81	19

41. Contingent Liabilities

The transfer of the Authority's housing stock on 4 February 2004 resulted in a gross capital receipt of £13.1 million. Warranties for 25 years were given to Teign Housing on staffing, environmental and other issues (for example in relation to the existence of contaminated land, subsidence etc.). The purpose of these warranties is to safeguard the housing company if any of the main assumptions on which the transfer price was calculated turn out to be different in reality. The environmental liabilities are covered by an insurance policy but any other liabilities that do arise will be funded from the Authority's general reserves. Owing to the uncertainties surrounding any potential claim, it is not practicable to make an estimate of the total value of liabilities (if any).

42. Nature and Extent of Risks Arising from Financial Instruments

The Authority's activities expose it to a variety of financial risks:

- credit risk – the possibility that other parties might fail to pay amounts due to the authority
- liquidity risk – the possibility that the authority might not have funds available to meet its commitments to make payments
- market risk – the possibility that financial loss might arise for the authority as a result of changes in such measures as interest rates and stock market movements.

The Authority's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services. Risk management is carried out by a central treasury team, under policies approved by the Authority in the annual treasury management strategy statement. There are treasury management practices that have been adopted in accordance with the policy statement to ensure risk is managed and covers areas, such as interest rate risk, credit risk, and the investment of surplus cash.

a) Credit risk

The following summary identifies the arrangements in place for managing credit risk in relation to financial assets and for estimating the impairment loss allowances that would reflect the Council's exposure to this risk:

<u>Asset type</u>	<u>Credit risk management practices</u>	<u>Estimation of impairment loss allowance</u>
Government bonds, deposits, loans to other local authorities	Investments guaranteed by statute – no credit risk	No allowance required
Deposits with banks & building societies (& financial institutions)	Deposits are restricted by the Council's treasury management strategy to institutions with minimum acceptable credit ratings. All deposits held at 31 March 2022 therefore have low credit risk. Deposits are not made with banks and financial institutions unless they are rated independently. We invest in the top banks and building societies. We require the institution's lowest credit rating to be, at a minimum in the middle adequate range according to the Audit Commission report 'Risk and Return'. The Authority has a policy of not lending more than £3 million of its surplus balances to one institution with the exception of the Government (via Treasury Bills, other local authorities and the Debt Management office which is unlimited).	12 month expected credit losses have been assessed based upon risk factors which consider the credit rating and financial standing of the institution. The highest credit ratings for the deposits that the Authority has made mean that any allowance for expected credit losses would be insignificant.
Other loans to businesses and voluntary organisations	Loans are subject to internal credit rating by reference to audited accounts etc. A significant increase in credit risk since initial recognition arises when a loan's categorisation changes adversely. Loans are credit impaired where financial difficulties are identified or where the borrower breaches contracted terms of the loan. Balances are not written off	Expected credit losses are calculated using historical data for defaults and risks specific to the borrower identified in the internal assessment process. No allowance required

<u>Asset type</u>	<u>Credit risk management practices</u>	<u>Estimation of impairment loss allowance</u>
	until there is no realistic prospect of recovery.	
Other debtors	Debtors are not subject to internal credit ratings and have been grouped for the purposes of calculating expected credit losses based upon time overdue. An element of balances are written off when they are more than 12 months past due plus specific provision for those greater than 12 months. Balances are written off but enforcement activity continues until there is no realistic prospect of recovery.	<p>Expected credit losses are calculated using provision matrices based upon historical data and grouping of debtor ages and some specific debtors based upon financial data e.g. accounts etc.</p> <p>Between 1 April 2021 and 31 March 2022 the loss allowance increased from £1.129 million to £1.199 million as a result of a change in the volume of debtors and to provide for potential outcomes arising from the Covid 19 pandemic and economic conditions.</p> <p>‘Other debtors’ include trade debtors and housing benefit overpayments etc.</p>

Changes in Expected Credit Losses

The following movements in the impairment loss allowances for financial assets took place in 2021/22.

	Allowance at 1 April 2021	Increase / (decrease) in provision	Allowance at 31 March 2022
	£'000	£'000	£'000
Deposits with banks and building societies			
12-month credit losses	0	0	0
Other loans to businesses and voluntary organisations			
12-month credit losses	0	0	0

	Allowance at 1 April 2021	Increase / (decrease) in provision	Allowance at 31 March 2022
Lifetime credit losses	0	0	0
Credit-impaired assets	0	0	0
Other debtors			
Grouped assets	1,129	70	1,199
Total loss allowances	1,129	70	1,199

The total amount of undiscounted expected credit losses at recognition on financial assets initially recognised during 2021/22 was £0.

Exposure to Credit Risk

		Gross Carrying Amount £'000
Other debtors		
Grouped assets	Not subject to credit rating *	6,439
Total amount exposed to credit risk		6,439

*Other sundry debtors have an impairment provision based upon historical experience, age of debt, economic conditions and arrangements for repayment.

As detailed above, all deposits are low risk (see table above). Loans to businesses and other organisations are not material. Credit risk is not measured for individual debtors.

Loss allowances for council tax are £0.173 million at 31 March 2022 and £0.168 million for non domestic rates. These are calculated based upon historic default patterns and economic conditions prevailing at the time.

During 2021/22 the Council wrote off financial assets with a contractual amount outstanding of £0.032 million (£0.012 million in 2020/21) that are still subject to enforcement activity.

b) Liquidity risk

The Authority has a comprehensive cash flow management system that seeks to ensure that cash is available as needed. If unexpected movements happen, the authority has ready access to borrowings from the money markets and the Public Works Loans Board. There is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments. Instead, the risk is that the Authority will be bound to borrow at a time of unfavourable interest rates. There are no risks at present as we have no long

term borrowing but any future plans will incorporate a sensible maturity structure for such loans.

The maturity analysis of financial liabilities is as follows:

	31 March 2021 £'000	31 March 2022 £'000
Less than one year	(10,045)	(4,781)
Between one and two years	0	0
Between two and five years	0	0
More than five years	0	0
	(10,045)	(4,781)

All trade and other payables are due to be paid in less than one year.

c) **Market risk**

i) **Interest rate risk**

The Authority is exposed to risk in terms of its exposure to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the authority. For instance, a rise in interest rates would have the following effects:

- borrowings at variable rates – the interest expense charged to the Surplus or Deficit on the Provision of Services will rise (at present we have no borrowings at variable rates)
- borrowings at fixed rates – the fair value of the liabilities/ borrowings will fall
- investments at variable rates – the interest income credited to the Surplus or Deficit on the Provision of Services will rise (at present we have no investments at variable rates)
- investments at fixed rates – the fair value of the assets will fall.

Borrowings are not carried at fair value, so nominal gains and losses on fixed rate borrowings would not impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Surplus or Deficit on the Provision of Services and affect the General Fund Balance. Movements in the fair value of fixed rate investments that have a quoted market price will be reflected in Other Comprehensive Income and Expenditure.

The Authority has a number of strategies for managing interest rate risk. Policy is to aim to keep a maximum of 10% (no more than 10% for 2022/23) of its borrowings in variable rate loans. During periods of falling interest rates, and where economic circumstances make it favourable, fixed rate loans may be repaid early to limit exposure to losses.

The treasury management team has an active strategy for assessing interest rate exposure that feeds into the setting of the annual budget and which is used to update the budget quarterly during the year. This allows any adverse changes to be accommodated. The analysis will also advise whether new borrowing taken out is fixed or variable.

According to this assessment strategy, at 31 March 2022, if interest rates had been 1% higher with all other variables held constant, the financial effect would be:

	£'000
Increase in interest payable on variable rate borrowings	0
Increase in interest receivable on variable investments	(108)
Impact on Surplus or Deficit on the Provision of Services	(108)
Decrease in fair value of fixed rate investment assets	0
Impact on Other Comprehensive Income and Expenditure	0
Decrease in fair value of fixed rate borrowings liabilities (no impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income & Expenditure)	0

The impact of a 1% fall in interest rates would be as above but with the movements being reversed.

ii) Price risk

The Authority does not invest in equity shares and consequently is not exposed to losses arising from movements in the prices of shares.

iii) Foreign exchange risk

The Authority has no financial assets or liabilities denominated in foreign currencies and thus has no exposure to loss arising from movements in exchange rates.

43. Other Long Term Liabilities

These relate to the pension liability, the long term element of the Collection Fund balance for council tax and income received in advance relating to two operating leases.

The breakdown is as follows:-

31 March 2021 £'000		31 March 2022 £'000
(237)	Operating leases - income in advance	(234)
(1,137)	Collection Fund balance – council tax/NNDR	(2,926)
(107,865)	Pension Liability	(98,867)
(109,239)		(102,027)

44. Trust Funds

The Authority is also sole trustee for Hamlyn Playing Fields, Buckfastleigh and King George V Playing Field, Shaldon. Income and expenditure for these is not material. The assets are not included in the balance sheet of the Authority.

45. Heritage Assets

There are a small number of heritage assets held by the authority, principally covering miscellaneous works of art and civic regalia. They are valued periodically for insurance purposes and the insurance value is used as the valuation for accounting purposes. The items held are all valued at less than the £10,000 capitalisation limit and are not recorded on the balance sheet – a register is held and updated by the insurance officer.

46. Agency Services

- (a) The Authority collects land charge search fees on behalf of Devon County Council. These fees are reimbursed to the County Council on a periodic basis. The amount collected was £39,040 for 2021/22 (£40,853 in 2020/21).
- (b) The Authority acts as agent for Devon County Council, Devon and Cornwall Police Authority and Devon & Somerset Fire & Rescue Authority in the collection of council tax and for Central Government, Devon County Council and Devon & Somerset Fire & Rescue Authority for the collection of Non Domestic Business Rates. Details can be found in the Collection Fund on pages 114 and 115.
- (c) The Authority carries out payroll services for various organisations for which it received total fee income of £5,121 in 2021/22 (£3,918 in 2020/21).
- (d) As part of the response to the Covid 19 pandemic the Authority acts as agent for Central Government to administer various business/restart/hospitality grants, local restrictions grants and track and trace grants. In 2021/22 £14.060 million has been paid out.

47. Joint Operations

Teignbridge District Council, Exeter City Council and East Devon District Council each have interests in a joint operation called Strata Service Solutions Ltd, a registered company (company number 09041662) whose registered office is Civic Centre, Paris Street, Exeter, Devon, EX1 1JN. The Company commenced trading on 1 November 2014.

The business of the Company is the operation and provision of a shared information communications technology service to each of the Councils including;

- A source of expertise regarding information technology
- A resilient and reliable ICT infrastructure
- A service desk that maintains and supports devices, operating systems and core applications
- Information security and information management services
- Developing and implementing business systems to meet Council business objectives
- A Street Name and Numbering function

The proportions of ownership interests are; Exeter City Council (35.936%), Teignbridge District Council (27.372%) and East Devon District Council (36.692%). Each authority has equal voting rights, with decisions taken collectively and unanimously.

The figures that have been consolidated into the Council's single entity financial statements are:

Adjustment to Comprehensive Income & Expenditure Statement (CIES)

	2020/21 £'000's	2021/22 £'000's
Fees	(1,890)	(1,955)
Cost of Sales	931	1,043
Admin Expenses	1,254	1,323
Transfer of pension scheme liability	0	0
Cost of Services`	295	411
(Gain) / loss on disposal of assets	60	0
Net interest on the net defined benefit liability	37	58
Interest receivable	0	0
(Surplus) or Deficit on Provision of Services	392	469
Remeasurement of the net defined benefit liability	1,075	(495)
Total CIES	1,467	(26)
Adjustments to Balance Sheet (cumulative for 2020/21 column)		
Property, Plant & Equipment	125	71
Intangible assets	404	(63)
Investment in Strata removed upon consolidation and replaced with proportional share of assets and liabilities	(2,220)	(146)
Total Long Term Assets	(1,691)	(138)
Inventories	4	(1)
Short Term Debtors	651	(8)
Cash & Cash Equivalents	236	54
Total Current Assets	891	45
Short Term Creditors	(198)	(132)
Grants Receipts in Advance – Capital	(180)	47
Total Current Liabilities	(378)	(85)
Pension Scheme Liability	£'000's (2,845)	£'000's 204
Total Long Term Liabilities	(2,845)	204
Net Assets	(4,023)	26
Financed by:		
Usable reserves	198	(2)
Unusable reserves	(4,221)	28
Total Reserves	(4,023)	26

SUPPLEMENTARY SINGLE ENTITY FINANCIAL STATEMENTS THE COLLECTION FUND

The Collection Fund is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate account. The statement shows the transactions of the billing authority in relation to the collection from taxpayers and distribution to local authorities and the Government of council tax and business rates.

	2020/21 Business Rates	2020/21 Council Tax	2021/22 Busines s Rates	2021/22 Council Tax
	£'000	£'000	£'000	£'000
INCOME				
Income from Council Tax		(97,394)		(104,648)
Business Rates Receivable	(13,289)		(22,811)	
(Plus): Transitional Protection/S13A Relief	48	(877)	34	(34)
	<u>(13,241)</u>	<u>(98,271)</u>	<u>(22,777)</u>	<u>(104,682)</u>
EXPENDITURE				
Precepts, Demands & Shares:				
Central Government	15,858		15,309	
Devon County Council	2,854	71,561	2,756	73,161
Devon & Cornwall Police Authority		11,019		11,452
Devon & Somerset Fire & Rescue Authority	317	4,387	306	4,357
Teignbridge District Council (net including Towns / Parishes)	12,686	12,508	12,248	12,666
Rates write offs and change in impairment allowance	200		(90)	
Council Tax written off and change in impairment allowance		190		201
Rates increase/(reduction) in provision for appeals	170		(195)	
Transitional Protection	302		(120)	
Renewable Energy disregard	62		90	
Business Rates – Cost of collection	191		194	
	<u>32,640</u>	<u>99,665</u>	<u>30,498</u>	<u>101,837</u>
Movements on the Collection Fund :				
DEFICIT / (SURPLUS) FOR THE YEAR	19,399	1,394	7,721	(2,845)
DEFICIT / (SURPLUS) BROUGHT FORWARD	401	(193)	2,332	496
ACCUMULATED DEFICIT / (SURPLUS)	<u>19,800</u>	<u>1,201</u>	<u>10,053</u>	<u>(2,349)</u>

(see note 4 to the Collection Fund)

NOTES TO THE COLLECTION FUND

1. The accounting arrangements for the Collection Fund are as follows:

- Under business rates retention as a billing authority we act as an agent, collecting business rates on behalf of the major preceptors and central government. Teignbridge received 40% of the estimated income as a payment of £12.248 million (2020/21 £12.686 million) from the rates collection fund. The authority had to pay a tariff to government of £9.147 million (2020/21 £9.147 million) and a levy of £0.926 million (2020/21 £1.0 million). However as we are part of the Devon pool some of this was returned to us as a pooling gain of £0.293 million (2020/21 £0.327 million).
- The surplus or deficit on collection funds at the end of the year is required to be distributed to or made good by contributions from the Authority and major preceptors/ shares in a subsequent financial year. A £0.5 million surplus (2020/21 £2.5 million deficit) has been declared by Teignbridge as the council tax estimate in 2021/22. A £10.927 million (2020/21 £17.468 million) deficit was anticipated for non-domestic rates for 2021/22 however an actual deficit balance has arisen of £10.053 million (2020/21 £19.800 million).

2. Business Rates

The total business rateable value as at 31 March 2022 was £86.003 million (31 March 2021 £85.311 million) with a multiplier of 51.2 pence (51.2 pence 2020/21) in the pound 49.9 pence (49.9 pence 2020/21) in the pound for properties where the rateable value is less than £51,000 (£51,000 2020/21).

3. Council Tax

Council Tax (CT) income derives from charges raised according to the value of residential properties which have been classified into 8 valuation bands. The income required to be taken from the collection fund is dividing by the CT Base (the total number of properties in each band adjusted by a proportion to convert the number to a Band D equivalent and adjusted for discounts) to get individual charges. The relevant amount for 2021/22 was 49,651 (2020/21 50,216) adjusted for a collection rate of 97.5% to give Teignbridge's Tax Base of 48,410 (2020/21 49,714) Band D equivalents. The average Band D charge for the Teignbridge CT, excluding Parishes, was £180.17 (2020/21 £175.17).

4. Collection Fund Balance

The deficit / (surplus) balance on the fund is split between the preceptors as follows:

	2020/21		2021/22	
	Business Rates £'000	Council Tax £'000	Business Rates £'000	Council Tax £'000
Central Government	9,900		5,026	
Devon County Council	1,782	864	905	(1,686)
Devon & Cornwall Police Authority		131		(272)
Devon & Somerset Fire and Rescue Authority	198	54	101	(97)
In short / long term debtors / short term creditors / long term liabilities	11,880	1,049	6,032	(2,055)
Balance of Fund to Teignbridge District Council (in Collection Fund Adjustment Account)	7,920	152	4,021	(294)
	19,800	1,201	10,053	(2,349)

GLOSSARY OF FINANCIAL TERMS

ACCRUALS	A sum included in the account to cover income or expenditure attributable to an accounting period for goods received or works done, but for which payment has not been received/made by the end date of the period for which the accounts have been prepared.
ACTUARIAL GAINS & LOSSES	These are changes in actuarial deficits or surpluses that arise because either actual experience or events have not been exactly the same as the assumptions adopted at the previous valuation (experience gains and losses) or the actuarial assumptions have changed.
BALANCES	The surplus or deficit on any account at the end of the year. Amounts in excess of that required for day to day working may be used to reduce the demand on the Collection Fund or Rents.
CAPITAL EXPENDITURE	Expenditure on the acquisition of property, plant equipment or intangible assets or expenditure which adds to and not merely maintains the value of such an asset.
CAPITAL FINANCING COSTS	Annual charges related to borrowing including interest, minimum revenue provision and repayments of principal on debt outstanding.
CAPITAL RECEIPTS	Income received from sale of assets which is available to finance other capital expenditure or to repay debt on assets financed from loan.
CHARTERED INSTITUTE OF PUBLIC FINANCE AND ACCOUNTANCY (CIPFA)	The governing body responsible for issuing the statement of recommended practice to prepare the accounts.
COLLECTION FUND	A separate fund which must be maintained by a district for the proper administration of Council Tax and Non Domestic Rates.
CURRENT SERVICE COST	Amount chargeable to Services based on the Actuary's assessment of pension liabilities arising and chargeable to the financial year.
CURTAILMENTS	This is the amount the Actuary estimates as the cost to the authority of events that reduce future contributions to the scheme, such as granting early retirement.
DEBT	Amounts borrowed to finance Capital Expenditure which are still to be repaid.

DEFINED BENEFIT SCHEME	A pension or other retirement benefit scheme other than a defined contribution scheme. Usually, the scheme rules define the benefits independently of the contributions payable, and the benefits are not directly related to the investments of the scheme. The scheme may be funded or unfunded (including notionally funded).
DEMAND	The charging authorities own Demand is, in effect, its precept on the fund.
FEES & CHARGES	In addition to the income from charge payers and the Governments, Local Authorities charge for services, including Planning Consents, Hire of Sporting Facilities, Car Parking etc.
FIFO	A method of valuing inventory (First In First Out) where stocks issued are assumed to be issued from the oldest available stocks.
FINANCIAL INSTRUMENTS	A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another.
GOVERNMENT GRANTS	Payments by Central Government towards the cost of Local Authority services, including both Revenue and Capital.
IMPAIRMENT ALLOWANCE	A sum provided against income due to prudently allow for non collectable accounts.
INTEREST COST	For the pension fund this represents the discount rate at the start of the accounting period applied to the liabilities during the year based on the assumptions at the start of the accounting period.
INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) & THE CODE OF PRACTICE (CODE)	Formal financial reporting standards adopted by the accounting profession and to be applied when dealing with specific topics within its accounting Code. The Code is based on approved accounting standards issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee, except where these are inconsistent with specific statutory requirements.
LOCAL AUTHORITY (SCOTLAND) ACCOUNTS ADVISORY COMMITTEE (LASAAC)	Formed a joint committee with CIPFA to produce the Code of Practice on Local Authority Accounting in the United Kingdom (referred to as the 'Code').
LOCAL DEVELOPMENT FRAMEWORK (LDF)	A plan which includes documents that establish the local policy towards the use of land and the vision for involving communities in the plan making process.

MINIMUM REVENUE PROVISION (MRP)	A 'prudent' annual provision from revenue in respect of capital expenditure financed by borrowing or credit arrangements.
PAST SERVICE COST	These will typically be additional benefits awarded on early retirement. This includes added years or augmentation and unreduced pension benefits awarded before eligible retirement age in the pension scheme.
PRECEPT	The levy made by precepting authorities including the County Council and Parish Councils, on the District Council requiring it to collect the required income from council taxpayers on their behalf.
PROJECTED UNIT METHOD	<p>An accrued benefits valuation method in which the scheme liabilities make allowance for projected earnings. An accrued benefits valuation method is a valuation method in which the scheme liabilities at the valuation date relate to:</p> <ul style="list-style-type: none">a) the benefits for pensioners and deferred pensioners (i.e. individuals who have ceased to be active members but are entitled to benefits payable at a later date) and their dependants, allowing where appropriate for future increases, andb) the accrued benefits for members in service on the valuation date. <p>The accrued benefits are the benefits for service up to a given point in time, whether vested rights or not. Guidance on the projected unit method is given in the Guidance Note GN26 issued by the Faculty and Institute of Actuaries.</p>
PUBLIC WORKS LOAN BOARD (PWLB)	A Government Agency which provides longer term loans to Local Authorities at interest rates slightly higher than those at which the Government itself can borrow.
RATEABLE VALUE	A value placed on all properties subject to Rating. The value is based on a national rent that property could be expected to yield after deducting the cost of repairs.
REVENUE EXPENDITURE	Recurring items of day to day expenditure consisting principally of Salaries and Wages, Debt Charges and general running expenses etc.
SANGS	Suitable Alternative Natural Green Space. Accessible alternative green provision to migrate where development is close to a protected site.
SETTLEMENTS	A settlement will generally occur where there is a bulk transfer out of the Pension Fund or from the employer's share of the Fund to a new contractor's share of the Fund as a result of an outsourcing. It reflects the difference between the IAS 19 liability transferred and the assets transferred to settle the liability.

SHORT TERM LOAN	Borrowing from outside the authority that may be recalled within the year.
STRAIN ON FUND CONTRIBUTIONS	Additional employers pension contributions as a result of an employee's early retirement.
SUNDRY CREDITORS	Amounts owed by the Council at 31 March.
SUNDRY DEBTORS	Amounts owed to the Council at 31 March.
TEMPORARY BORROWING	Borrowing for revenue purposes for a period of less than one year.
VESTED RIGHTS	<p>In relation to a defined benefit scheme, these are:</p> <ul style="list-style-type: none">a) for active members, benefits to which they would unconditionally be entitled on leaving the scheme;b) for deferred pensioners, their preserved benefits;c) for pensioners, pensions to which they are entitled. <p>Vested rights include where appropriate the related benefits for spouses or other dependants.</p>
VIREMENT	The authorised transfer of an under spending in one budget head to another head.

Part 3

Supplementary Information

Annual Governance Statement

2021-2022

Introduction

Teignbridge District Council must ensure its business is conducted in line with the law and proper standards, and use public money economically, efficiently and effectively. It is the Council’s duty to put in place arrangements for the governance of its affairs, and effective delivery of services.

To achieve good governance, we have systems for managing and overseeing what we do. These arrangements are intended to ensure that we deliver intended outcomes while acting in the public interest at all times.

We have measured ourselves against the principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) and Society of Local Authority Chief Executives (SOLACE) Framework for Delivering Good Governance in Local Government. The following statement explains how Teignbridge District Council has complied with the principles and also meets the requirements of the Accounts and Audit Regulations (England) 2015 in relation to the publication of an Annual Governance Statement.

The Guiding Principles



The governance framework

The governance framework comprises the systems, processes, culture and values which direct and control our daily business, and includes the methods we use to engage, lead and account to the community. It enables us to monitor how we are doing and to consider whether our plans have helped us deliver appropriate services that are value for money.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risks of failure to achieve policies, aims and objectives and can therefore only provide reasonable but not absolute protection. The management of risk is an ongoing process designed to identify, prioritise and manage risks to the achievement of the Council's aims and objectives, and maximise opportunities.

The governance framework has been in place at Teignbridge District Council for the year ended 31 March 2022.

Impacts of the Covid-19 Pandemic on Governance

The pandemic caused us to make a number of changes to our normal governance arrangements, as we responded to emerging issues and new ways of working. These changes were carefully considered to ensure that the modified procedures have adequate controls in place.

As we learned to live with Covid and returned to business as usual, we transitioned from remote working to hybrid working in the office with a phased return from September 2021. We have continued to work closely with central Government, neighbouring authorities and the voluntary sector in providing ongoing community support as and when needed.

We developed a Recovery Plan in response to the pandemic which includes 5 work streams: Economy; Communities; Environment; Place; and Vital Viable Council. The operational leads have taken forward their respective projects, which are at various stages of completion.

Lockdown required arrangements for virtual Council meetings to be made urgently. These were facilitated using Zoom live streamed on YouTube initially, followed by the use of Webcasting as meetings recommenced upon the expiry of the legislation permitting virtual meetings in May 2021. This has enabled our democratic and decision making processes to remain open and accessible.

Governance has remained effective, and the commitment and resilience of our workforce, continues to be commendable.

The Governance Framework and how we comply:

Principle 1: Behaving with integrity, demonstrating strong commitment to ethical values, and being lawful

- The Council's Constitution, Councillor and Officer Codes of Conduct, and Vision and Values statement set out required standards of members and officers.
- The Constitution is reviewed on an ongoing basis to ensure it is fit for purpose.
- A Procedures Committee oversees operation of the Constitution including review of proposed amendments.
- Registers of Interests are maintained to avoid conflicts, prejudice or bias.

- The designated statutory Head of Paid Service, Financial Officer and Monitoring Officer help ensure business is conducted lawfully.
- Internal and external audit scrutinise Council activities and report independently on the extent to which laws, policies and procedures are complied with.
- Audit Scrutiny, Standards Committee and the Monitoring Officer provide oversight.
- Anti-Fraud and Corruption and Whistleblowing policies are in place.
- Council services are led by trained and professionally qualified staff.
- Comments and complaints processes are in place and are publicised, including how to complain to the Ombudsman.
- Our 'fair for all' ethos is incorporated in the work we do, and we publish our adherence to the Equality Act duties annually.

Principle 2: Ensuring openness and comprehensive stakeholder engagement

- Our Consultation Toolkit sets out the principles of stakeholder engagement. We encourage all members of the community to contribute to and participate in the work of the Council.
- Members of the public have access to Council meetings, minutes and agendas.
- Meetings are available to the public through the Council's YouTube channel and through Webcasting, which provides transparency in decision making.
- Our Residents' Newsletter is used to communicate Council activity weekly and other matters of interest.
- Plain English principles are used in publications and digital content meets accessibility standards with a 96% AA rating on our website (above the Government's industry benchmark of 87%). Our website has been continually improved based on what customers need.
- We have developed a Digital Strategy to guide the way services will be delivered with a digital first approach.
- We survey customers on a number of services for views to help shape future direction.
- A Statement of Community Involvement sets out engagement processes for planning policy and applications, and a revision of our Local Plan is in progress. Where consultations are not able to be carried out face to face they are carried out virtually. These methods have been successful in attracting high levels of feedback.

Principle 3: Defining outcomes in terms of sustainable economic, social and environmental benefits

- A Ten Year Council Strategy guides our work. This was implemented following extensive research and consultation with residents, business and partners, and is underpinned by ten "Super Projects" each having a widespread impact on the economy, community wellbeing, and environment.
- Our elected members called a Climate Emergency in 2019. Since then, we have begun to measure our organisational carbon footprint and develop a pathway to net-zero emissions. Our Carbon Action Plan was approved by Council in July 2022. We have also become a signatory of the Devon Climate Emergency and together with our partners across Devon, we are working towards a Devon Carbon Plan that will set Devon on a pathway to net-zero emissions by 2050 at the latest.
- Various carbon reduction grant funded works are in progress at leisure centres and Forde House. Other district themes include a Tree Strategy; green infrastructure connecting with nature; Future High Street fund and Newton Abbot and Kingsteignton Garden Communities project. The new Local Plan also includes climate change

mitigation measures, and work is underway to develop policies in support of low carbon development and renewable energy generation.

- Budgets, financial plan and capital programme direct financial resources to priorities.
- We have a Procurement Strategy in conjunction with other Devon Districts which defines our commitment to support local economies.
- An Economic Development Plan aids local businesses and the local economy, together with a Jobs Plan which was implemented in June 2021.
- A number of small grants and funding schemes are provided, which benefit local communities.
- We are working jointly with our neighbouring authorities Exeter City Council, Mid Devon and East Devon District Councils, and Devon County Council, to achieve joined-up decision making on planning and infrastructure matters, and we are members of the Heart of the South West Local Enterprise Partnership.

Principle 4: Determining the interventions necessary to achieve intended outcomes

- Performance measures track progress with delivery of our Strategy.
- A medium term financial strategy outlines how we intend to raise and manage the resources needed to deliver our services and priorities over the medium term. This is constantly under review to address the severe financial impacts of the pandemic.
- Executive Key decisions are publicised in advance so they can be scrutinised in line with decision making and Overview and Scrutiny arrangements.
- Overview and Scrutiny review groups are appointed to look at Council policy, services, and particular issues of local concern.
- A digital transformation programme, digital strategy, and our annual business planning and review exercises “BETTER2022” drive service improvement and performance.
- A Partnership toolkit aids collaborative working and strong partnership governance.

Principle 5: Developing capacity including the capability of leadership and the individuals within it

- Recognised recruitment and selection procedures and induction programmes are followed for both staff and members.
- Training and development needs are tracked through annual personal development and performance interviews for staff.
- Member development needs are co-ordinated by the Democratic Services Team Leader with oversight from the Procedures Committee.
- HR policies aim to promote the health and wellbeing of the workforce, which has been especially important during lockdown, and the Investors in People accreditation is maintained.

Principle 6: Managing risks and performance through robust internal control and strong public financial management

- Our Risk Management Strategy outlines our approach to managing risk and risk management reports are reviewed by the Strategic Leadership Team (SLT) and the Audit Scrutiny Committee.
- The Strategy requires risks to be managed at all levels including service, strategic, and project levels, and risk must be identified and considered in all decision making.

- Some risks have inevitably increased as a result of the pandemic and economic climate, and these have been kept under review to ensure appropriate mitigations are in place.
- Robust performance monitoring using a basket of indicators is undertaken by the SLT and Overview and Scrutiny Committees.
- Work with services is ongoing to improve automated performance reporting through the use of the Power BI reporting tool.
- A programme of reviews (BETTER2022) help ensure value for money in services is scrutinised, for efficient service delivery.
- Our Head of Corporate Services is the designated officer responsible for the proper administration of the Council's financial affairs.

Principle 7: Being transparent, with good practices in reporting and audit, to deliver effective accountability

- Agendas, reports, and minutes of Council meetings are published, along with a forward plan of Key Decisions, and meetings are accessible with live stream and recordings on our website.
- An internal audit function reports to the SLT and Audit Scrutiny Committee who also receive and consider the external auditors' findings.
- Key data is published including Council spending and senior officer pay, and timely responses are given to Information Requests.

How do we know our arrangements are working?

At least annually, we review the effectiveness of the governance framework including the system of internal control. The review of effectiveness is informed by the work of the senior managers within the authority who have responsibility for the development and maintenance of the governance systems; the Audit Manager's annual report; and by comments made by external auditors, and other review agencies and inspectorates. Further assurance is provided by:

- Assurance statements completed by the Council's management team, which cover their areas of control, acknowledge accountability for risk management and internal control, and certify their satisfaction with the arrangements in place throughout the year.
- Key officers' views on the standards of governance within the Council – specifically the Section 151 Officer (responsible for the Council's financial affairs), the Monitoring Officer, the Audit Manager, and the Health and Safety Manager.
- The Council's Monitoring Officer has a legal responsibility to look into matters of potential unlawfulness within the Council. The Monitoring Officer also reviews the operation of the Constitution, to ensure it is up to date, and reflects best practice and legal requirements.
- The Standards Committee is available to support the Monitoring Officer on standards of conduct and probity issues, and has dealt with a number of matters referred to it.
- The Overview and Scrutiny process has monitored the Council's policies and performance on an ongoing basis. Portfolio Holders have also kept issues under review during meetings with managers.

- The Audit Scrutiny Committee has reviewed arrangements for managing risk concluding that adequate risk management arrangements are in place.
- Counter fraud arrangements have been kept under review through a Fraud Risk Assessment and fraud controls are evaluated during internal audit work. Internal audit have delivered counter fraud assurance work over the numerous Covid-19 support grants and payments distributed throughout the pandemic, and for other government schemes such as the energy rebate.
- The Council's external auditor provided the Council with their opinion on the Council's accounts, and the last Value for Money report received was positive. They attend Audit Scrutiny Committee meetings where their reports have been considered.
- As a significant group relationship, our IT provider Strata Service Solutions Limited has been provided with positive assurance from the Devon Audit Partnership, as the provider of its internal audit services in 2021-2022. Strata's performance has been monitored by the Council's IT Requirements Board, and by the Joint Executive and Scrutiny Committees.
- Strata, has maintained compliance with the Government PSN (Public Services Network) Code of Connection, which is a mandatory set of security standards Councils must meet in order to connect to this secure network. Assurance has also been given in respect of cyber risk in deployment of the following: National Cyber Security Centre's (NCSC) 10 Steps to Cyber Security, the Open Web Application Security Project (OWASP) website principles use of NCSC WebCheck, MailCheck, Protective Domain Name System security, and the Early Warning Vulnerability Service. Strata are also working towards Cyber Essentials Plus accreditation.
- The May 2021 elections were held in line with the performance standards set by the Electoral Commission.
- The Local Government Ombudsman upheld 1 of the 13 complaints referred to it.
- CIPFA guidance on the role of the Chief Financial Officer in public service organisations was used to benchmark the Council's arrangements, showing how these standards are met.
- Financial Management was assessed against CIPFA's Financial Management Code with positive findings. This has a particular focus on financial resilience which is particularly important in current times.
- Based on the assurance work undertaken by internal audit, the Audit Manager has provided an opinion on the control environment which concluded that this was adequate and effective. It should, however, be noted that all risks of failure cannot be eliminated, and the assurance given is therefore reasonable and not absolute.
- Information Governance - there have been no major reportable data breaches and average processing time for Freedom of Information and Environmental Information Regulation requests is above average compared to other organisations.
- Corporate governance arrangements Council-wide have been assessed against the requirements of the governance framework outlined in the CIPFA / SOLACE Framework for Delivering Good Governance in Local Government.

- Reviews have been commissioned to examine specific areas such as: Centre for Government and Scrutiny, cyber governance, and a review of the Council's Operating Model, the outputs of which are being evaluated and addressed.

Conclusion

Our governance arrangements continue to be regarded as fit for purpose in accordance with the governance framework. Set out below, are the challenges highlighted by this review which we aim to address during 2022-2023.

2022-2023 Challenges	Planned Action
<p><u>Financial Sustainability</u></p> <p>Having successfully navigated the ongoing financial risks created by the pandemic and its subsequent lockdowns, we need to continue to monitor the Council's financial position closely for both revenue and capital programmes, given the ongoing uncertainty around future levels of costs and government funding.</p>	<p>The Chief Financial Officer will continue to produce frequent updates on the financial position and update the Strategic Leadership Team.</p> <p>Anticipated shortfalls for future years will need to be addressed as part of the budget setting and monitoring processes. Work with consultants "Ignite" on a future operating model for the Council, together with ongoing service plan reviews, will help meet the shortfalls currently anticipated.</p>
<p><u>Cyber governance</u></p> <p>An independent review was commissioned using funding from the Local Government Association. This has highlighted a number of areas in which improvements should be made.</p>	<p>An action plan is being formalised and prioritised for officers to implement.</p>
<p><u>Member and Officer roles and relationships</u></p> <p>The Centre for Governance and Scrutiny (CfGS) reviewed officer/member roles and responsibilities, including consideration of values, behaviours, and ethical issues, and the constitutional provisions supporting these.</p>	<p>Officers are working through improvement actions arising from this work.</p>
<p><u>Anti-fraud and Corruption and Whistleblowing policies</u></p> <p>These policies have not been reviewed for some time. It is good practice to review policies on a regular basis to ensure they remain fit for purpose and reflect best practice.</p>	<p>Anti-fraud and Corruption and Whistleblowing policies will be reviewed and updated in 2022-23</p>

ADDENDUM to the 2021-2022 Annual Governance Statement

(September 2024)

The 2021-2022 draft Annual Governance Statement (AGS) was reviewed by the Audit Scrutiny Committee on 30th August 2022 and approved as part of the 2021-2022 Financial Statements.

The AGS should follow best practice guidance contained in the “Delivering Good Governance in Local Government Framework” (CIPFA/Solace). The guidance states that the AGS should be kept up to date at the time of publication. During normal operations, this would mean the period between the end of the financial year, and the publication of the audit financial statements just a few months later. However, financial statements can only be formally published on conclusion of an external audit and there have been delays nationally with the completion of these, culminating in the government introducing “backstop” legislation to clear the backlogs of outstanding audits across the country. As a result of this, the Council received a “disclaimer opinion” from its external auditor in September 2024, hence it is only now able to publish the 2021-2022 financial statements.

In deciding whether any changes are required to the 2021-2022 AGS since the year end (March 2022) and September 2024, we have considered whether any significant governance issues have occurred that are pertinent to this prior year.

We have concluded that there are no additional matters to be reported, however it should be noted that work is ongoing to address recommendations made by the Centre for Governance and Scrutiny, and a Peer Review undertaken in January 2024, in respect of strengthening member and officer relationships to achieve effective decision making. For full details of these please refer to the 2023-2024 Annual Governance Statement.

Signed:

Leader of the Council

Managing Director

OTHER INFORMATION AND CONTACTS

1. Environmental Footprint/Climate Change

Teignbridge District Council declared a Climate Emergency in April 2019 and appointed a Climate Change officer in February 2020. The Authority has a ten year strategy including goals to reduce waste, be more energy efficient and make better transport choices. We are committed to mitigating the effects of climate change and in doing so providing leadership and support to the wider community. As one of the major employers and consumers of goods and services in the Teignbridge area, it is essential that the Council shows public commitment and leads by example.

Building upon the progress of the Carbon Management Programme with the Carbon Trust between 2007 and 2012, which delivered a 20% reduction in carbon emissions within the authority, Teignbridge District Council has developed a Carbon Action Plan which is due for adoption by Full Council in July 2022; the plan will begin to set out a pathway to net zero emissions covering our organisational direct Scope 1 and 2 emissions, and indirect scope 3 supply chain emissions. As part of this emerging Carbon Action Plan, four major projects are already underway following two successful Public Sector Decarbonisation Scheme applications in January 2021; the combined schemes involve our main office building and three authority-run leisure sites. The projects will include installing air source heat pumps, solar photovoltaics, battery storage, electrical capacity upgrades and LED lighting. The combined measures are estimated to reduce emissions by 372 tonnes CO2 in year one.

Teignbridge District Council is a signatory of the Devon Climate Emergency and continues to support the development of the Devon Carbon Plan, a plan which aims to achieve net-zero emissions across Devon in the shortest feasible timeframe; the plan is due for publication in 2022. We are directly involved in numerous other district initiatives aligning with the Climate Emergency including the Future Highstreets Fund and Newton Abbot Garden Communities project. In addition, we are also developing a new local plan supporting low carbon development in the district.

www.teignbridge.gov.uk/carbonfootprint

2. Building Regulations Control Account –Year Ended 31 March 2022

The Building (Local Authority Charges) Regulations 1998 require the disclosure of information regarding the setting of charges for the administration of the building control function. Building Regulations Control Services operate as a separate trading unit and the Summary Accounts for the year are detailed in the Devon Building Control Partnership Accounts, which can be found at the following website:

[Browse meetings - Devon Building Control Partnership Committee - Teignbridge District Council](#)

3. Comments / Contacts

If you have any specific queries or comments in the context or format of these accounts please contact Martin Flitcroft – Tel: 01626 215246 or email martin.flitcroft@teignbridge.gov.uk

These Accounts can be found on our website at www.teignbridge.gov.uk . If you need a copy of these Accounts in another language or format please email info@teignbridge.gov.uk or call 01626 361101

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TEIGNBRIDGE DISTRICT COUNCIL

STATEMENT OF ACCOUNTS

2022/23

STATEMENT OF ACCOUNTS 2022/2023

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Part 1

Introduction

STATEMENT OF ACCOUNTS 2022/2023

CHIEF OFFICER OF THE COUNCIL & LOCATION OF OFFICES

CHIEF OFFICER OF THE COUNCIL

Managing Director

Phil Shears

LOCATION OF OFFICES

Building Control
Customer Services
Revenue & Benefits
Environmental Health
Business Transformation team
Spatial Planning
Neighbourhood Planning
Development Management
Housing
Internal Audit
Resorts
Strata Service Solutions Limited
Democratic Services
Communications
Human Resources
Waste, Recycling & Cleansing
Leisure
Green Spaces & Active Leisure
Licensing
Economy/Property & Assets
Health & Wellbeing
Community Safety
Parking
Land Charges
Coastal & Drainage
Elections
Finance
Legal
Procurement
Partnership Development

Forde House
Brunel Road
Newton Abbot
TQ12 4XX

Tel: (01626) 361101

Fax: (01626) 215250

Narrative Report

INTRODUCTION

1. This Narrative Report sets out the overall financial position and details the financial transactions relating to the activities for the year ended 31 March 2023. It provides a brief explanation of the financial aspects of the Council's activities and draws attention to the main characteristics of the Authority's financial position. It also provides a commentary on the financial highlights and identifies any significant events that may affect the reader's interpretation of the accounts. The Authority's Accounts for the year 2022/23 are set out on pages 23-118. They consist of:

THE CORE FINANCIAL STATEMENTS:

These are listed below with a brief description that outlines the purpose of each:

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT (CIES)	This statement on page 30 shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations, but this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.
MOVEMENT IN RESERVES STATEMENT (MIRS)	This statement on page 31 shows the movement in the year on the different reserves held by the authority analysed into 'usable reserves' which can be used to fund expenditure or reduce local taxation and those that are unusable.
BALANCE SHEET	This shows on page 32 the assets and liabilities recognised by the Authority on 31 March 2023.
CASH FLOW STATEMENT	This shows on page 33 the changes in cash and cash equivalents of the Authority during the reporting period.

The financial statements are supported by various notes shown on pages 34-112. These notes include the accounting policies which summarise the framework within which the Council's accounts are prepared and published.

The Expenditure and Funding Analysis statement note 7 on page 52 shows how annual expenditure is used and funded from resources in comparison with those resources consumed or earned in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes across the Council's reporting segments.

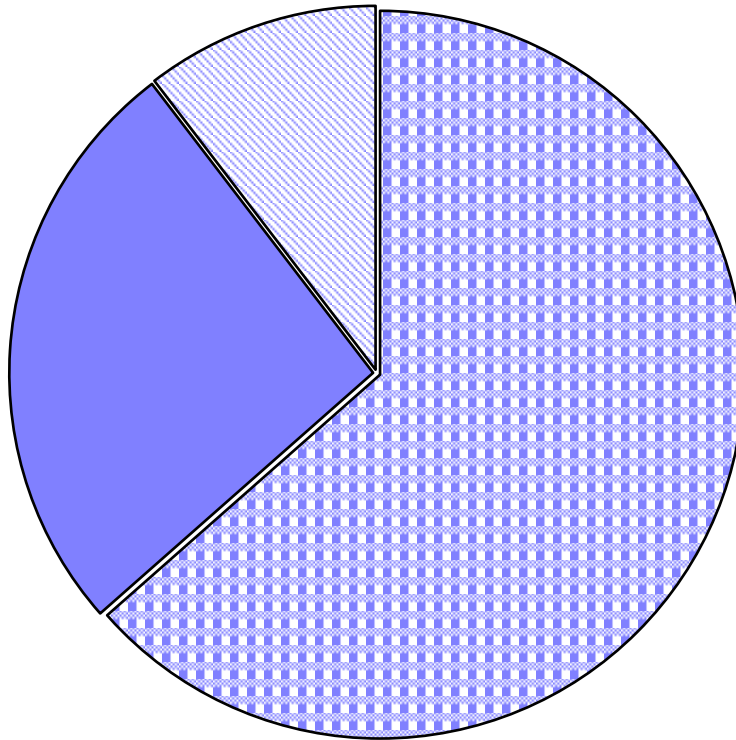
SUPPLEMENTARY FINANCIAL STATEMENTS (Pages 113-114)

COLLECTION FUND

A statutory fund showing administration of council tax and income from business ratepayers on page 113.

2. **Review of the year** - The following three charts show in broad terms where the Authority obtains its finance, what it is spent on and what services it provides.

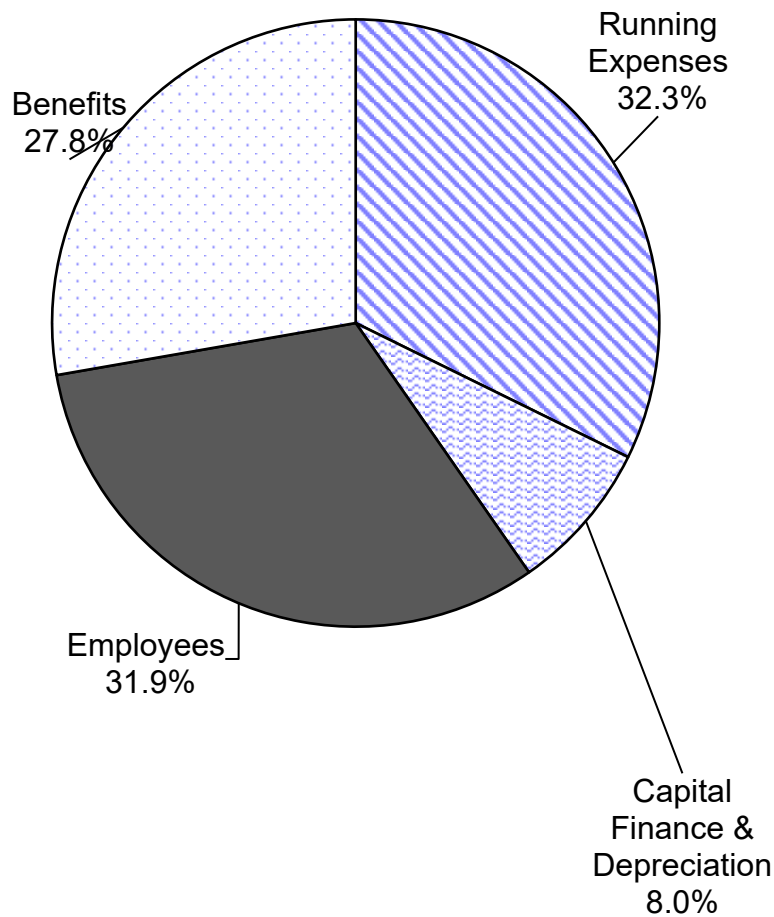
WHERE THE MONEY COMES FROM



The largest single item is Government Grants, for example rent allowances and revenue support grant, and other contributions which provide 63.5% of the total.

Income received from the services provided through fees, charges and other income including interest account for 26.1% of the total.

WHAT THE MONEY IS SPENT ON



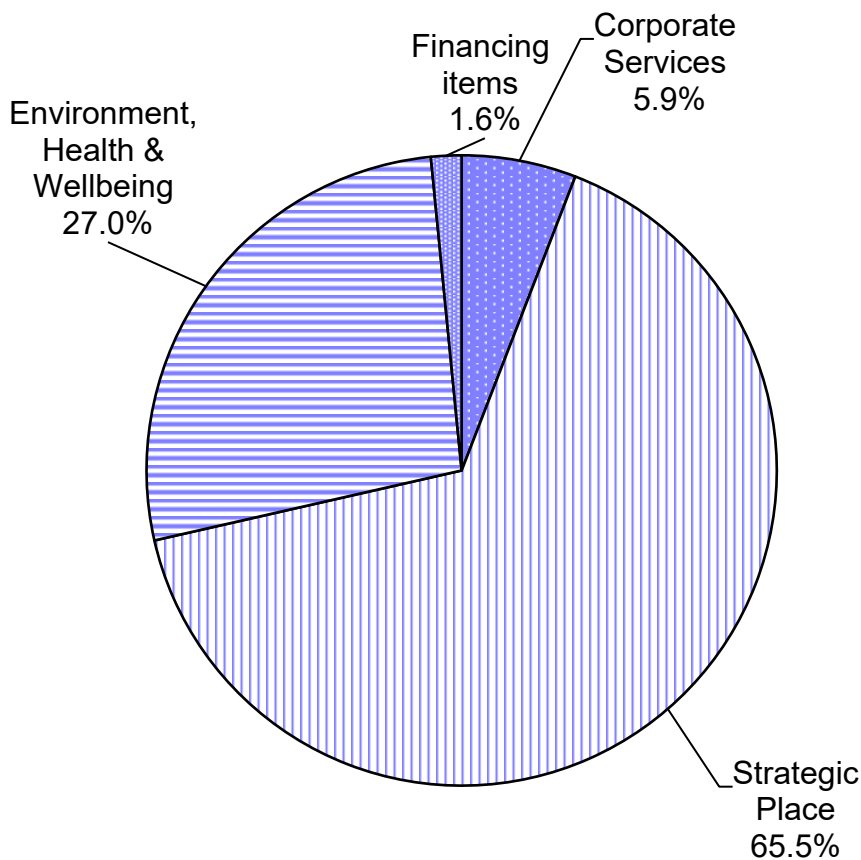
Benefits cover rent allowances and housing rent rebates and amount to 27.8%

Running expenses includes maintenance of buildings, operating vehicles and purchase of supplies and services and takes up 32.3% of the total expenditure.

Employees account for 31.9% of the total.

Capital financing charges are mainly the payments of interest on loans, depreciation and impairment/revaluation adjustments.

THE SERVICES PROVIDED



65.5% of the total expenditure is on Strategic Place which covers services such as building control, economy & assets, housing, parking & transport, revenue & benefits including rent allowances, spatial planning and development management.

Corporate Services includes all support services, for example, finance, human resources, internal audit, legal and procurement. The strategic leadership team together with democratic and electoral services are also included in this heading. Communications, and the business transformation team make up the balance of this segment.

Environment, Health & Wellbeing covers all aspects of environmental health plus green spaces, leisure, resorts, licensing, waste, recycling & cleaning and community safety.

Financing items includes past service pension deficit contributions, pension strain payments, bank charges and external audit fees.

FINANCIAL REQUIREMENTS AND RESOURCES

3. The authority maintains capital and revenue reserves. An appropriate level of balances is a necessary part of our financial management strategy to have funds available to meet known and potential financial commitments. Revenue reserves can be used to finance capital projects or revenue expenditure. Capital reserves can only be used to fund capital projects.

Our reserves are detailed on page 31 in the Movement in Reserves Statement. These are split into 'usable reserves' which can be applied to fund expenditure or reduce local taxation, and other reserves which are 'unusable'. Usable reserves include our general fund balance of earmarked and unearmarked reserves, capital receipts reserve, and capital grants unapplied, all in note 26 to the accounts. Unusable reserves are detailed in note 27 and include a number of reserves such as the revaluation reserve, pensions reserve and capital adjustment account.

Within the year our 'usable reserves' have increased from £43.848 million to £48.114 million. This is mainly due to the increase in capital grants unapplied in the year (see the Movement in Reserves Statement).

Our unusable reserve position has improved. The unusable reserves showed a negative £13.928 million at 31 March 2022 due to the deficit on the pension reserve. This net deficit has been eliminated leaving unusable reserves in a positive position of £62.260 million at 31 March 2023. This is principally due to a decrease in the pension reserve deficit due mainly to changes in financial assumptions shown in note 40 and a reduction in the deficit on the Collection Fund. Revenue reserves are £24.229 million at 31 March 2023 and capital receipts and grants unapplied are £23.885 million.

REVENUE EXPENDITURE

4. During the year regular budget monitoring has been carried out and reported to members. Overall net expenditure in 2022/23 was £14.691 million compared to the original approved budget of £16.106 million – a favourable variance of £1.415 million.

Income has recovered and stabilised since the Covid 19 pandemic. There was a significant saving on VAT on leisure services following a change in VAT rules, other income which increased compared to the base budget included recycling sales, planning application income and rents. The Council continues to explore savings where possible. As a result there were savings in staffing costs, rates, water, repairs and maintenance and other miscellaneous costs. Some costs have risen including energy, fuel, audit fees, purchase/maintenance of equipment, contractors/consultants fees and bed and breakfast costs. There was a decrease in income from government grants due to adjustments to business rates income to reflect adjustments to the Collection Fund balance deficit in previous years changing the overall variance to £1.433 million adverse.

5. Set out below is a comparison between actual & budgeted expenditure for the year:-

	Budget	Actual	Difference
	£'000	£'000	£'000
Net expenditure on services	16,074	14,691	(1,383)
Interest payable	32	0	(32)
NET EXPENDITURE	16,106	14,691	(1,415)
Income from Government Grants & Local Taxpayers	(16,106)	(13,258)	2,848
DEFICIT (SURPLUS) FOR THE YEAR	0	1,433	1,433

Actual net expenditure of £14.691 million can be reconciled to the Comprehensive Income and Expenditure Statement on page 30 being:-

	£'000
(Surplus) on Provision of Services	(2,742)
Adjustments between accounting basis & funding basis under regulations (note 9 on pages 56 to 61)	4,175
Deficit for the year	1,433
Add: Income from Government Grants and Local Taxpayers (as listed below)	13,258
Net expenditure (as above)	14,691

Income from Government Grants and Local Taxpayers of £13.258 million can be reconciled to the Comprehensive Income and Expenditure Statement on page 30 as the sum of the Council tax income excluding surplus of £13.451 million, Business Rates income less expenditure, excluding surplus, plus new homes bonus, other sundry general grants of £4.118 million, less precepts paid to Parish Councils of £4.311 million. These are highlighted in notes 11, 13 and 35 to the financial statements. The General Fund balance at 31 March 2023 is £24.229 million being general reserves of £2.317 million and earmarked reserves of £21.912 million.

The accounts are heavily influenced by the shifting pattern of funding receipts moving away from central government grants towards greater reliance on self-generated income. Revenue support grant is virtually zero and revisions to funding for New Homes Bonus are showing reductions in future years as Government intimates this will be eliminated.

Expenditure on services is influenced by our ten year Council Strategy and the major themes running through this document being the Teignbridge Ten (T10). The Council Strategy covers a ten year period from 2020 to 2030. The strategies and action plans are built up around the T10 with business plans. These are integrated with the medium term financial strategy, Local

Plan, Neighbourhood plans, partnership working and other service strategies to deliver the desired outcomes.

The Council Strategy will be monitored annually and refreshed if necessary. A review will take place every four years to ensure we are on track and consider new ideas and developments.

We produce Council Strategy performance reports quarterly to monitor how we are doing.

We carry out annual service reviews to consider best practice, alternative working methods, and identify further savings where possible.

More detail can be found here: <https://www.teignbridge.gov.uk/councilstrategy>

6. **Material charges in the accounts** – In 2022/23 there were revaluation losses net of revaluation reversals relating to our land and building values charged to the Comprehensive Income & Expenditure Statement amounting to £3.6 million. Revenue expenditure funded from capital under statute was slightly higher in 2022/23 at £7.7 million (£6.9 million in 2021/22) mainly due to a £2.6 million contribution to the A382 road improvements and £0.5 million towards the Jetty Marsh link road and other contributions to town centre improvements and cycle routes. Of the £7.7 million, £7.5 million is charged to ‘Strategic Place’ within Cost of Services in 2022/23 and £6.8 million of the £6.9 million in 2021/22. In 2022/23 the revaluation losses net of revaluation reversals had reduced from £5.2 million to just under £3.6 million. £3.2 million was charged to ‘Strategic Place’ and £0.3 million to ‘Environment, Health & Wellbeing’ within Cost of Services.

EXPENDITURE AND FUNDING ANALYSIS

Section 5 above identifies the actual surplus made of £2.742 million when compared to the original budget set in February 2022. Further detail is given in note 7 to the Accounts in the Expenditure and Funding Analysis which links the deficit/(surplus) made under generally accepted accounting practices with how annual expenditure is used and funded from resources. As a result the deficit in the Comprehensive Income and Expenditure Statement (CIES) is adjusted for these differences to arrive at the actual deficit/(surplus) to be deducted from/added to the General Fund.

The amounts which are charged to the CIES for items such as depreciation, revaluation of assets, capital grants and pension charges are eliminated to identify that which is chargeable to the General Fund Balance. Approximately half of the net expenditure chargeable to the General Fund relates to the segment ‘Environment, Health and Wellbeing’ for 2022/23 and just over 60% for 2021/22 within Cost of Services.

CAPITAL EXPENDITURE

7. The table below shows the performance on Capital Investment for 2022/23.

The Council spent £14.827 million on capital projects compared with the original budget of £26.577 million.

The decrease is mainly due to projects which have been delayed or re-assessed during the due diligence and feasibility phases. This is to ensure they will be fulfilling Council priorities for example leisure strategy items, carbon management, provisions for employment land and town centre development works, infrastructure and affordable housing schemes.

	Budget	Actual	Difference
	£'000	£'000	£'000
Capital Investment:			
General	19,646	11,597	8,049
Housing	6,931	3,230	3,701
CAPITAL EXPENDITURE	26,577	14,827	11,750
Financed by:			
Capital Receipts	(2,805)	(1,415)	(1,390)
Revenue Contributions	(250)	(1,188)	938
Prudential Borrowing	(5,432)	(1,076)	(4,356)
Grants	(12,824)	(6,183)	(6,641)
Contributions	(5,266)	(4,965)	(301)
CAPITAL FINANCING	(26,577)	(14,827)	(11,750)

The analysis of Capital Investment in 2022/23 is:

Disrepair, energy and Disabled Facilities Grants	£ 1.843 million
Affordable Housing	£ 1.387 million
Environmental Schemes	£ 4.517 million
Flood Alleviation and Prevention	£ 1.648 million
Sports Halls and Recreation	£ 0.890 million
Planning & Development	£ 0.789 million
Industrial, Commercial and Infrastructure	£ 3.443 million
Open spaces (including SANGS)	£ 0.062 million
Car Parks	£ 0.021 million
Other schemes	£ 0.227 million
	£ 14.827 million

The main projects were leisure site decarbonisation £0.790 million, Forde House decarbonisation and agile working £3.293 million, Regional Coastal Monitoring £1.618 million, disrepair and disabled facilities grants £1.843 million and £1.313 million spent on the purchase and refurbishment of affordable housing. Newton Abbot town centre regeneration accounted for £0.706 million, play area refurbishments and contributions £0.616 million, contribution to A382 improvements £2.600 million, contribution to Jetty Marsh Link Road £0.500 million, contribution to the Dawlish Link Rd and bridge £0.343 million.

8. For 2023/24 the budgeted expenditure is as follows:

Sports Halls & Recreation	£ 0.394 million
Open Spaces	£ 1.359 million
Planning & Development	£ 14.661 million
Industrial, Commercial and Infrastructure	£ 9.748 million
Environmental Schemes	£ 3.604 million
Flood Alleviation & Prevention	£ 1.961 million
Disrepair, Disabled Facilities & Energy grants	£ 1.274 million
Affordable Housing	£ 4.962 million
Information Technology & Central Services	£ 0.404 million
	£ 38.367 million

Some of the specific schemes included in these totals are £1.000 million for the Forde House decarbonisation project. There is £7.203 million towards road and transport improvements such as the Dawlish link road and bridge, the A382 and public transport hubs. £1.879 million is budgeted for Regional Coastal Monitoring, funded by Environment Agency grant and £1.105 million for future SANGS land purchase, instatement and endowment arrangements, funded from the Housing Infrastructure Fund. There is £1.250 million for Disabled Facilities grants, £13.646 million for town centre development including the Future High Street fund projects and £0.154 million for play area refurbishment, with £0.414 million towards modernising IT systems. In addition, there are provisions of £4.001 million for the construction and enabling of additional affordable housing, £0.795 million for cycle schemes, £2.439 million in relation to future carbon action plan and energy infrastructure items and £2.000 million for employment sites which will be brought back to Full Council for final approval where appropriate.

9. Capital funds:

The capital receipts, grants and contributions received including capital receipts in advance for 2022/23 can be analysed as follows:

	Capital resources brought forward	£25.400 million
Add:	Received in year	£13.904 million
Less:	Capital financing applied to expenditure	£11.738 million
	Loan/other	
	Capital resources carried forward	£27.566 million

BORROWING / FUNDING

10. There was no long term borrowing during the year.

PENSION LIABILITIES

11. International Accounting Standard 19 (IAS19) requires Local Authorities to recognise pension assets and liabilities within their accounts. The impact on the General Fund of the IAS 19 entries is neutral overall.

The actuary has now estimated a net deficit on the funded liabilities within the Pension Fund as at the 31 March 2023 of £26.609 million. The requirement to recognise the net pension liability in the balance sheet has reduced the reported net worth of the authority by 19.4% for 2022/23 and 76.8% for 2021/22 as shown on page 32.

The net deficit has decreased significantly which is mainly due to a favourable movement on the actuarial financial assumptions. The deficit is derived by calculating the pension

assets and liabilities at 31 March 2023. This is different to the valuation basis used to calculate the employers' contribution rate which is calculated using actuarial assumptions spread over a number of years. See also note 40 on pages 98 -104 for further information.

CASH FLOW

During the year the cash flow of the Authority decreased by £5.4 million. This was mainly due to a reduction in earmarked reserves and capital receipts and in grant receipts in advance at 31 March 2023.

There is no immediate necessity to borrow due to internal borrowing so no short term impact as a result of inflation and higher interest rates.

BALANCE SHEET

During the year net assets at 31 March 2023 increased by £80.454 million. This was mainly due to a significant decrease in the pension liability. Also see pages 31 and 32 for more information.

JOINT OPERATIONS

The accounts incorporate our share of the jointly owned company Strata Service Solutions Ltd. The ownership is shared with Exeter City Council and East Devon District Council with our share representing 27.372%. The figures consolidated on a joint operation basis are detailed in note 47. In 2022/23 our share of adjustments to the Comprehensive Income and Expenditure Statement amounted to (£2.280) million. The cumulative effect on our balance sheet is to reduce net assets by £1.717 million.

CHANGE IN ACCOUNTING POLICIES

12. There have been no changes in accounting policies in 2022/23.

KEY INFORMATION/ ECONOMIC CLIMATE

13. The Council provides a range of services within the District including housing, refuse collection and recycling, planning, economic development, tourism and leisure.

Our vision is: *'Making Teignbridge a healthy and desirable place where people want to live, work and visit'*

Further information on our environment and strategy can be found here:

<https://www.teignbridge.gov.uk/councilstrategy> (not subject to audit)

The economic climate continues to have an impact on the Council although there were no significant changes compared to recent years until the Covid 19 pandemic and lock down in the latter part of March 2020. Since the end of the pandemic the next major issue has been the cost of living crisis and high inflation and interest rates. In year collection of business rates and council tax has altered from last year increasing from 98.99% to 99.04% for rates and decreasing from 97.92% to 97.81% for council tax. There was a further decrease in housing benefit costs. Income from many sources including car parking, planning, rents etc had reduced significantly due to Covid 19 but many income streams have recovered significantly and have been relatively stable.

It is still unclear what the long term outcome from the Covid 19 pandemic will be on businesses as we continue to recover from the impacts and viability of the economy for businesses and the finances of the Council moving forward as inflationary and other economic pressures are increasing.

The cost of living crisis has had a significant impact on residents and geo-political events such as Ukraine. The Council has supported residents through Government backed schemes with cost of living support as appropriate and funding for accommodating refugees within the District including the purchase of appropriate housing accommodation.

ECONOMY, EFFICIENCY AND EFFECTIVENESS IN ITS USE OF RESOURCES

14. The Authority reports on its financial performance and economy, efficiency and effectiveness in its use of resources over the financial year in a number of ways;

Spending against budget has been monitored monthly for Corporate Management Team and quarterly reports are submitted to the Executive Committee.

There are also a number of reports submitted to the Audit Scrutiny Committee including:-

- Internal Audit's Plan, Annual Report and audit findings.
- Annual Governance Statement.
- External Audit's Annual Audit Letter including a Value for Money conclusion.
- Review of risk management.
- Treasury management including mid-year review.

The Annual Governance Statement can be found on pages 120 to 127. This describes the governance framework in place with reference to the guiding principles recommended by the CIPFA/SOLACE Framework for Delivering Good Governance in Local Government. The Framework comprises the systems, processes, culture and values which direct and control our daily business, and includes the methods we use to engage, lead and account to the community. It enables us to monitor how we are doing and to consider whether our plans help us to deliver appropriate services that are value for money in the short, medium and long term. The Annual Governance Statement comments on the effectiveness of our governance arrangements which is informed by various assurance sources including the work of internal and external audit.

Key performance indicators are monitored with reports being taken quarterly to Overview and Scrutiny Committee.

The reports monitor performance against the Council Strategy 'Teignbridge Ten' programmes (T10) which are the 'super projects' that will have a high impact on and bring major benefits to the Council's seven key objectives. Each T10 has seven or more actions with performance indicator(s) and/or project(s) to monitor their progress against targets and milestones.

Every quarter an update on the progress of each T10 is compiled by the T10 managers and presented to Overview & Scrutiny Committee.

The latest T10 report covers the financial year quarter 4 period from 1st January to 31st March 2023 and includes all PIs and reviews of the projects that have started.

At the end of the fourth year of the Council Strategy:

- All T10 programmes are reported
- A total of 59 performance indicators are reported
- 45 projects are reported

Within the report are details of key performance achievements including:

- Number of empty properties impacting on New Homes Bonus, 292, was on target or above for the 5th consecutive year.
- 466 dwellings were improved through intervention by the Council
- We provided 51 additional gypsy and traveller pitches, according to identified need in Plan Teignbridge
- Homelessness preventions was behind target on helping clients remain in existing homes (84, target 160)
- Household recycling rate is at 54%, on target
- 100% of beaches rated as excellent or good water quality (target 100)
- 1,166 sqm of employment space has been completed
- 1 km of new cycle routes were provided by working with our partners

Other key performance indicator results for the year are shown in the table below:

'Teignbridge Ten' programme heading and performance description	Target 2022/23	Actual 2022/23
Clean scene		
Street cleaning & litter responsibilities. £'s per household	£25.75	£25.85
Household waste collected: £'s per household	£68.61	£74.87
% Beaches rated as excellent or good water quality	100%	100%
Great places to live and work		
Number of conservation areas with appraisal and management plan adopted within the last 5 years	21	0
Going to town		
% of businesses with the top food hygiene rating of 5	90%	88%
Investing in prosperity		
Processing of major planning applications within 13 weeks	60%	88%
Processing of minor planning applications within 8 weeks	65%	49%
Out and about and active		
Number of young people under 18 participating in activities we organise	No data, PIs under review	No data, PIs under review
Number of older people over 60 participating in events we organise	No data, PIs under review	No data, PIs under review
A roof over our heads		
Number of households whose housing conditions have been improved through financial assistance	392	466
Net additional homes provided	753	627
Affordable homes delivered in urban areas as defined by the Local Plan	128	200
Homelessness prevented by client remaining in existing home	160	84
Homelessness prevented by assisting with alternative accommodation	205	223

'Teignbridge Ten' programme heading and performance description	Target 2022/23	Actual 2022/23
What else will we do		
£ Income generated	£38,341,600	£45,588,872
£ External funding received	£1,161,980	£4,792,822
£ Cost per head of population on all services	£138.85	£121.40

Reports on performance are reported to Overview & Scrutiny Committee and can be found here:

[Committee meetings and agendas - Teignbridge District Council](#)

Internal reviews of all services are conducted every year under the Better 2022/Modern 25 process. This process identifies future efficiencies and savings that will be made to service provision and feeds into the budget.

FORWARD FINANCIAL PLANNING REVIEW

15. The Authority has a Medium Term Financial Plan which covers 3 years and is updated on an annual basis as part of the budget process. It includes planned future developments in service delivery including the capital programme. There are a number of issues that are impacting on the Authority, its finances and service delivery. These include:

Cuts to Central Government grant funding – Revenue Support Grant virtually eliminated, planned reductions in New Homes Bonus and review of business rates.

We continue to have reductions in funding from new homes bonus, brought about initially by the changes in the 2017/18 Local Government Finance Settlement. The introduction of a baseline and reduced time period for legacy payments has required us to identify savings and additional income to meet the shortfall. The 2021/22 and 2022/23 settlements have exacerbated this by eliminating any legacy payments from the New Homes Bonus allocation earned for 2021/22 and thereafter.

We only have a funding agreement from Government for one year in 2023/24. In addition we understand New Homes Bonus will be scrapped and possibly replaced with an alternative form of housing funding but we have no further details. The government is planning to review the major national funding distribution of business rates which creates significant uncertainties for future financial planning. (See also 18 below and the uncertainties in relation to Covid 19).

The capital programme is fully funded in the medium term and by having no long term borrowing at present has the ability to enter the lending market for agreed schemes and if provisions for projects and schemes are approved with an appropriate business case.

UNCERTAINTIES, PROVISIONS, COVID 19, BREXIT & MATERIAL EVENTS AFTER THE REPORTING DATE

16. Please see note 6 to the financial statements for events after the reporting period. Contingent liabilities are itemised in note 41 and relate to any claims that may arise from the transfer of the Authority's housing stock in 2004. See also note 25 to the financial statements for provisions in the accounts. The provision we hold is for non-domestic rates appeals. There have been no major write offs in the year. **174**

17. Withdrawal from the European Union (Brexit) – the opportunities and challenges arising from Brexit are still unclear for the Council and its public services. Withdrawal has probably had some implications for public services however these have been masked by the Covid 19 pandemic and subsequent economic conditions.
18. Coronavirus Covid 19 – The overall impact of this virus has been difficult to determine. We don't know the long term impact on businesses and the economy. Income to the Council had reduced dramatically but has now recovered significantly - see also notes 5/6 to the financial statements and collection rates for Council tax, business rates and rental income above. The budget for 2023/24 will need to be monitored carefully in conjunction with any further funding support from Government/use of reserves and projections/efficiency plans within the Medium Term Financial Plan (MTFP) /cash flow and recovery plans. We don't know the long term impact on asset and liability values – in particular, Property, Plant & Equipment and the Pension liability. More detail on this is available in note 4 to the financial statements. The Covid pandemic created budgetary financial pressures in the medium term financial plan which are being addressed.

We will continue to focus on our working methods, organisational structure and the annual review of business plans and service reviews through the Modern 25 process which will pull together savings and suggested savings to meet the likely budget gaps predicted in future years. Support has been provided by Central Government through general Covid grants, furlough and the income compensation scheme but these are no longer available and future funding reforms are awaited from Government, however consultations on these are yet to emerge.

The MTFP is regularly updated and business cases revisited to reflect changes in estimates/inflation/interest rates etc and future predictions are built into plans to mitigate adverse changes.

FURTHER INFORMATION

19. Further information about the accounts is available from Financial Services, Forde House, Newton Abbot. This is part of the Council's policy of providing full information about the Council's affairs. Also, interested members of the public have a statutory right to inspect the accounts before the audit. The availability of the accounts for inspection is advertised on our website. The accounts have not been audited and the Auditors' disclaimer opinion and conclusion is on pages 26 to 29. The accounts are available on request in large print, Braille, different colour, e-mail attachment, MP3 file or disc. If English is not your first language we can also arrange for it to be produced in another language.

Martin Flitcroft – Chief Finance Officer

Part 2

Financial Statements

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**THE STATEMENT OF RESPONSIBILITIES FOR THE
STATEMENT OF ACCOUNTS**

The Authority’s Responsibilities

The Authority is required to:-

- ◆ make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Authority, that officer is the Chief Finance Officer;
- ◆ manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- ◆ approve the Statement of Accounts.

The Chief Finance Officer’s Responsibilities

The Chief Finance Officer is responsible for the preparation of the authority's Statement of Accounts in accordance with proper practices as set out in the CIPFA / LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

In preparing this Statement of Accounts, the Chief Finance Officer has:-

- ◆ selected suitable accounting policies and then applied them consistently;
- ◆ made judgements and estimates that were reasonable and prudent;
- ◆ complied with the local authority Code.

The Chief Finance Officer has also:

- ◆ kept proper accounting records which were up to date;
- ◆ taken reasonable steps for the prevention and detection of fraud and other irregularities

The Chief Finance Officer has signed below to certify that the Statement of Accounts gives a true and fair view of the financial position of the Authority at 31 March 2023 and its income and expenditure for the year ended 31 March 2023.

.....

MARTIN FLITCROFT – CHIEF FINANCE OFFICER

I confirm that these accounts were approved by the Council on 29 October 2024

.....

COUNCILLOR ROSIE DAWSON, CHAIR OF THE COUNCIL

29 October 2024

AUDIT OPINION AND CONCLUSION

Independent auditor's report to the Members of Teignbridge District Council Report on the Audit of the Financial Statements

Disclaimer of opinion

We were engaged to audit the financial statements of Teignbridge District Council (the 'Authority') for the year ended 31 March 2023, which comprise Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance Sheet, the Cash Flow Statement, the Collection Fund and Notes to the Financial Statements and Notes to the Collection Fund, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23.

We do not express an opinion on the accompanying financial statements of the Authority. Because of the significance of the matter described in the basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for disclaimer of opinion

The Accounts and Audit (Amendment) Regulations 2024 ('the Regulations') require the Authority to publish audited financial statements for the year ended 31 March 2023 by 13 December 2024 ('the backstop date'). The backstop date has been put in law with the purpose of clearing the backlog of historical financial statements. We have not been able to obtain sufficient appropriate audit evidence by the backstop date to conclude that the Authority's financial statements for the year ended 31 March 2023 as a whole are free from material misstatement. We were also unable to obtain sufficient appropriate evidence for the corresponding figures for the same reason. We have therefore issued a disclaimer of opinion on the financial statements. This enables the Authority to comply with the requirement in the Regulations that they publish audited financial statements for the year ended 31 March 2023 by the backstop date. We have concluded that the possible effects on the financial statements of undetected misstatements arising from this matter could be both material and pervasive.

In addition, in our auditor's report for the year ended 31 March 2021, we reported that we were unable to confirm the accuracy of the valuation calculations for property, plant and equipment or obtain sufficient appropriate audit evidence to conclude whether the basis of the valuations were reasonable. We were also unable to obtain sufficient assurance that the value of car parks were not materially overstated. In addition, we identified significant weaknesses in financial accounting and record keeping at the Authority associated with its property, plant and equipment balances. The Authority did not maintain adequate records to sufficiently support material balances within the financial statements. Due to the significance of these matters, we were unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements. These matters have not been resolved in the current year and therefore their impact could be both material and pervasive to the current year financial statements.

Other information we are required to report on by exception under the Code of Audit Practice

Because of the significance of the matter described in the basis for disclaimer of opinion section of our report, we have been unable to consider whether the Annual Governance Statement does not comply with 'Delivering Good Governance in Local Government Framework 2016 Edition' published by CIPFA and SOLACE, or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

Opinion on other matters required by the Code of Audit Practice

The Chief Finance Officer is responsible for the other information. The other information comprises the information included in the Statement of Accounts, other than the Authority's financial statements and our auditor's report thereon. Because of the significance of the matter described in the basis for disclaimer of opinion section of our report, we have been unable to form an opinion, whether based on the work undertaken in the course of the audit of the financial statements and our knowledge of the Authority gained through our work in relation to the Authority's arrangements for securing economy, efficiency and

effectiveness in its use of resources, whether the other information published together with the financial statements in the Statement of Accounts for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Under the Code of Audit Practice, we are required to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make a written recommendation to the Authority under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or;
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014, in the course of, or at the conclusion of the audit.

We have nothing to report in respect of the above matters.

Responsibilities of the Authority and the Chief Finance Officer

As explained more fully in the Statement of Responsibilities for the Statement of Accounts set out on page 25, the Authority is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this authority, that officer is the Chief Finance Officer. The Chief Finance Officer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23, for being satisfied that they give a true and fair view, and for such internal control as the Chief Finance Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Finance Officer is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Authority without the transfer of its services to another public sector entity.

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to conduct an audit of the Authority's financial statements in accordance with International Standards on Auditing (UK) and to issue an auditor's report. However, because of the matter described in the basis for disclaimer of opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on those financial statements.

We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations.

The audit was defective in its ability to detect irregularities, including fraud, on the basis that we were unable to obtain sufficient appropriate audit evidence due to the matter described in the basis for disclaimer of opinion section of our report.

Report on other legal and regulatory requirements – the Authority’s arrangements for securing economy, efficiency and effectiveness in its use of resources

Matter on which we are required to report by exception – the Authority’s arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2023.

We have nothing to report in respect of the above matter except on 29 August 2023 we identified significant weaknesses in the Authority’s arrangements for governance. This was in relation to the following:

- An independent review of the relationship between members and officers by the Centre for Governance and Scrutiny (CFGS) identified a general lack of respect between members and also evidence of difficult relationships between members and officers. We recommended both members and senior officers commit to building up respect and good working relationships and demonstrate that significant progress has been made within a reasonable timeframe, to be agreed by the Managing Director and Group Leaders.
- A disclaimer opinion was issued on the 2020/21 financial statements. This was due to an imposed scope limitation to gain assurance over the carrying value of property, plant and equipment valuations at 31 March 2021. We recommended the Authority ensures its annual financial statements are supported by appropriately evidenced working papers that meet the increased expectations of current auditing standards.

As part of our work on the Authority’s arrangements for governance for the year ended 31 March 2023, we have reviewed the Authority’s progress implementing these recommendations. Insufficient progress had been made by the Authority in addressing the significant weaknesses identified, therefore the significant weaknesses in arrangements remain in place.

Responsibilities of the Authority

The Authority is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Auditor’s responsibilities for the review of the Authority’s arrangements for securing economy, efficiency and effectiveness in its use of resources

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to be satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority’s arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We undertake our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in October 2024. This guidance sets out the arrangements that fall within the scope of ‘proper arrangements’. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

- Financial sustainability: how the Authority plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the Authority ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the Authority uses information about its costs and performance to improve the way it manages and delivers its services.

We document our understanding of the arrangements the Authority has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor’s Annual Report. In undertaking our work, we consider whether there is evidence to suggest that there are significant weaknesses in arrangements

Report on other legal and regulatory requirements – Audit certificate

We certify that we have completed the audit of Teignbridge District Council for the year ended 31 March 2023 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

Use of our report

This report is made solely to the members of the Authority, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 [and as set out in paragraph 44 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited]. Our audit work has been undertaken so that we might state to the Authority's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

Peter Barber, Key Audit Partner

for and on behalf of Grant Thornton UK LLP, Local Auditor
Bristol

XX XXXX 2024

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

2021/22				2022/23		
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure
£'000	£'000	£'000		£'000	£'000	£'000
4,706	(573)	4,133	Corporate Services	4,434	(244)	4,190
52,574	(41,320)	11,254	Strategic Place**	49,482	(40,282)	9,200
19,801	(8,008)	11,793	Environment, Health & Wellbeing	20,381	(9,628)	10,753
395	(291)	104	Financing items*	1,178	(194)	984
77,476	(50,192)	27,284	Cost of Services	75,475	(50,348)	25,127
8,723	(961)	7,762	Other Operating Expenditure (Note 11)	5,137	(222)	4,915
2,141	(34)	2,107	Financing and Investment (Income) and Expenditure (Note 12)	2,525	(823)	1,702
10,478	(43,738)	(33,260)	Taxation and Non-Specific Grant (Income) and Expenditure (Note 13) ***	10,991	(45,477)	(34,486)
		3,893	(Surplus) or Deficit on Provision of Services			(2,742)
		(3,723)	(Surplus) or Deficit on revaluation of Property, Plant & Equipment assets			(78)
		(15,523)	Re-measurements of the net defined benefit liability****			(77,634)
		(19,246)	Other Comprehensive (Income) and Expenditure			(77,712)
		(15,353)	Total Comprehensive (Income) and Expenditure			(80,454)

**In 2021/22 includes £2.5 million for payment of Covid business grants from Government grant funding received in response to the Covid pandemic – £0.049 million was paid in 2022/23 for business grants - see note 5(b) to the financial statements.

*** In 2021/22 includes Covid support of £0.8 million for fees and charges compensation, £0.6 million general Covid grants and £3.4 million retail relief grant for business rates. In 2022/23 there were no general Covid grants or fees and charges compensation grants however £0.049 million was received for business grants (see note 13).

**** see notes 4 and 5 (c) for explanation on the remeasurement of the net defined benefit liability.

MOVEMENT IN RESERVES STATEMENT

This statement shows the movement in the year on the different reserves held by the Authority, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves. The Surplus or (Deficit) on the Provision of Services line shows the true economic cost of providing the Authority's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance for council tax setting purposes. The Net Increase/(Decrease) before Transfers to Earmarked Reserves line shows the statutory General Fund Balance before any discretionary transfers to or from earmarked reserves undertaken by the Council.

	Unearmarked Reserves	Earmarked Reserves	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Authority Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 31 March 2021	2,060	22,948	25,008	6,427	11,040	42,475	(27,908)	14,567
<u>Movements in reserves during 2021/22</u>								
Total Comprehensive Income and Expenditure	(3,893)	0	(3,893)	0	0	(3,893)	19,246	15,353
Adjustments between accounting basis & funding basis under regulations (Note 9)	4,547	0	4,547	(756)	1,475	5,266	(5,266)	0
Increase/(Decrease) in 2021/22 before transfer to earmarked reserves	654	0	654	(756)	1,475	1,373	13,980	15,353
Transfer to/from Earmarked Reserves	(608)	608	0	0	0	0	0	0
Increase/(decrease) in 2021/22	46	608	654	(756)	1,475	1,373	13,980	15,353
Balance at 31 March 2022 carried forward	2,106	23,556	25,662	5,671	12,515	43,848	(13,928)	29,920
<u>Movement in reserves during 2022/23</u>								
Total Comprehensive Income and expenditure	2,742	0	2,742	0	0	2,742	77,712	80,454
Adjustments between accounting basis & funding basis under regulations (Note 9)	(4,175)	0	(4,175)	(1,144)	6,843	1,524	(1,524)	0
Increase/(Decrease) in 2022/23 before transfer to earmarked reserves	(1,433)	0	(1,433)	(1,144)	6,843	4,266	76,188	80,454
Transfer to/from Earmarked Reserves	1,644	(1,644)	0	0	0	0	0	0
Increase/(decrease) in 2022/23	211	(1,644)	(1,433)	(1,144)	6,843	4,266	76,188	80,454
Balance at 31 March 2023 carried forward	2,317	21,912	24,229	4,527	19,358	48,114	62,260	110,374

BALANCE SHEET

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Authority. The net assets of the Authority (assets less liabilities) are matched by the reserves held by the Authority. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that the Authority may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves is those that the Authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'

31 March 2022	Notes	31 March 2023
£'000		£'000
106,730	Property, Plant & Equipment 14	106,934
94	Investment Property 15	100
341	Intangible Assets 16	361
0	Assets Held for Sale 23	0
0	Long Term Investments 17	0
4,926	Long Term Debtors 18	6,079
112,091	Long Term Assets	113,474
6,000	Short Term Investments 19	4,000
0	Assets Held for Sale 23	0
208	Inventories	188
24,193	Short Term Debtors 20	18,234
32,103	Cash and Cash Equivalents 22	26,693
62,504	Current Assets	49,115
0	Bank Overdraft 22	0
0	Short Term Borrowing	0
(15,264)	Short Term Creditors 24	(10,092)
(510)	Provisions 25	(508)
(14,506)	Grants Receipts in Advance-Revenue 35	(2,922)
(7,136)	Grants Receipts in Advance-Capital 35	(3,629)
(37,416)	Current Liabilities	(17,151)
0	Provisions 25	0
(102,027)	Other Long Term Liabilities 43	(29,601)
(5,154)	Grants Receipts in Advance – Revenue 35	(5,411)
(78)	Grants Receipts in Advance - Capital 35	(52)
(107,259)	Long Term Liabilities	(35,064)
29,920	Net Assets	110,374
43,848	Usable Reserves 26	48,114
(13,928)	Unusable Reserves 27	62,260
29,920	Total Reserves	110,374

CASH FLOW STATEMENT

The Cash Flow Statement shows the changes in cash and cash equivalents of the Authority during the reporting period. The statement shows how the Authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Authority are funded by way of taxation and grant income or from the recipients of services provided by the Authority. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Authority's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Authority.

2021/22		2022/23
£'000		£'000
3,893	Net (surplus) or deficit on the provision of services	(2,742)
(19,132)	Adjustments to net surplus or deficit on the provision of services for non cash movements (Note 28(a))	4,094
7,991	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities (Note 28(b))	12,294
<u>(7,248)</u>	Net cash flows from Operating Activities	<u>13,646</u>
5,228	Investing Activities (Note 29)	(2,057)
<u>(8,951)</u>	Financing Activities (Note 30)	<u>(6,179)</u>
(10,971)	Net (increase) or decrease in cash and cash equivalents	5,410
21,132	Cash and cash equivalents at the beginning of the reporting period	32,103
<u>32,103</u>	Cash and cash equivalents at the end of the reporting period (Note 22)	<u>26,693</u>

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies

a. General Principles

The Statement of Accounts summarises the Authority's transactions for the 2022/23 financial year and its position at the year-end of 31 March 2023. The Authority is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015, which those Regulations require to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23, the Local Authorities (Capital Finance and Accounting)(England) Regulations 2003 (SI 2003 No 3146, as amended) supported by International Financial Reporting Standards (IFRS).

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments. The Statement of Accounts has been prepared using the going concern basis.

b. Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- The council recognises revenue from contracts with service recipients when it satisfies a performance obligation by transferring promised goods and services to a recipient, measured as the amount of the overall transaction price allocated to that obligation.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.
- Revenue from council tax and business rates is measured at the full amount receivable (net of any impairment losses) and is accounted for on an accruals basis.

c. Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than 95 days or less from the date of acquisition and that are readily convertible to known amounts of cash with

insignificant risk of change in value.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Authority's cash management.

d. Material Items

When items of income and expense are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to an understanding of the Authority's financial performance.

e. Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Authority's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

f. Charges to Revenue for Non-Current Assets

Services, support services and trading accounts are debited with the following amounts to record the cost of holding non-current assets during the year:

- depreciation attributable to the assets used by the relevant service
- revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off
- amortisation of intangible assets attributable to the service.

The Authority is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisation. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the Authority in accordance with statutory guidance. Depreciation, revaluation and impairment losses and amortisations are therefore replaced by the contribution in the General Fund Balance – Minimum Revenue Provision (MRP), by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

g. Employee Benefits

Benefits Payable During Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and

paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees and are recognised as an expense for services in the year in which employees render service to the Authority. An accrual is made for the cost of holiday entitlements (or any form of leave e.g. time off in lieu) earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday entitlements are charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Authority to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy in exchange for those benefits and are charged on an accruals basis to the appropriate reporting segment (or Financing Items where they relate to pension enhancements) in the Comprehensive Income and Expenditure Statement to terminate at the earlier of when the Authority can no longer withdraw the offer of those benefits or when the Authority recognises costs for a restructuring.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Authority to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

Post Employment Benefits

Employees of the Authority are members of the Local Government Pensions Scheme, administered by Devon County Council.

This schemes provides defined benefits to members (retirement lump sums and pensions), earned as employees worked for the Authority.

The Local Government Pension Scheme

The Local Government Scheme is accounted for as a defined benefits scheme:

- The liabilities of the Devon County Council pension fund attributable to the Authority are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc. and projections of projected earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate based on the annualised yield on the Merrill Lynch AA rated corporate bond curve used by the actuary Barnet Waddington and with consideration of the duration of the liabilities of the Employer (Teignbridge District Council).
- The assets of the Devon County Council pension fund attributable to the Authority are included in the Balance Sheet at their fair value:
 - quoted securities – current bid price

- unquoted securities – professional estimate
- unlisted securities – current bid price
- property – market value.
- The change in the net pensions liability is analysed into the following components:
- Service cost comprising:
 - current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked
 - past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Financing Items
 - net interest on the net defined benefit liability (asset), i.e. net interest expense for the Authority – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period – taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.
- Remeasurements comprising:
 - the return on plan assets – excluding amounts included in net interest on the net defined benefit liability (asset) – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure
 - actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure
 - contributions paid to the Devon County Council pension fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund Balance to be charged with the amount payable by the Authority to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are transfers to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Discretionary Benefits

The Authority also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

h. Events after the Reporting Period

Events after the balance sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events
- those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

i. Financial Instruments

Financial instruments are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of the financial instrument. They are initially measured at fair value.

Financial Liabilities

As the Authority's financial liabilities are basic lending arrangements and mainly of a short term nature they are subsequently measured at amortised cost. For the Authority's borrowing this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest). Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument (which for the Council's loans is the amount payable for the year per the loan agreement).

Financial Assets

As the Authority's financial assets are basic lending arrangements and are not held to make speculative gains through increases in their value, they are subsequently measured at amortised cost: the outstanding principal repayable (plus accrued interest). Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) are based on the carrying amount of the asset, multiplied by the effective rate of interest for the instrument, (which for the Authority's assets is the amount receivable for the year per the deposit agreement).

Allowances for impairment losses have been calculated for amortised cost assets, applying the expected credit losses model (see Note 42 below). In

particular 'other debtors' is using the provision matrices option which takes into consideration historical data and grouping of debtor ages.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Instruments Entered Into Before 1 April 2006

The Authority entered into a financial guarantee that is not required to be accounted for as a financial instrument. This guarantee is reflected in the Statement of Accounts to the extent that a provision might be required or a contingent liability note is needed under the policies set out in the section on Provisions, Contingent Liabilities and Contingent Assets.

j. Government Grants and Contributions

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Authority when there is reasonable assurance that:

- the Authority will comply with the conditions attached to the payments, and
- the grants or contributions will be received.

Amounts recognised as due to the Council are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset in the form of the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as a current or long term liability – 'grants receipts in advance'. If these are not obviously capital in nature then they are treated as revenue grants. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ring-fenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied Reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

k. Intangible Assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Authority as a result of past events (e.g. software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Authority.

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Authority can be determined by reference to an active market. In practice, **193** intangible asset held by the Authority meets this

criterion, and they are therefore carried at amortised cost. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

l. Inventories

Inventories are included in the Balance Sheet at the lower of cost and net realisable value. The cost of inventories is assigned using the FIFO costing formula.

m. Investment Property

Investment properties are those that are held solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale.

Investment properties are measured initially at cost and subsequently at fair value, being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. As a non-financial asset, investment properties are measured at highest and best use. Properties are not depreciated and gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

n. Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

The Authority as Lessee

Finance Leases

Property, plant and equipment held under finance leases is recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation to pay the lessor. Initial direct costs of the Authority are added to the carrying amount of the asset. Premiums paid on entry into a lease are applied to writing down the lease liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Lease payments are apportioned between:

- a charge for the acquisition of the interest in the property, plant or equipment – applied to write down the lease liability, and
- a finance charge (debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

Property, Plant and Equipment recognised under finance leases is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life (where ownership of the asset does not transfer to the authority at the end of the lease period).

The Authority is not required to raise council tax to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual contribution is made from revenue funds towards the deemed capital investment in accordance with statutory requirements. Depreciation and revaluation and impairment losses are therefore substituted by a revenue contribution in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

Operating Leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefiting from use of the leased property, plant or equipment. Charges are made on a straight-line basis over the life of the lease.

The Authority as Lessor

Finance Leases

Where the Authority grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain, representing the Authority's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal), matched by a lease ~~105~~ term debtor) asset in the Balance Sheet.

Lease rentals receivable are apportioned between:

- a charge for the acquisition of the interest in the property – applied to write down the lease debtor (together with any premiums received), and
- finance income (credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement)

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund Balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund Balance to the Capital Receipts Reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund Balance to the Deferred Capital Receipts Reserve in the Movement in Reserves Statement. When the future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the Capital Receipts Reserve.

The written-off value of disposals is not a charge against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

Operating Leases

Where the Authority grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease.

o. Overheads/ Support Services/Central Costs

Total absorption costing is not fully applied under the principles within SeRCoP. Service segments do not have support services recharged to each front line service. Support services are reported separately in their own right within the 'Corporate Services' segment. This segment also includes the costs of the Corporate Leadership Team and the cost of democracy.

However, the central office costs are allocated to all services within the service segments on the basis of floor area.

Certain corporate costs such as discretionary benefits awarded to employees retiring early, past deficit pension contributions and general corporate costs such as bank charges and external audit fees are allocated to the 'Financing items' segment.

p. Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

Recognition

Expenditure over £10,000 on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Authority and the cost of the item can be measured reliably. Expenditure

that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

Measurement

Assets are initially measured at cost, comprising:

- the purchase price
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located

The Authority does not capitalise borrowing costs incurred whilst assets are under construction.

The cost of assets acquired other than by purchase is deemed to be its fair value, unless the cost of acquisition does not have commercial substance (i.e. it will not lead to a variation in the cash flows of the Authority). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Authority.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-specific Grant Income line of the Comprehensive Income and Expenditure Statement, unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Account. Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement.

Assets are then carried in the Balance Sheet using the following measurement bases:

- infrastructure, community assets and assets under construction – depreciated historical cost
- surplus assets – the current value measurement base is fair value, estimated at highest and best use from a market participant's perspective
- all other assets – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV)

Where there is no market-based evidence of current value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of current value.

Where non-property assets that have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for current value.

Assets included in the Balance Sheet at current value are re-valued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year-end. Where material changes in an assets value are identified, all assets within that class (e.g. car parks, public conveniences) will be re-valued in that year. As a minimum all assets will be valued every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Surplus or Deficit on the Provision of Services within the Comprehensive Income and

Expenditure Statement where they arise from the reversal of a loss previously charged to a service.

Where decreases in value are identified, they are accounted for by:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

Componentisation

All assets will be split into their land and buildings elements. Any asset in excess of £400,000 in value will be considered for componentisation. The component must have a minimum value of £200,000 or be at least 15% of the overall value of the asset (whichever is the higher) and the differential in the asset life must be more than 50% of that of the total asset. All three rules above must be met to consider componentisation and will be applied when an asset is revalued or a component is replaced. Where enhancement is integral to the whole asset e.g. roof on a building, then unless there is significant evidence to the contrary, the asset life of the enhancement will have the same remaining life as the existing asset and will not be separately identified as a component.

De-componentisation – Where, subject to materiality, a component is replaced or enhanced the carrying value of the old component shall be derecognised. Our internal valuer will provide a valuation for de-recognition.

Impairment

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for by:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An

exception is made for assets without a determinable finite useful life (i.e. freehold land and certain Community Assets) and assets that are not yet available for use (i.e. assets under construction).

Depreciation is calculated on the following bases:

- dwellings and other buildings – straight-line allocation over the useful life of the property as estimated by the valuer (5 to 60 years)
- vehicles, plant, furniture and equipment – 5 to 30 years
- infrastructure – straight-line allocation over the useful life as estimated by the valuer. Most have useful lives in excess of 60 years and therefore the majority are not depreciated

Where an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Disposals and Non-Current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previous losses recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale.

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale; adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as Held for Sale, and their recoverable amount at the date of the decision not to sell.

Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts and are credited to the Capital Receipts Reserve, and can then only be used for new capital investment or set aside to reduce the Authority's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the

Reserve from the General Fund Balance in the Movement in Reserves Statement.

The written-off value of disposals is not a charge against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

q. Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are made where an event has taken place that gives the Authority a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the Authority may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Authority becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Authority settles the obligation.

Provisions are held for refunds of business rates as a result of appeals. An impairment allowance is held for bad debts.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Authority a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Authority. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

Contingent Assets

A contingent asset arises where an event has taken place that gives the authority a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Authority.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

r. Reserves

The Authority sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against council tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirement and employee benefits and do not represent usable resources for the Authority – these reserves are explained in the relevant policies.

s. Revenue Expenditure Funded from Capital under Statute

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Authority has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the level of council tax.

t. Value Added Tax (VAT)

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

u. Heritage Assets

Heritage assets are valued at insurance valuation which is based on market values. The assets will be revisited at least once every five years for revaluation. Apart from this the recognition and measurement (including the treatment of revaluation gains and losses, impairment and disposal) is in accordance with the Authority's accounting policies on property, plant and equipment. There are currently no material heritage assets which require disclosure.

v. Council Tax, Non-Domestic Rates & Business Rates Retention

Billing authorities act as agents, collecting council tax and non-domestic rates (NDR) and, as principals, collecting council tax and NDR for themselves. Billing authorities are required by statute to maintain a separate fund (i.e. the Collection Fund) for the collection and distribution of amounts due in respect of council tax and NDR. Under the legislative framework for the Collection Fund, billing authorities, major preceptors and central government share proportionately the risks and rewards that the amount of council tax and NDR collected could be less or more than predicted.

Accounting for Council Tax and NDR

The council tax and NDR income included in the Comprehensive Income and Expenditure Statement is the authority's share of accrued income for the year. However, regulations determine the amount of council tax and NDR that must be included in the authority's General Fund. Therefore, the difference between the

income included in the Comprehensive Income and Expenditure Statement and the amount required by regulation to be credited to the General Fund is taken to the Collection Fund Adjustment Account and included as a reconciling item in the Movement in Reserves Statement.

The Balance Sheet includes the authority's share of the end of year balances in respect of council tax and NDR relating to arrears, impairment allowances for doubtful debts, overpayments and prepayments and appeals.

Business Rates Retention

The Local Government Finance Act 2012 introduced a business rates retention scheme that enabled local authorities to retain a proportion of the business rates generated in their area, with effect from 1 April 2013. The General Fund is adjusted as above.

Appeals – Provision is made for likely refunds of business rates as a result of appeals, against the rateable value of business properties. The appeals provision is based on the total value of outstanding appeals at the year end as advised by the Valuation Office Agency and on advice from them about the likely success rate of appeals.

w. Joint Operations

Joint operations are arrangements where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement. The activities undertaken by the Authority in conjunction with other joint operators involve the use of the assets and resources of those joint operators. In relation to its interest in a joint operation, the Authority as a joint operator recognises:

- its assets, including its share of any assets held jointly
- its liabilities, including its share of any liabilities held jointly
- its revenue from the sale of its share of the output arising from the joint operation
- its share of the revenue from the sale of the output by the joint operation
- its expenses, including its share of any expenses incurred jointly

Teignbridge District Council, East Devon District Council and Exeter City Council each share control of Strata Service Solutions Ltd, which was incorporated on 15 May 2014 under the Companies Act 2006 for the provision of a shared Information Communications Technology service. The single entity financial statements for each authority reflect their respective shares of Strata Service Solutions Limited. However, the accompanying notes to the Council's financial statements only include information relating to Strata Service Solutions Limited where this would make a material difference to the usefulness of those notes (see also note 47).

x. Community Infrastructure Levy

The Authority has elected to charge a Community Infrastructure Levy (CIL). The levy will be charged on new builds (chargeable developments for the Authority) with appropriate planning consent. The Authority charges for and collects the levy, which is a planning charge. The income from the levy will be used to fund a number of infrastructure projects (these include transport, leisure facilities, open spaces and schools) to support the development of the area.

CIL is received without outstanding conditions; it is therefore recognised at the

commencement date of the chargeable development in the Comprehensive Income and Expenditure Statement in accordance with the accounting policy for government grants and contributions set out above (see 1 j). CIL charges will be largely used to fund capital expenditure. However, a small proportion of the charges may be used to fund revenue expenditure.

2. Accounting Standards That Have Been Issued but Have Not Yet Been Adopted

The Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 (the Code) introduces changes in accounting policies that will have to be adopted fully by the authority in the 2023/24 financial statements i.e., from 1 April 2023.

The authority is required to disclose information relating to the impact of the accounting change on the financial statements as a result of the adoption by the Code of a new / amended standard that has been issued, but is not yet required to be adopted by the Authority.

For 2023/24 there are no standards issued not adopted that are expected to have a material impact on the 2023/24 statement of accounts. IFRS 16 Leases will require local authorities to review all their lessor and lessee accounting arrangements to comply with the new reporting standard with potential balance sheet implications. The initial assessment will be completed during 2023/24. As IFRS 16 is effective on or after 1 April 2024, there will be no impact on 2022/23 comparatives.

3. Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in Note 1, the Authority has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

- There is a high degree of uncertainty about future funding for local government. However, the Authority has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Authority might be impaired as a result of a need to close facilities and reduce levels of service provision.
- The Authority transferred its housing stock in 2004. Warranties were given to safeguard the housing company on staffing, environmental and other issues. The environmental liabilities are covered by an insurance policy but the other liabilities would have to be funded from the Authority's reserves. The uncertainties have been reviewed with the Legal Department and it has been considered that this item is a contingent liability (see note 41).
- The Authority has to decide whether a lease is an operating or finance lease. This is calculated based on the substance of the transaction rather than the form of the contract. We consider the examples highlighted in IAS17, the decision principally being based on whether the lease term is for the major part of the economic life of the asset (over 75%) even if title is not transferred. Other conditions will be considered e.g. who bears the risks and rewards of ownership.
- There is a high degree of uncertainty around the potential number and value of business rates appeals. The provision for any successful appeal is based upon advice from the Valuation Office Agency.
- Strata Service Solutions Ltd is a registered company which has been established to assist the three authorities; Teignbridge District Council, Exeter City Council and East Devon District Council, in the provision and operation of shared ICT services. It is deemed to be a joint operation due to the inherent rights to the assets and

obligations for liabilities each authority has relating to the joint arrangement, based upon the following facts and circumstances:

- i) The three authorities have joint control of the entity. Each authority has one nominated Director and each Director has one vote. The Directors are responsible for the management of the company's business, for which purpose they may exercise all the powers of the company with decisions made collectively and unanimously.
- ii) The Company is required by the Councils to carry out the tasks as set out in the Business Plans and Service Plans and is limited to the business and objectives as set by the Councils.
- iii) The Company's revenue derives from the financial allocations set and controlled by each of the Councils.
- iv) Strata continues to provide services to the three authorities. The Company has been established as an in-house mutual trading local authority controlled company to assist them in the provision of services.

Joint operations are not consolidated into group accounts, instead each authority has recognised in its financial statement its share of assets, liabilities, revenue and expenses pertaining to Strata Service Solutions Ltd.

4. Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Authority about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Authority's Balance Sheet at 31 March 2023 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Property, Plant and Equipment	Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Authority will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets.	If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls. It is estimated that the annual depreciation charge for buildings would increase by £0.057 million for every year that useful lives had to be reduced.
Pensions Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting	The effects on the net pensions liability of changes in individual assumptions can be measured. For instance, a 0.1% increase in the discount rate assumption would result in a decrease in the pension liability of £2.062 million. The assumptions interact in

	<p>actuaries is engaged to provide the Authority with expert advice about the assumptions to be applied.</p> <p>The value of pension assets is estimated based upon information available at the Balance Sheet date, but these valuations may be earlier than the Balance Sheet date. The actual valuations at the Balance Sheet date, which may not be available until sometime later, may give a different value of pension assets, but this difference is not considered to be material.</p>	<p>complex ways. During 2022/23, the Authority's actuaries advised that the net pensions liability had decreased by £82.186 million attributable to updating of the assumptions. An adverse adjustment to age mortality assumptions of one year would increase the present value of the total obligation by £5.762 million.</p>
Arrears	<p>At 31 March 2023, the Authority had a balance of sundry debtors of £3.401 million. A review of significant balances suggested that an impairment of doubtful debts of 31% (£1.056 million) was appropriate. However, in the current economic climate it is not certain that such an allowance would be sufficient.</p>	<p>If collection rates were to deteriorate, a doubling of the amount of the impairment of doubtful debts would require an additional £1.056 million to set aside as an allowance.</p>

This list does not include assets and liabilities that are carried at fair value based on a recently observed market price.

Arrears – It is not clear what the ongoing economic position will mean for collectability of debts and ability to pay. Increased inflation, cost of living and recessionary fears may exist for some time to come and the bad debt provisions has been increased to reflect potential further bad debts arising in relation to those debts at the balance sheet date.

Pension liability – whilst the pension assets are based upon month 12 valuations there may be changes in assumptions going forward about the expected return on pension fund assets. Again, this is not something that can be determined with any significant accuracy at this point.

5. Material Items of Income and Expense and Prior Period Adjustments

5 (a) Prior period adjustments:

There were no prior period adjustments to these accounts.

5 (b) Material items in the Comprehensive Income & Expenditure Account :

In 2021/22 there were revaluation losses net of reversals in relation to property, plant & equipment amounting to £5.2 million. £4.7 million was charged to 'Strategic Place' and £0.5 million to 'Environment, Health & Wellbeing' within Cost of Services. The major revaluation adjustments relate to Market Walk shopping centre and car parking assets totalling £3.7 million.

In 2022/23 the revaluation losses net of reversals has decreased to just under £3.6 million. £3.2 million was charged to 'Strategic Place' and just over £0.3 million to 'Environment, Health & Wellbeing' within Cost of Services'. The major revaluation

adjustments relate to revaluation losses to Forde House offices and housing properties totalling £3.9 million and a revaluation increase of £0.8 million relating to Market Walk shopping centre.

Revenue expenditure funded from capital under statute was higher in 2022/23 at £7.7 million (£6.9 million in 2021/22) – mainly due to a £2.6 million contribution to the A382 road improvements, £0.5 million to the Jetty Marsh link road and £1.6 million towards the regional coastal monitoring programme (an increase of £0.6 million compared to 2021/22). Of the total £6.9 million, £6.8 million is charged to ‘Strategic Place’ within Cost of Services in 2021/22 and £7.5 million of the £7.7 million in 2022/23.

5 (c) Other material items within the financial statements:

In 2021/22 the Council administered a number of grants in relation to the Covid 19 pandemic/government initiatives – some as agent (see note 46) and some received and paid as principal through the Comprehensive Income and Expenditure Statement. £2.8 million was received and paid in Strategic Place in relation to business grants. In 2022/23 these grants were also administered as agent (see note 46) with some received and paid as principal through the Comprehensive Income and Expenditure Statement. £0.049 million was received and £0.049 million paid in ‘Strategic Place’ in relation to business grants.

In 2022/23 the pension liability has reduced by £72.258 million – see note 40 below – the main contributor is the change in financial assumptions. The IAS19 discount rate is determined based on bond yields at 31 March 2023. Bond yields have increased significantly over the year and therefore there will be a significant reduction in the expected pension liabilities.

The change in CPI inflation will also reduce the employer liabilities albeit to a lesser extent.

Demographic assumptions have been updated in line with the assumptions adopted for the 2022 valuation. The assumed life expectancies for members will therefore have reduced since last year and again will lead to a reduction in the pension liability.

6. Events after the Reporting Period

The Statement of Accounts was authorised for issue by the Chief Finance Officer on XX XXXX 2023. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2023, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

There are no events which took place after 31 March 2023 which require disclosure.

7. Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (government grants, rents, council tax and business rates) by local authorities in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the council’s directorates/ services/departments. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

		2021/22				2022/23	
Net Expenditure Chargeable to the General Fund Balance	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement		Net Expenditure Chargeable to the General Fund Balance	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement	
£000	£000	£000		£000	£000	£000	£000
3,588	(545)	4,133	Corporate Services	3,781	(409)	4,190	
(658)	(11,912)	11,254	Strategic Place	33	(9,167)	9,200	
7,554	(4,239)	11,793	Environment, Health & Wellbeing	7,246	(3,507)	10,753	
1,833	1,729	104	Financing Items	2,934	1,950	984	
12,317	(14,967)	27,284	Net Cost of Services	13,994	(11,133)	25,127	
(12,971)	10,420	(23,391)	Other Income and Expenditure	(12,561)	15,308	(27,869)	
(654)	(4,547)	3,893	(Surplus)/Deficit	1,433	4,175	(2,742)	
(25,008)			Opening General Fund Balance	(25,662)			
(654)			Less/Plus (Surplus) / Deficit on General Fund in year	1,433			
(25,662)			Closing General Fund Balance at 31 March	(24,229)			

7 a. Note to the Expenditure and Funding Analysis

Adjustments between Funding and Accounting Basis

				2022/23	
Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustments for Capital Purposes (Note 1)	Net change for the Pensions Adjustments (Note 2)	Other Differences (Note 3)	Total Adjustments	
	£000	£000	£000	£000	£000
Corporate Services	84	327	(2)	409	
Strategic Place	7,930	1,238	(1)	9,167	
Environment, Health & Wellbeing	1,824	1,675	8	3,507	
Financing Items	(277)	(1,673)	0	(1,950)	

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustments for Capital Purposes (Note 1)	Net change for the Pensions Adjustments (Note 2)	Other Differences (Note 3)	Total Adjustments
Net Cost of Services	9,561	1,567	5	11,133
Other income and expenditure from the Expenditure and Funding Analysis	(14,541)	2,524	(3,291)	(15,308)
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	(4,980)	4,091	(3,286)	(4,175)

Adjustments between Funding and Accounting Basis

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustments for Capital Purposes (Note 1)	Net change for the Pensions Adjustments (Note 2)	Other Differences (Note 3)	2021/22
				Total Adjustments
	£000	£000	£000	£000
Corporate Services	29	512	4	545
Strategic Place	10,091	1,825	(4)	11,912
Environment, Health & Wellbeing	1,848	2,385	6	4,239
Financing Items	0	(1,729)	0	(1,729)
Net Cost of Services	11,968	2,993	6	14,967
Other income and expenditure from the Expenditure and Funding Analysis	(8,363)	2,290	(4,347)	(10,420)
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	3,605	5,283	(4,341)	4,547

Adjustments for Capital Purposes

- 1) Adjustments for capital purposes – this column adds in depreciation and impairment and revaluation gains and losses in the services line, and for:-
 - **Other operating expenditure** – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.
 - **Financing and investment income and expenditure** – the statutory charges for capital financing i.e. Minimum Revenue Provision and other revenue contributions

are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.

- **Taxation and non-specific grant income and expenditure** – capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. The Taxation and Non Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

Net Change for the Pensions Adjustments

- 2) Net change for the removal of pension contributions and the addition of IAS 19 Employee Benefits related expenditure and income:
 - **For services** this represents the removal of the employer pension contributions made by the authority as allowed by statute and the replacement with current service costs and past service costs.
 - For **Financing and investment income and expenditure** – the net interest on the defined benefit liability is charged to the CIES.

Other differences

- 3) Other differences between amounts debited/credited to the Comprehensive Income and Expenditure Statement and amounts payable/receivable to be recognised under statute:
 - For **services** the other differences column recognises adjustments to the General Fund for amounts by which officer remuneration charged on an accruals basis is different from remuneration chargeable in accordance with statutory requirements the timing differences for premiums and discounts. It also includes the amount by which finance costs charged differ to those chargeable in accordance with statutory requirements.
 - The charge under **Taxation and non-specific grant income and expenditure** represents the difference between what is chargeable under statutory regulations for council tax and NDR that was projected to be received at the start of the year and the income recognised under generally accepted accounting practices in the Code. This is a timing difference as any difference will be brought forward in future Surpluses or Deficits on the Collection Fund.

7 b. Segmental Income

Income received on a segmental basis is analysed below:

Revenue from external customers:

	2021/22	2022/23
Services	Income from Services	Income from Services
	£000	£000
Corporate Services	(202)	(226)
Strategic Place	(10,620)	(11,037)
Environment, Health & Wellbeing	(7,058)	(8,956)
Financing Items	(184)	(186)
Total income analysed on a segmental basis	(18,064)	(20,405)

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The largest source of income for Strategic Place is car parking income at £4.282 million (2021/22 £4.041 million). Income from housing schemes including homelessness and rent allowance recoveries amounts to £1.279 million (2021/22 £0.845 million). Other major sources include planning fees and building control.

The major sources of income for Environment, Health & Wellbeing is from leisure related activities of which the income from leisure centres including memberships is £2.831 million (2021/22 £1.624 million) and recycling sales and credits at £3.974 million (2021/22 £3.379 million).

8. Expenditure and Income Analysed by Nature

The authority's expenditure and income is analysed as follows:

Expenditure / Income	2021/22	2022/23
	£000	£000
Expenditure		
Employee benefits expenses	23,629	24,899
Other services expenses*	47,941	46,813
Depreciation, amortisation, impairment	7,826	6,281
Interest payments	0	0
Precepts and levies	3,943	4,311
(Gain) or loss on the disposal of assets	3,752	534
Total expenditure	87,091	82,838
Income		
Fees, charges and other service income	(18,064)	(20,405)
Interest and investment income	(26)	(824)
Income from council tax, non-domestic rates (net)	(11,843)	(12,754)
Government grants and contributions**	(53,265)	(51,597)
Total income	(83,198)	(85,580)
(Surplus) or Deficit on the Provision of Services	3,893	(2,742)

*Includes £20.827 million rent allowances paid (£22.290 million in 2021/22) and charged to Strategic Place.

** Includes rent allowance subsidy of £20.862 million (£22.367 million in 2021/22) and charged to Strategic Place.

Rent allowances recovered are within fees, charges and other service income and also charged to Strategic Place (£0.216 million in 2022/23 and £0.206 million in 2021/22).

9. Adjustments between Accounting Basis and Funding Basis under Regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Authority in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Authority to meet future capital and revenue expenditure. The following sets out a description of the reserves that the adjustments are made against.

General Fund Balance

The General Fund is the statutory fund into which all the receipts of an authority are required to be paid and out of which all liabilities of the authority are to be met, except to the extent that statutory rules might provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the General Fund Balance, which is not necessarily in accordance with proper accounting practice. The General Fund Balance therefore summarises the resources that the Council is statutorily empowered to spend on its services or on capital investment (or the deficit of resources that the Council is required to recover) at the end of the financial year.

Capital Receipts Reserve

The Capital Receipts reserve holds the proceeds from the disposal of land or other assets, which are restricted by statute from being used other than to fund new capital expenditure or to be set aside to finance historical capital expenditure. The balance on the reserve shows the resources that have yet to be applied for these purposes at the year-end.

Capital Grants Unapplied

The Capital Grants Unapplied Account (Reserve) holds the grants and contributions received towards capital projects for which the Council has met the conditions that would otherwise require repayment of the monies but which have yet to be applied to meet expenditure. The balance is restricted by grant terms as to the capital expenditure against which it can be applied and/or the financial year in which this can take place.

The detail of the adjustments made for 2022/23 and 2021/22 are as follows:

2022/23

	Usable reserves			
	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied	Movement in Unusable Reserves
	£'000	£'000	£'000	£'000
Adjustments primarily involving the Capital Adjustment Account:				
<u>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</u>				
Charges for depreciation and impairment of non current assets	2,427	0	0	(2,427)
Revaluation (gains) losses on Property, Plant and Equipment	4,864	0	0	(4,864)
Revaluation reversals on Property, Plant and Equipment	(1,274)	0	0	1,274
Movements in the market value of Investment Properties	(6)	0	0	6
Operating / finance lease income adjustment	0	0	0	0
Amortisation of intangible assets	117	0	0	(117)
Capital grants and contributions applied	(7,055)	0	0	7,055
Revenue expenditure funded from capital under statute (REFCUS)	7,690	0	0	(7,690)
Amounts of non current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	755	0	0	(755)
Income in relation to donated assets	0	0	0	0
Gain arising from donated assets	0	0	0	0
Amortisation of long term debtors	147	0	0	(147)
Disposal costs relating to future capital disposal	0	0	0	0
<u>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</u>				
Statutory provision for the financing of capital investment	(277)	0	0	277
Financing of loan	0	0	0	0
Capital expenditure charged against the General Fund balance	(1,443)	0	0	1,443
Adjustments primarily involving the Capital Grants Unapplied Account:				
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	(10,681)	0	10,681	0
Application of grants to capital financing transferred to the Capital Adjustment Account	0	0	(3,838)	3,838

Adjustments primarily involving the Capital Receipts Reserve:

Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(63)	63	0	0
Use of the Capital Receipts Reserve to finance new capital expenditure	0	(1,415)	0	1,415
Right to buy/shared ownership receipts	(159)	159	0	0
Contribution from the Capital Receipts Reserve towards administrative costs of non current asset disposals	0	0	0	0
Loan repayment	0	0	0	0
Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts pool.	0	0	0	0
Renovation grants repaid	(20)	20	0	0
Transfer from Deferred Capital Receipts Reserve upon receipt of cash	0	0	0	0

Adjustments primarily involving the Deferred Capital Receipts Reserve:

Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement/funding of loan	0	0	0	0
Transfer to the Capital Receipts Reserve upon receipt of cash-mortgages	0	29	0	(29)

Adjustments primarily involving the Financial Instruments Adjustment Account:

Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	0	0	0	0
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Adjustments primarily involving the Pensions Reserve:

Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see Note 40)	9,060	0	0	(9,060)
Employer's pensions contributions and direct payments to pensioners payable in the year	(4,970)	0	0	4,970

Adjustments primarily involving the Collection Fund Adjustment Account:

Amount by which council tax and non-domestic rating income credited to the Comprehensive Income and Expenditure Statement is different from council tax and non-domestic rating income calculated for the year in accordance with statutory requirements	(3,295)	0	0	3,295
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Adjustment primarily involving the Accumulated Absences Account

Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	8	0	0	(8)
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Total Adjustments

(4,175)	(1,144)	6,843	(1,524)
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2021/22

	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied	Movement in Unusable Reserves
	£'000	£'000	£'000	£'000
Adjustments primarily involving the Capital Adjustment Account:				
<u>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</u>				
Charges for depreciation and impairment of non current assets	2,379	0	0	(2,379)
Revaluation (gains) losses on Property, Plant and Equipment	5,557	0	0	(5,557)
Revaluation reversals on Property, Plant and Equipment	(386)	0	0	386
Movements in the market value of Investment Properties	8	0	0	(8)
Operating / finance lease income adjustment	0	0	0	0
Amortisation of intangible assets	129	0	0	(129)
Capital grants and contributions applied	(9,096)	0	0	9,096
Revenue expenditure funded from capital under statute (REFCUS)	6,936	0	0	(6,936)
Amounts of non current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	4,685	0	0	(4,685)
Income in relation to donated assets	0	0	0	0
Gain arising from donated assets	0	0	0	0
Amortisation of long term debtors	148	0	0	(148)
Disposal costs relating to future capital disposal	0	0	0	0
<u>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</u>				
Statutory provision for the financing of capital investment	(231)	0	0	231
Financing of loan	0	0	0	0
Capital expenditure charged against the General Fund balance	(684)	0	0	684
Adjustments primarily involving the Capital Grants Unapplied Account:				
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	(4,889)	0	4,889	0
Application of grants to capital financing transferred to the Capital Adjustment Account	0	0	(3,414)	3,414

Adjustments primarily involving the Capital Receipts Reserve:

Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(10)	10	0	0
Use of the Capital Receipts Reserve to finance new capital expenditure	0	(1,728)	0	1,728
Right to buy/shared ownership receipts	(911)	911	0	0
Contribution from the Capital Receipts Reserve towards administrative costs of non current asset disposals	0	0	0	0
Loan repayment	(7)	29	0	(22)
Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts pool.	0	0	0	0
Renovation grants repaid	(22)	22	0	0
Transfer from Deferred Capital Receipts Reserve upon receipt of cash	0	0	0	0

Adjustments primarily involving the Deferred Capital Receipts Reserve:

Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement/funding of loan	0	0	0	0
Transfer to the Capital Receipts Reserve upon receipt of cash-mortgages	0	0	0	0

Adjustments primarily involving the Financial Instruments Adjustment Account:

Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	0	0	0	0
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Adjustments primarily involving the Pensions Reserve:

Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see Note 40)	9,155	0	0	(9,155)
Employer's pensions contributions and direct payments to pensioners payable in the year	(3,872)	0	0	3,872

Adjustments primarily involving the Collection Fund Adjustment Account:

Amount by which council tax and non-domestic rating income credited to the Comprehensive Income and Expenditure Statement is different from council tax and non-domestic rating income calculated for the year in accordance with statutory requirements	(4,347)	0	0	4,347
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Adjustment primarily involving the Accumulated Absences Account

Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	5	0	0	(5)
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Total Adjustments	4,547	(756)	1,475	(5,266)
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10. Movements in Earmarked Reserves

This note sets out the amounts set aside from the General Fund in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund expenditure in 2022/23.

	Balance at 1 April 2021	Transfers Out 2021/22	Transfers In 2021/22	Balance at 31 March 2022	Transfers Out 2022/23	Transfers In 2022/23	Balance at 31 March 2023
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
General Fund:							
Building control partnership reserve	191	(17)	172	346	(25)	53	374
Open spaces reserve	254	(6)	233	481	(29)	20	472
Collection fund reserve	8,136	(3,980)	0	4,156	(2,956)	0	1,200
Insurance reserve	85	0	0	85	0	0	85
Revenue contribution to capital reserve	887	(27)	490	1,350	(995)	753	1,108
Business rates / funding reserve	10,012	0	2,054	12,066	(62)	0	12,004
Sundry revenue grants reserve	2,114	(1,177)	1,729	2,666	(1,372)	2,606	3,900
Carry forward reserve	1,071	(1,071)	2,210	2,210	(2,210)	2,578	2,578
Strata usable reserves	198	(2)	0	196	(5)	0	191
Total	22,948	(6,280)	6,888	23,556	(7,654)	6,010	21,912

The sundry revenue grants reserve covers grants received which have no repayment conditions attached to them and have not been spent in total or in part by the end of the financial year. The carry forward reserve represents major items of planned expenditure not carried out in the year but set aside for expenditure in the following year. The Collection Fund reserve covers deficit funding issues for future years from accounting arrangements and grant funding received to assist with those deficits as identified in note 13 and falls outside the scope of the reserves earmarked for service requirements. The Strata reserve represents our share of the usable funds held from the Strata joint operations. The Funding reserve has been built up to cover anticipated revenue funding deficits over the medium term financial plan.

11. Other Operating Expenditure

2021/22		2022/23
£'000		£'000
3,943	Parish council precepts	4,311
(911)	Shared ownership/Right to Buy receipts	(159)
66	Pension administration expenses	70
4,664	(Gains)/losses on the disposal of non current assets*	693
0	(Gain) on share of donated assets - Strata	0
7,762	Total	4,915

*Includes transfer of Dawlish and SW Exeter SANGS at a loss of £3.8 million to Land Trust and abortive capital costs of £0.85 million in 2021/22.

12. Financing and Investment Income and Expenditure

2021/22		2022/23
£'000		£'000
0	Interest/tax payable and similar charges	2
2,133	Net interest on the net defined benefit liability	2,523
(32)	Interest receivable and similar income	(808)
6	Income and expenditure in relation to investment properties and changes in their fair value (see note 15)	(15)
0	Bank investment loss	0
2,107	Total	1,702

13. Taxation and Non Specific Grant Income and Expenditure

2021/22		2022/23
£'000		£'000
(13,026)	Council tax income (incl surplus/deficit)	(13,680)
(9,292)	Business rates (including surplus/deficit)	(10,035)
	Non ring fenced government grants:	
0	Revenue support grant	(1)
(637)	General Covid grants	0
(1,485)	New Homes Bonus	(1,270)
(331)	Lower tier services grant	(162)
(773)	Sales/fees and charges compensation	0
0	CARF grant	(886)

(11,214)	Capital grants and contributions**	(13,622)
(3,435)	Retail relief grant***	(1,521)
(8)	Transparency Code grant	(8)
(2,100)	Small business rate relief/threshold changes grant	(2,310)
(675)	Other business rates grants	(1,099)
(410)	Other general grants	(493)
9,623	Business rates tariff payment	10,081
2	Pooling/pilot costs	2
(271)	Pooling gain	(390)
(81)	Council tax support/ TIG grants	0
853	Business rates levy	908
<hr/>		<hr/>
(33,260)	Total	(34,486)

** includes various grants towards capital expenditure.

In 2021/22 £4.076 million relates to the Community Infrastructure Levy (CIL), and £3.161 million for SANGS. In 2022/23 £5.178 million relates to CIL and £5.005 million for Future High Street Funds.

14. Property, Plant and Equipment

Movements on Balances

Movements in 2022/23:

	Other Land and Buildings	Vehicles, Plant, Furniture & Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets Under Construction	Total Property, Plant and Equipment
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation							
At 1 April 2022	96,713	5,246	4,355	3,985	591	2,699	113,589
Additions	5,256	766	0	100	0	725	6,847
Donations	0	0	0	0	0	0	0
Revaluation increases/(decreases) recognised in the Revaluation Reserve	(1,160)	0	0	0	(34)	0	(1,194)
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(3,610)	0	0	0	(268)	0	(3,878)
Derecognition - Disposals	(626)	(203)	0	(84)	0	0	(913)
Strata reclassify/additions/disposals	0	(82)	0	0	0	0	(82)
Assets reclassified (to)/from Held for Sale	0	0	0	0	0	0	0
Other movements/reclassifications in Cost or Valuation	2,060	0	0	0	0	(2,060)	0
At 31 March 2023	98,633	5,727	4,355	4,001	289	1,364	114,369

	Other Land and Buildings	Vehicles, Plant, Furniture & Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets Under Construction	Total Property, Plant and Equipment
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Accumulated Depreciation and Impairment							
At 1 April 2022	2,638	3,132	597	449	43	0	6,859
Depreciation charge	1,782	400	87	83	15	0	2,367
Depreciation written out to the Revaluation Reserve	(1,272)	0	0	0	0	0	(1,272)
Depreciation written out to the Surplus/Deficit on the Provision of Services	(287)	0	0	0	0	0	(287)
Impairment losses/(reversals) recognised in the Revaluation Reserve	0	0	0	0	0	0	0
Impairment losses/(reversals) recognised in the Surplus/Deficit on the Provision of Services	0	0	0	0	0	0	0
Derecognition – Disposals	(2)	(156)	0	(3)	0	0	(161)
Strata – reclassify/charge/disposals	0	(71)	0	0	0	0	(71)
Other movements in Depreciation and Impairment	0	0	0	0	0	0	0
At 31 March 2023	2,859	3,305	684	529	58	0	7,435
Net Book Value							
At 31 March 2023	95,774	2,422	3,671	3,472	231	1,364	106,934
At 31 March 2022	94,075	2,114	3,758	3,536	548	2,699	106,730

Comparative Movements in 2021/22:

	Other Land and Buildings	Vehicles, Plant, Furniture & Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets Under Construction	Total Property, Plant and Equipment
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation							
At 1 April 2021	98,015	4,751	4,355	7,570	152	2,392	117,235
Additions	2,724	547	0	215	0	2,053	5,539
Donations	0	0	0	0	0	0	0
Revaluation increases/(decreases) recognised in the Revaluation Reserve	1,756	0	0	0	(1)	0	1,755
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(6,169)	0	0	0	0	0	(6,169)
Derecognition - Disposals	(66)	(169)	0	(3,800)	0	(853)	(4,888)
Strata reclassify/additions/disposals	0	117	0	0	0	0	117
Assets reclassified (to)/from Held for Sale	0	0	0	0	0	0	0
Other movements/reclassifications in Cost or Valuation	453	0	0	0	440	(893)	0
At 31 March 2022	96,713	5,246	4,355	3,985	591	2,699	113,589

	Other Land and Buildings	Vehicles, Plant, Furniture & Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets Under Construction	Total Property, Plant and Equipment
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Accumulated Depreciation and Impairment							
At 1 April 2021	3,833	2,891	511	375	42	0	7,652
Depreciation charge	1,784	363	86	83	15	0	2,331
Depreciation written out to the Revaluation Reserve	(1,955)	0	0	0	(14)	0	(1,969)
Depreciation written out to the Surplus/Deficit on the Provision of Services	(998)	0	0	0	0	0	(998)
Impairment losses/(reversals) recognised in the Revaluation Reserve	0	0	0	0	0	0	0
Impairment losses/(reversals) recognised in the Surplus/Deficit on the Provision of Services	0	0	0	0	0	0	0
Derecognition – Disposals	(26)	(168)	0	(9)	0	0	(203)
Strata – reclassify/charge/disposals	0	46	0	0	0	0	46
Other movements in Depreciation and Impairment	0	0	0	0	0	0	0
At 31 March 2022	2,638	3,132	597	449	43	0	6,859

The freehold and leasehold properties which comprise the Authority's property portfolio are valued by a qualified internal valuer, Chris Bouchard (FRICS) in accordance with the Valuation Standards Practice and Guidance Notes of The Royal Institution of Chartered Surveyors. Inspections are carried out annually to achieve full revaluation every 5 years. Approximately 20% of assets are revalued each year as at 31 December. Where material changes in an assets value are identified all assets within that class (e.g. car parks, public conveniences) will be revalued within that year. Plant and machinery are included in the buildings valuation where appropriate unless the value is material and valued as a component within the Authority's componentisation policy. Other vehicles, plant and equipment are identified separately.

Other land and buildings are valued at current value. Surplus assets, investment properties, and assets held for sale are valued at fair value. Infrastructure, community assets, assets in the course of construction and vehicle, plant and equipment are valued at historical cost. Donated assets are measured initially at fair value. Assets acquired other than by purchase are deemed to be at fair value. Depreciation has been charged on a straight line basis to assets excluding land which have a useful life of 60 years or less. The assets incurring depreciation have useful lives of between 5 and 60 years.

Capital commitments – There are contracts for future capital expenditure to carry out coastal monitoring work of £2.0 million at 31 March 2023.

The following statement shows the progress of the Authority's rolling programme for the revaluation of property, plant and equipment, including assets valued following completion of significant projects. Valuations of land and buildings are carried out by Chris Bouchard (FRICS) (an internal valuer) in accordance with the methodologies and basis for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors (RICS). The basis for valuation is set out in the Statement of Accounting Policies. The Authority is not aware of any material changes in asset values that have not been updated.

	Other Land & Buildings	Vehicles, Plant, Furniture & Equipment	Surplus Assets	Infrastructure Assets	Community Assets
	£'000	£'000	£'000	£'000	£'000
Carried at historical cost	0	5,727	0	4,355	4,001
Valued at current value in year:					
2022/23	78,156	0	200	0	0
2021/22	76,540	0	502	0	0
2020/21	82,082	0	0	0	0
2019/20	47,922	0	87	0	0
2018/19	59,154	0	109	0	0
Total cost or valuation *	343,854	5,727	898	4,355	4,001

* The five year totals for those assets at current value include some assets that have been valued twice over this period or subsequently sold or moved to an alternative asset category.

15. Investment Properties

The following items of income and expense have been accounted for in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement:

2021/22		2022/23
£'000		£'000
2	Rental income from investment property	9
(0)	Direct operating expenses arising from investment property	(0)
2	Net gain/(loss)	9

There are no restrictions on the Authority's ability to realise the value inherent in its investment property or on the Authority's right to the remittance of income and the proceeds of disposal. The Authority has no contractual obligations to purchase, construct or develop investment property or repairs, maintenance or enhancement.

The following table summarises the movement in the fair value of investment properties over the year:

2021/22		2022/23
£'000		£'000
102	Balance at start of the year	94
	Additions:	
0	Purchases	0
0	Construction	0
0	Subsequent expenditure	0
(0)	Disposals	(0)
(8)	Net gains/(losses) from fair value adjustments	6
	Transfers:	
(0)	To/from Inventories	(0)
0	To/from Property, Plant and Equipment	0
0	Other changes	0
94	Balance at end of the year	100

16. Intangible Assets

The Authority accounts for its software as intangible assets, to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware item of Property, Plant and Equipment. The intangible assets are purchased licenses. There is no internally generated software.

The carrying amount of intangible assets is amortised on a straight-line basis over 5 years. All amortisation charged to revenue is allocated to the various headings within 'cost of services'. Software specifically for an individual service is charged directly to that service whereas corporate software is spread across the various services. The purchased intangible assets are grouped into the heading 'other assets' below. There are no contractual commitments for future capital expenditure at 31 March 2023.

The movement on Intangible Asset balances during the year is as follows:

	2021/22		2022/23	
	Other Assets £'000	Total £'000	Other Assets £'000	Total £'000
Balance at start of year:				
• Gross carrying amounts	1,366	1,366	1,432	1,432
• Accumulated amortisation	(962)	(962)	(1,091)	(1,091)
Net carrying amount at start of year	404	404	341	341
Additions				
• Purchases	0	0	0	0
Retirements and disposals (net)	(0)	(0)	(0)	(0)
Strata reclassify/movements/additions	66	66	137	137
Amortisation for the period	(129)	(129)	(117)	(117)
Net carrying amount at end of year	341	341	361	361
Comprising				
• Gross carrying amounts	1,432	1,432	1,154	1,154
• Accumulated amortisation	(1,091)	(1,091)	(793)	(793)
	341	341	361	361

17. Long term Investments

The Council purchased 3,333 Founder shares in South West Mutual Ltd at £15 each. The shares were subsequently converted into 15 new £1 shares changing the shareholding to 49,995.

These represent a long term investment in a regional bank which has yet to obtain a banking licence and commence trade. Due to these factors it is considered at this stage that there is currently no value to the investment and it has remained impaired to zero at the balance sheet date as detailed below:

	£000's
Opening balance at 1 April 2022	0
Purchase	0
Impairment	0
Closing balance 31 March 2023	0

18. Long term debtors

This balance covers the long term element of the Collection Fund balance from sharing local authorities and central government re. non domestic rates, mortgages / loans, sundry trade debtors and finance leases. In addition the transfer of SANGS at Dawlish and South West Exeter to the Land Trust has created a long term debtor for the improved public space and service potential. This is being written off over a 20 year period:

	31 March 2022 £'000	31 March 2023 £'000
Collection Fund balance – non domestic rates	0	815
SANGS	2,807	2,660
Sundry trade debtors/Community Infrastructure Levy	1,791	2,319
Mortgages / loans	310	267
Finance leases	18	18
	<u>4,926</u>	<u>6,079</u>

19. Short term investments

These relate to sums invested with banks / building societies or other local authorities repayable within one year but for an investment period greater than 95 days.

20. Short Term Debtors

31 March 2022 £'000		31 March 2023 £'000
12,585	Trade debtors*	6,734
79	Other debtors	86
10,303	Prepayments and accrued income	10,018
583	Council tax / Non domestic rates	642
643	Strata debtors	754
24,193	Total	18,234

*Includes Collection Fund debtors of £6.903 million at 31 March 2022 and £0.618 million at 31 March 2023.

21. Debtors for Local Taxation

The past due but not impaired amount for local taxation (council tax and non-domestic rates) can be analysed by age as follows:

31 March 2022 £'000		31 March 2023 £'000
344	Less than one year	342
165	One to three years	208
74	Over three years	92
583	Total	642

The analysis above only shows those balances where assessment has indicated that, by exception, no impairment is required and is analysed based upon the reporting information available.

22. Cash and Cash Equivalents

The balance of Cash and Cash Equivalents is made up of the following elements:

31 March 2022		31 March 2023
£'000		£'000
27	Cash held by the Authority	89
4,036	Bank current/instant call accounts	3,908
27,750	Short term deposits with banks/building societies/money market funds	22,500
290	Strata	196
32,103	Total Cash and Cash Equivalents	26,693

This item can be reconciled to the balance sheet as being the net total of cash and cash equivalents within 'current assets' and the bank overdraft within 'current liabilities'.

23. Assets Held for Sale

	Current		Non-Current	
	2021/22	2022/23	2021/22	2022/23
	£'000	£'000	£'000	£'000
Balance outstanding at start of year	0	0	0	0
Assets newly classified as held for sale:				
• Property, Plant and Equipment	0	0	0	0
• Intangible Assets	0	0	0	0
Revaluation losses	0	0	0	0
Revaluation gains	0	0	0	0
Impairment losses	0	0	0	0
Assets declassified as held for sale:				
• Property, Plant and Equipment	0	0	0	0
• Intangible Assets	0	0	0	0
• Other assets / liabilities in disposal groups	0	0	0	0
Assets sold	0	0	0	0
Transfers from non current to current	0	0	0	0
Balance outstanding at year-end	0	0	0	0

24. Short Term Creditors

31 March 2022 £'000	31 March 2023 £'000
(4,905) Trade creditors	(4,601)
(292) Other creditors	(307)
(9,348) Accrued expenditure and income in advance*	(4,685)
(389) Council tax / Non domestic rates	(323)
(330) Strata creditors	(176)
(15,264) Total	(10,092)

*Includes £6.3 million of business rates grants repayable to Government at 31 March 2022 and £1.2 million at 31 March 2023.

25. Provisions

A provision is a liability of uncertain timing or amount. The Council has the following provision:

	Short Term	
	Non Domestic Rates Appeals £'000	Total £'000
Balance at 1 April 2022	(510)	(510)
Additional provisions made in 2022/23	0	0
Amounts used in 2022/23	0	0
Unused amounts reversed in 2022/23	2	2
Balance at 31 March 2023	(508)	(508)

Short term – Non domestic rates appeals:

The Local Government Finance Act 2012 introduced a business rates retention scheme that enabled local authorities to retain a proportion of the business rates generated in their area with effect from 1 April 2013. Provision has therefore been made for likely refunds as a result of appeals against the rateable value of business properties.

26. Usable Reserves

Movements in the Authority's usable reserves are detailed in the Movement in Reserves Statement on page 31. See also note 9 for further breakdown and note 10 for movement on earmarked reserves. The Council has the following usable reserves:

Un-earmarked Reserves - Resources available to meet future running costs and provides a financial cushion should anything unexpected happen which would require unplanned expenditure.

Earmarked Reserves - The Council has a carry forward reserve for monies reserved for specific projects and unspent at the end of the financial year and a sundry revenue grants reserve which covers grants received which have no repayment conditions attached to them and have not been spent in total or in part by the end of the financial year.

The total of un-earmarked and earmarked reserves represent the Total General Fund balance.

Capital Receipts Reserve - Proceeds from the sale of non current assets are held in this reserve to be made available for future capital investment.

Capital Grants Unapplied - These represent grants and contributions received in advance of matching to new capital investment.

27. Unusable Reserves

The Council has the following unusable reserves and balances:

31 March 2022		31 March 2023
£'000		£'000
47,184	Revaluation Reserve	45,939
42,956	Capital Adjustment Account	43,587
0	Financial Instruments Adjustment Account	0
(100,153)	Pensions Reserve	(26,609)
103	Deferred Capital Receipts Reserve	74
(3,727)	Collection Fund Adjustment Account	(432)
(291)	Accumulated Absences Account	(299)
(13,928)	Total Unusable Reserves	62,260

A detailed breakdown of the movement in these reserves and their purpose is as follows:

Revaluation Reserve

The Revaluation Reserve contains the gains made by the Authority arising from increases in the value of its Property, Plant and Equipment. The balance is reduced when assets with accumulated gains are:

- revalued downwards or impaired and the gains are lost
- used in the provision of services and the gains are consumed through depreciation, or
- disposed of and the gains are realised.

The Reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

2021/22		2022/23
£'000		£'000
44,270	Balance at 1 April	47,184
11,145	Upward revaluation of assets	8,196
(7,422)	Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	(8,118)
3,723	Surplus or deficit on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services	78
(770)	Difference between fair value depreciation and historical cost depreciation	(711)
(39)	Accumulated gains on assets sold or scrapped	(612)
(809)	Amount written off to the Capital Adjustment Account	(1,323)
47,184	Balance at 31 March	45,939

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or additions to those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or subsequent costs as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert current and fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Authority as finance for the costs of acquisition, construction and subsequent costs.

The Account contains accumulated gains and losses on Investment Properties and gains

recognised on donated assets that have yet to be consumed by the Authority.

The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

Notes 7/9 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

2021/22		2022/23
£'000		£'000
46,470	Balance at 1 April	42,956
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:	
(2,378)	• Charges for depreciation and impairment of non current assets	(2,427)
1	• Operating lease income adjustment	0
(5,557)	• Revaluation losses on Property, Plant and Equipment	(4,864)
386	• Revaluation reversals on Property, Plant & Equipment	1,274
(129)	• Amortisation of intangible assets	(117)
(6,936)	• Revenue expenditure funded from capital under statute	(7,690)
(4,685)	• Amounts of non current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(755)
(148)	• Amortisation of long term debtors	(147)
(19,446)		(14,726)
809	Adjusting amounts written out of the Revaluation Reserve	1,323
		(13,403)
(18,637)	Net written out amount of the cost of non current assets consumed in the year	
	Capital financing applied in the year:	
1,728	• Use of the Capital Receipts Reserve to finance new capital expenditure/repay loan	1,415

0	• Use of the Capital Receipts Reserve to meet previous year disposal costs	0	
9,096	• Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	7,055	
3,414	• Application of grants to capital financing from the Capital Grants Unapplied Account	3,838	
0	• Transfer to the Capital Receipts Reserve upon receipt of cash	0	
231	• Statutory provision for the financing of capital investment charged against the General Fund balance	277	
0	• Disposal costs relating to future capital disposal	0	
0	• Financing of loan	0	
684	• Capital expenditure charged against the General Fund balance	1,443	
<hr/>		<hr/>	
15,153			14,028
(8)	Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement		6
0	Bank investment written off		0
(22)	Loan repayment adjustment		0
0	Donated asset		0
<hr/>		<hr/>	
42,956	Balance at 31 March		43,587

Financial Instruments Adjustment Account

The Financial Instruments Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for income and expenses relating to certain financial instruments and for bearing losses or benefiting from gains per statutory provisions. The Authority uses the Account to adjust financial assets and financial liabilities to 'fair value' – principally for 'soft loans' issued and planning agreements received (see Note 1 re accounting policies). Adjustments are debited / credited to the Comprehensive Income and Expenditure Statement when they are incurred, but reversed out of the General Fund Balance to the Account in the Movement in Reserves Statement.

2021/22		2022/23
£'000		£'000
0	Balance at 1 April	0
0	Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	0
0	Balance at 31 March	0

Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions. The Authority accounts for post employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Authority makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Authority has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

2021/22		2022/23
£'000		£'000
(110,393)	Balance at 1 April	(100,153)
15,523	Re-measurements of the net defined benefit liability/(asset)	77,634
(9,155)	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(9,060)
3,872	Employer's pensions contributions and direct payments to pensioners payable in the year	4,970
(100,153)	Balance at 31 March	(26,609)

Deferred Capital Receipts Reserve

The Deferred Capital Receipts Reserve holds the gains recognised on the disposal of non-current assets but for which cash settlement has yet to take place. Under statutory arrangements, the Authority does not treat these gains as usable for financing new capital expenditure until they are backed by cash receipts. When the deferred cash settlement eventually takes place, amounts are transferred to the Capital Receipts Reserve.

2021/22	2022/23
£'000	£'000
103 Balance at 1 April	103
0 Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement/funding of loan from capital receipts	0
(0) Transfer to the Capital Receipts Reserve upon receipt of cash	(29)
103 Balance at 31 March	74

Collection Fund Adjustment Account

The Collection Fund Adjustment Account manages the differences arising from the recognition of council tax and non domestic rates income in the Comprehensive Income and Expenditure Statement as it falls due from council tax payers and business rates payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

2021/22	2022/23
£'000	£'000
(8,072) Balance at 1 April	(3,727)
4,345 Amount by which council tax and non domestic rates income credited to the Comprehensive Income and Expenditure Statement is different from council tax and non domestic rates income calculated for the year in accordance with statutory requirements	3,295
(3,727) Balance at 31 March	(432)

Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

2021/22	2022/23
£'000	£'000
(286) Balance at 1 April	(291)
286 Settlement or cancellation of accrual made at the end of the preceding year	291
(291) Amounts accrued at the end of the	(299)

current year	
(5) Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(8)
(291) Balance at 31 March	(299)

28. Cash Flow Statement – Operating Activities

- (a) The surplus or deficit on the provision of services has been adjusted for the following non cash movements:

2021/22	2022/23
£'000	£'000
(2,379) Depreciation	(2,427)
(5,171) Impairment, downward valuations & revaluation reversals	(3,590)
(277) Amortisation	(264)
(16) (Increase)/ decrease in impairment for bad debts	143
(1,654) (Increase)/decrease in creditors	16,713
(4,034) Increase/(decrease) in debtors	(4,903)
25 Increase/(decrease) in inventories	(20)
(5,283) Movement in pension liability	(4,091)
(4,685) Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	(755)
4,342 Other non-cash items charged to the net surplus or deficit on the provision of services	3,288
(19,132)	4,094

- (b) The surplus or deficit on the provision of services has been adjusted for the following items that are investing and financing activities:

2021/22	2022/23
£'000	£'000
0 Proceeds from short-term (not considered to be cash equivalents) and long-term investments	2,000
10 Proceeds from the sale of property, plant & equipment, investment property and intangible assets	63
9,096 Capital grants and contributions applied	7,055

(6,936)	Revenue expenditure funded from capital under statute	(7,690)
5,821	Any other items for which the cash effects are investing or financing cash flows	10,866
<hr/>		<hr/>
7,991		12,294

(c) The cash flows for operating activities include the following items:

2021/22		2022/23
£'000		£'000
(20)	Interest received	(670)
0	Interest paid	0

29. Cash Flow Statement – Investing Activities

2021/22		2022/23
£'000		£'000
5,659	Purchase of property, plant and equipment, investment property and intangible assets	7,040
20,000	Purchase of short term and long term investments	9,000
146	Investment in Strata Service Solutions Ltd	290
9,838	Other payments for investing activities	7,950
(10)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(16)
(14,000)	Proceeds from short term and long term investments	(11,000)
(16,405)	Other receipts from investing activities*	(15,321)
<hr/>		<hr/>
5,228	Net cash flows from investing activities	(2,057)

*Includes s.106 monies, capital grants and right to buy receipts.

30. Cash Flow Statement – Financing Activities

2021/22		2022/23
£'000		£'000
0	Cash receipts of short- and long-term borrowing	0
(8,951)	Other receipts from financing activities**	(6,179)
0	Cash payments for the reduction of the outstanding liabilities relating to finance leases	0

0	Repayments of short and long term borrowing	0
0	Other payments for financing activities**	0

(8,951)	Net cash flows from financing activities	(6,179)
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**Net non-domestic rates/council tax after payments to major preceptors/sharing authorities/Central Government and after settlement of the estimated deficit/surplus on the Collection Fund.

Reconciliation of Liabilities arising from Financing Activities

	Balance at 1 April 2022	Financing cash flows		Non-cash changes		Balance at 31 March 2023
		Proceeds	Repayment	Acquisition	Other non- cash changes	
	£'000	£'000	£'000	£'000	£'000	£'000
Long-term borrowings	0	0	0	0	0	0
Short-term borrowings	0	0	0	0	0	0
Lease liabilities	0	0	0	0	0	0
Total liabilities from financing activities	0	0	0	0	0	0

31. Financial Instruments

Financial instruments are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of the financial instrument. They are initially measured at fair value.

Financial Liabilities

As the Authority's financial liabilities are basic lending arrangements and mainly of a short term nature they are subsequently measured at amortised cost. Within the category table below, 'creditors – financial liabilities carried at contract amounts' mainly includes trade creditor invoices due and accrued trade expenditure for revenue and capital work.

Financial Assets

As the Authority's financial assets are basic lending arrangements and are not held to make

speculative gains through increases in their value, they are subsequently measured at amortised cost: the outstanding principal repayable (plus accrued interest). Within the category table below, long term debtors – assets carried at amortised cost include car loans and miscellaneous mortgage balances.

Financial assets carried at contract amounts include sundry trade debtors and accrued income, the short term element of car loans etc.

Categories of Financial Instruments

The following categories of financial instruments are carried in the Balance Sheet:

	Long-Term		Current	
	31 March 2022 £'000	31 March 2023 £'000	31 March 2022 £'000	31 March 2023 £'000
Investments				
Assets carried at amortised cost:	0	0	6,000	4,000
Total investments	0	0	6,000	4,000
Debtors				
Assets carried at amortised cost	3,136	2,945	6,439	6,741
Total included in debtors	3,136	2,945	6,439	6,741
Non financial assets	1,790	3,134	17,754	11,493
Total	4,926	6,079	24,193	18,234
Cash and cash equivalents	0	0	32,103	26,693
Total cash & cash equivalents	0	0	32,103	26,693
Borrowings				
Financial liabilities at amortised cost – bank overdraft	0	0	0	0
Total included in borrowings	0	0	0	0
Creditors				
Financial liabilities at amortised cost	0	0	0	0
Financial liabilities carried at contract amounts	0	0	(4,781)	(3,833)
Total creditors	0	0	(4,781)	(3,833)
Non financial assets	0	0	(10,483)	(6,259)
Total	0	0	(15,264)	(10,092)

**Income, Expense, Gains and Losses
2022 / 2023**

	Financial Liabilities measured at amortised cost	Financial Assets: measured at amortised cost	Total
	£'000	£'000	£'000
Interest expense	0	0	0
Losses on derecognition	0	0	0
Impairment losses	0	0	0
Total expense in Surplus or Deficit on the Provision of Services	0	0	0
Interest income	0	(808)	(808)
Interest income accrued on impaired financial assets	0	0	0
Gains on derecognition	0	0	0
Total income in Surplus or Deficit on the Provision of Services	0	(808)	(808)
Gains on revaluation	0	0	0
Losses on revaluation	0	0	0
Amounts recycled to the Surplus or Deficit on the Provision of Services after impairment	0	0	0
Surplus/deficit arising on revaluation of financial assets in Other Comprehensive Income and Expenditure	0	0	0
Net (gain) / loss for the year	0	(808)	(808)

2021 / 2022

	Financial Liabilities measured at amortised cost	Financial Assets: measured at amortised cost	Total
	£'000	£'000	£'000
Interest expense	0	0	0
Losses on derecognition	0	0	0
Impairment losses	0	0	0
Total expense in Surplus or Deficit on the Provision of Services	0	0	0

Interest income	0	(32)	(32)
Interest income accrued on impaired financial assets	0	0	0
Gains on derecognition	0	0	0
Total income in Surplus or Deficit on the Provision of Services	0	(32)	(32)
Gains on revaluation	0	0	0
Losses on revaluation	0	0	0
Amounts recycled to the Surplus or Deficit on the Provision of Services after impairment	0	0	0
Surplus/deficit arising on revaluation of financial assets in Other Comprehensive Income and Expenditure	0	0	0
Net (gain) / loss for the year	0	(32)	(32)

There is no substantial difference between the carrying amount of financial assets and liabilities and their fair value at 31 March 2023, mainly due to their short term nature. The fair value of trade and other receivables is taken to be the invoiced or billed amount.

32. Members' Allowances

The scheme in operation is based upon the Local Authorities (Members' allowances) (England) Regulations 2003. The total allowances paid in 2022/23 (including travel and subsistence) amounts to £424,145 (2021/22 £404,391). Further details on members' allowances can be obtained from the payroll section within the Finance department.

33. Officers' Remuneration / Exit Packages & Termination Benefits

The number of employees whose remuneration, excluding employer's pension contributions, was £50,000 or more in bands of £5,000 (including senior officers listed below) were:

Remuneration Band	Number of employees		Remuneration Band	Number of employees	
	2021/22	2022/23		2021/22	2022/23
£50,000 - £54,999	5	8	£95,000 - £99,999	1	0
£55,000 - £59,999	6	3	£100,000 - £104,999	0	1
£60,000 - £64,999	4	6	£105,000 - £109,999	0	0
£65,000 - £69,999	0	1	£110,000 - £114,999	0	0
£70,000 - £74,999	0	0	£115,000 - £119,999	0	0
£75,000 - £79,999	0	0	£120,000 - £124,999	1	1
£80,000 - £84,999	3	2	£125,000 - £129,999	0	0
£85,000 - £89,999	0	0	£130,000 - £134,999	0	0
£90,000 - £94,999	0	0	£135,000 - £140,999	0	0

Senior Officers reporting directly to the Managing Director and statutory posts whose salary is between £50,000 and £150,000 per year for the year 2022/23 are as follows:

	Salary (inc. fees & allowances)	Compensation for loss of employment	Benefits in Kind (e.g. car allowance)	Total Remuneration Excl. Employers pension contributions	Pension Contributions	Total Remuneration Inc. Employers pension contributions
	£	£	£	£	£	£
Managing Director	122,825	0	0	122,825	20,229	143,054
Head of Corporate Services & Section 151 Officer	101,506	0	0	101,506	16,709	118,215
Head of Service Delivery and Improvement	84,521	0	0	84,521	14,031	98,552
Head of Place and Commercial Services	84,521	0	0	84,521	14,031	98,552
Head of Legal Services & Monitoring Officer (2)	69,557	0	0	69,557	10,960	80,517
Head of HR and OD	64,229	0	0	64,229	10,662	74,891

Senior Officers reporting directly to the Managing Director and statutory posts whose salary is between £50,000 and £150,000 per year for the year 2021/22:

	Salary (inc. fees & allowances)	Compensation for loss of employment	Benefits in Kind (e.g. car allowance)	Total Remuneration Excl. Employers pension contributions	Pension Contributions	Total Remuneration Inc. Employers pension contributions
	£	£	£	£	£	£
Managing Director	120,900	0	0	120,900	19,910	140,810
Head of Corporate Services & Section 151 Officer	97,228	0	0	97,228	15,918	113,146
Head of Operations	82,596	0	0	82,596	13,494	96,090
Head of Service Delivery and Improvement	82,596	0	0	82,596	13,494	96,090

Head of Place and Commercial Services	82,596	0	0	82,596	13,494	96,090
Solicitor to the Council & Monitoring Officer (1)	38,251	6,647	0	44,898	5,504	50,402
Head of Legal Services & Monitoring Officer (2)	20,489	0	0	20,489	3,401	23,890
Head of HR and OD	62,304	0	0	62,304	10,179	72,483

(1) Solicitor to the Council & Monitoring Officer left the post on 26 September 2021.

(2) Head of Legal Services & Monitoring Officer started in post on 1 December 2021.

(a) Exit package cost band (including special payments)	(b) Number of compulsory redundancies		(c) Number of other departures agreed		(d) Total number of exit packages by cost band [(b) + (c)]		(e) Total cost of exit packages in each band	
	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23
							£'000	£'000
£0 - £20,000	1	0	4	2	5	2	28	7
£20,001 – £40,000	0	0	1	0	1	0	36	0
£40,001 - £60,000	0	0	0	0	0	0	0	0
£60,001 - £80,000	0	0	0	0	0	0	0	0
£80,001 - £100,000	0	0	0	0	0	0	0	0
£100,001 - £150,000	1	0	0	0	1	0	115	0
£150,001 - £200,000	0	0	0	0	0	0	0	0
£200,001 - £250,000	0	0	0	0	0	0	0	0
£250,001 - £300,000	0	0	0	0	0	0	0	0

Total cost									
Included in bandings	2	0	5	2	7	2	179	7	
Add: Amounts provided for in Comprehensive Income & Expenditure Statement not included in bandings							0	0	
Total cost included in Comprehensive Income & Expenditure Statement							179	7	

Termination Benefits:

The Authority terminated the contracts of a number of employees in 2022/23, incurring liabilities of £7k (£89k in 2021/22). Two of the liabilities were payable in the form of compensation for loss of office with no enhancement of pension benefits and none received the enhancement of pension benefits. They were all part of the Authority's rationalisation of its service costs and were charged to the Authority's Comprehensive Income and Expenditure Statement. These figures are included in the table above re. exit packages including those who retired early and any relevant pension strain payments. The comprehensive Income and Expenditure Statement has also been charged with those costs highlighted in note 40 relating to the pension scheme.

34. External Audit Costs

The Authority has incurred the following costs in relation to the audit of the Statement of Accounts:

	2021/22	2022/23
	£'000	£'000
Fees payable to Grant Thornton with regard to external audit services carried out by the appointed auditor for the year*	76	76
Fees payable in respect of certification of grant claims provided by Grant Thornton during the year**	12	12
Total	88	88

*Any additional fees in excess of the scale fees of £40,240 in relation to the 2021/22 or 2022/23 audit would be subject to approval by the PSAA.

**This fee is a non-audit fee.

35. Grant Income

The Authority credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2022/23:

	2021/22 £'000	2022/23 £'000
Credited to Taxation and Non Specific Grant Income		
Revenue Support Grant	0	(1)
Council tax support trans/new burdens	0	0
Small business rate relief/threshold changes grant	(2,100)	(2,310)
Community Infrastructure Levy	(4,076)	(5,178)
Transparency code grant	(8)	(8)
Environment agency	0	0
Returned New Homes Bonus top slice	0	0
Refugee housing grant	0	(625)
Sales/fees and charges compensation grant	(773)	0
Homes England	(58)	(403)
General Covid grants	(637)	0
Dept for Levelling Up, Housing and Communities – Future High St Fund	(1,223)	(5,005)
Miscellaneous SANGS	(3,161)	(220)
New Homes Bonus	(1,485)	(1,270)
Retail relief grant	(3,435)	(1,521)
BEIS decarbonisation grants	(1,770)	(927)
Other business rates/TIG grants	(756)	(1,099)
Other contributions	(1,667)	(2,805)
Total	(21,149)	(21,372)

	2021/22 £'000	2022/23 £'000
Credited to Services		
REFCUS grants:		
Renovation/Disabled/energy grants	(1,452)	(1,824)
Shoreline/Coastal Monitoring	(1,019)	(1,645)
Play/recreation	(102)	(161)
Other	(198)	(483)
Rent Allowance subsidy	(21,839)	(20,455)
Housing Benefit administration subsidy	(297)	(295)
Rent rebate subsidy	(363)	(490)
Garden Communities	(164)	(250)
Homelessness / rough sleeper grants	(950)	(1,023)
COMF grant	(164)	0
Elections	(278)	0
RPA/Habitat Regulations/open space	(25)	(25)

Business grants	(3,007)	(49)
Council tax / hardship fund / household support grants	(669)	(878)
Ukrainian refugee support	0	(1,464)
Other grants/contributions	(1,589)	(1,183)
Total	(32,116)	(30,225)

The Authority has received a number of grants and contributions that have yet to be recognised as income as they have conditions attached to them that will require the monies or property to be returned to the giver. The balances at the year end are as follows:

Current liabilities

Grants Receipts in Advance (Revenue Grants)	31 March 2022	31 March 2023
	£'000	£'000
Miscellaneous crime/disorder/community regeneration grants	(56)	(15)
Business rates compensation	0	0
Estuary contributions	(47)	(48)
Watercourse improvement contributions	(170)	(170)
Air quality / environmental health	(233)	(139)
Heritage trail	(26)	(15)
Community facilities/open space contributions	(1,312)	(931)
Homelessness	0	0
Business grants	(12,118)	(1,300)
Hardship grant/ housing	(208)	(133)
Miscellaneous	(336)	(171)
Total	(14,506)	(2,922)

Grants Receipts in Advance (Capital Grants)	31 March 2022	31 March 2023
	£'000	£'000
Environment Agency/Natural England – Flood Prevention and Alleviation	(2,853)	(1,338)
DFG (Better Care Fund)	(918)	(792)
DEFRA – Air Quality	(50)	(50)
Public Open Spaces and recreation	(9)	(9)
Dept for Energy/DCC – Central Heating Fund	(3)	(3)
Decarbonisation	(927)	0
Green Homes	(1,130)	(116)
Housing/infrastructure	(253)	(248)
Self build	(860)	(860)
Other	(133)	(213)
Total	(7,136)	(3,629)

Long term liabilities

	31 March 2022 £'000	31 March 2023 £'000
Grants Receipts in Advance (Revenue Grants)		
Dawlish Town Centre – community facilities	0	0
Parks, play & recreation facilities contribution	(2,331)	(2,409)
Langdon - Dawlish	0	(198)
Newton Abbot / Kingsteignton/Dawlish etc – air quality	(219)	(207)
Drainage - Kingsteignton	0	0
Miscellaneous open space, community facilities & wildlife contributions	(764)	(1,153)
Sundry drainage & flood defence contributions	0	0
Dawlish - drainage	(199)	0
Health contributions	(47)	(47)
Chudleigh – open space, indoor sports & play provision	0	0
Teignmouth town centre – pedestrianisation & public art	0	0
Other miscellaneous grants/contributions	(12)	(255)
Affordable housing	(1,582)	(1,142)
Total	(5,154)	(5,411)

	31 March 2022 £'000	31 March 2023 £'000
Grants Receipts in Advance (Capital Grants)		
Open Space and Recreation	(78)	(52)
Total	(78)	(52)

36. Related Parties

The Authority is required to disclose material transactions with related parties - bodies or individuals that have the potential to control or influence the Authority or to be controlled or influenced by the Authority. Disclosure of these transactions allows readers to assess the extent to which the Authority might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Authority.

Central Government

Central government has significant influence over the general operations of the Authority – it is responsible for providing the statutory framework within which the Authority operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Authority has with other parties (e.g. council tax bills, housing benefits). Grant receipts credited to the Comprehensive Income and Expenditure Statement and those outstanding at 31 March 2023 are shown in Note 35.

Members

Members of the Authority have direct control over the Authority's financial and operating policies. The total of Members' allowances paid in 2022/23 is shown in Note 32.

Grants and payments for services rendered totalling £54,804 were paid to the Citizens Advice Bureau (CAB) in 2022/23. Councillors of Teignbridge District Council are invited to oversee the business plan of the organisation but they are not involved in controlling the decision making of the CAB or issues which involve the interests of the District Council.

During the financial year the Council paid grants to organisations totalling £0 (£21,041 2021/22 in which seven Members had an interest). In all instances the grants were made with proper considerations of declarations of interest. The relevant Members did not take part in any discussion relating to the grants.

Details of all items are recorded in the Register of Members Interest, open to public inspection at the Council offices during opening hours.

Other

Dextco Limited was incorporated on 1 December 2016. It was established to fund and implement low carbon energy projects across Devon to deliver a reliable, low cost energy infrastructure which will encourage inward investment, thereby driving growth in the local economy and skilled jobs for the workforce. Teignbridge District Council is one of five equal shareholders comprising; Devon County Council, Royal Devon & Exeter NHS Foundation Trust, University of Exeter and Exeter City Council.

Dextco Limited is deemed to be a joint venture, as it is a separate legal entity with shareholders that have equal and collective control with decisions made unanimously.

There were no grant payments in 2021/22 or 2022/23 and the company is currently not trading.

37. Capital Expenditure and Capital Financing

Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Authority, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Authority that has yet to be financed. The CFR calculated by consolidating capital-related items in the Balance Sheet is shown below. The change to the CFR is analysed in the second part of this note.

	2021/22	2022/23
	£'000	£'000
Capital investment :		
Property, Plant and Equipment	106,534	106,750
Strata ICT Capital Investment	2,366	2,656
Intangible Assets	0	0
Investment Property	94	101
Long term assets held for sale	0	0
Long term debtors relating to capital transactions	2,921	2,774
Revaluation Reserve	(47,184)	(45,938)
Capital Adjustment Account	(44,509)	(45,323)
Closing Capital Financing Requirement	20,222	21,020

Explanation of movements in year:	
Increase (decrease) in underlying need to borrowing (unsupported by government financial assistance)	1,076
Repayments of long-term debtors/other	-1
Minimum Revenue Provision	-277
Assets acquired under finance leases	0
Increase/(decrease) in Capital Financing Requirement	798

38. Leases

Authority as Lessee

Finance Leases

The Council had the use of one leisure centre under a finance lease in 2022/23.

The assets acquired under the lease are carried as Property, Plant and Equipment (Land & Buildings – other) in the Balance Sheet at the following net amounts:

31 March 2022 £'000	31 March 2023 £'000
9,055 Other Land and Buildings	10,007
<hr/> 9,055	<hr/> 10,007

The Authority is not committed to making any lease payments under this lease and is only responsible for the day to day running costs.

There has been no subletting of any part of the premises held under this finance lease.

Operating Leases

Vehicles, Plant & Equipment – the Authority leases refuse vehicles, sweepers, other vehicles and miscellaneous equipment under terms of an operating lease.

Land & buildings – the Authority leases properties from private sector landlords as part of its housing function on short leases together with other miscellaneous land and property which have been accounted for as operating leases.

The future minimum lease payments due under non-cancellable leases in future years are:

31 March 2022 £'000	31 March 2023 £'000
------------------------------------	------------------------------------

1,545	Not later than one year	1,530
1,705	Later than one year and not later than five years	1,768
72	Later than five years	375
<hr/>		<hr/>
3,322		3,673

The expenditure charged to the various segments within Net Cost of Services in the Comprehensive Income and Expenditure Statement during the year in relation to all operating leases was:

2021/22		2022/23
£'000		£'000
1,705	Minimum lease payments	1,531
0	Contingent rents	0
0	(Sublease payments receivable)	0
<hr/>		<hr/>
1,705		1,531

Authority as Lessor

Finance Leases

The Authority has leased out three properties in Teignmouth (museum, golf clubhouse, yacht club) on finance leases with remaining terms of between 68 and 85 years. These leases generate no / peppercorn rental streams on an annual basis and no residual value is anticipated for the buildings when the leases come to an end.

The Authority has an additional property in Newton Abbot rented out as a football headquarters. The Authority has a gross investment in this lease, made up of the minimum lease payments expected to be received over the remaining term and the residual value anticipated for the property when the lease comes to an end. The minimum lease payments comprise settlement of the long-term debtor for the interest in the property acquired by the lessee and finance income that will be earned by the Authority in future years whilst the debtor remains outstanding. The gross investment is made up of the following amounts:

31 March		31 March
2022		2023
£'000		£'000
	Finance lease debtor (net present value of minimum lease payments):	
0	• Current	0
18	• Non-current	18
62	Unearned finance income	61
0	Unguaranteed residual value of	0
<hr/>		<hr/>
	250	

_____	property	_____
80	Gross investment in the lease	79

The gross investment in the lease and the minimum lease payments will be received over the following periods:

	Gross Investment in the Lease		Minimum Lease Payments	
	31 March 2022 £'000	31 March 2023 £'000	31 March 2022 £'000	31 March 2023 £'000
Not later than one year	1	1	0	0
Later than one year and not later than five years	5	5	0	0
Later than five years	74	73	18	18
	80	79	18	18

No provision has been made for lease payments not being made, the Authority has therefore not set aside an allowance for uncollectible amounts at 31 March 2023 (£0 at 31 March 2022).

The minimum lease payments do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews. In 2022/23 £3k contingent rents were receivable by the Authority (2021/22 £5k).

Operating Leases

The Authority leases out property and equipment under operating leases for various activities including the following purposes:

- for the provision of community services, such as sports facilities, tourism services and community centres
- for economic development purposes to provide suitable affordable accommodation for local businesses

The future minimum lease payments receivable under non-cancellable leases in future years are:

31 March 2022 £'000		31 March 2023 £'000
1,643	Not later than one year	1,971
2,426	Later than one year and not later than five years	3,109
6,044	Later than five years	8,619
10,113		13,699

The minimum lease payments receivable do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews. In 2022/23 £121k contingent rents were receivable by the Authority (2021/22 £57k).

39. Impairment Losses

Impairment losses and impairment reversals charged to the 'Surplus/Deficit on the Provision of Services' and to 'Other Comprehensive Income and Expenditure' are disclosed in Note 14 reconciling the movement over the year in Property, Plant and Equipment.

In 2021/22 and 2022/23 there were no impairment losses or impairment reversals

40. Defined Benefit Pension Scheme

Participation in Pension Scheme:

As part of the terms and conditions of employment of its officers, the Authority makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Authority has a commitment to make the payments that needs to be disclosed at the time that employees earn their future entitlement.

The Authority participates in the Local Government Pension Scheme administered by Devon County Council – this is a funded defined benefit final salary scheme, meaning that the Authority and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets.

The principal risks to the Authority of the scheme are the longevity assumptions, statutory changes to the scheme (i.e. large-scale withdrawal from the scheme), changes to inflation, bond yields and the performance of the equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge to the general fund the amounts required by statute as described in the accounting policies note.

In accordance with International Accounting Standard No. 19 – Employee Benefits (IAS 19) the Authority is required to disclose certain information concerning assets, liabilities, income and expenditure related to pension schemes for its employees. The information supplied is from a report by Barnett Waddingham.

Transactions Relating to Post-employment Benefits:

We recognise the cost of retirement benefits in the reported Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge we are required to make against council tax is based on the cash payable in the year, so the real cost of post employment / retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement.

Pensions Assets and Liabilities and charges to the Comprehensive Income & Expenditure Statement (CIES):

The movement in the pension scheme asset and liabilities is detailed below together with their treatment in the CIES.

	Scheme Assets £'000	Pensions Obligations £'000	Net Pensions Liability £'000	Notes on Accounting Treatment
2022/23:				
Opening balance at 1 April 2022	115,183	(214,050)	(98,867)	
Current service cost		(7,379)	(7,379)	Absorbed into the total cost of services in the CIES
Past service cost and gains/losses on settlements		0	0	Charged to Financing items in the CIES
Interest income and expenses	2,976	(5,499)	(2,523)	Charged as a net item to Financing and Investment Income and Expenditure in the CIES
Administration expenses	(70)		(70)	Charged to Other Operating Expenditure
Remeasurements:	(4,552)		(4,552)	Credited as Remeasurements of the Net Defined Benefit Liability to Other Comprehensive Income and Expenditure in the CIES
• Return on plan assets				
• Actuarial gains and losses arising from changes in demographic assumptions		12,936	12,936	Credited as Remeasurements of the Net Defined Benefit Liability to Other Comprehensive Income and Expenditure in the CIES
• Actuarial gains and losses arising from changes in financial assumptions		78,780	78,780	Debited as Remeasurements of the Net Defined Benefit Liability to Other Comprehensive Income and Expenditure in the CIES
• Other actuarial gains and losses	1,521	(11,051)	(9,530)	Credited as Remeasurements of the Net Defined Liability to Other Comprehensive Income and Expenditure in the CIES
Contributions:	3,684		3,684	Transactions in the Cash Flow Statement. Debited to the General Fund Balance in the Movement in Reserves Statement (MIRS) as part of the adjustments between Accounting and Funding basis.
• Council employer's contributions				
• Employee contributions	912		912	Absorbed into the total cost of services in the CIES – netted off Current Service Cost
Retirement grants and pensions	(6,039)	6,039	0	Transactions in the Cash Flow Statement. Debited to the General Fund Balance in the MIRS as part of the Adjustments between Accounting and Funding basis
Closing Balance at 31 March 2023	113,615	(140,224)	(26,609)	

2021/22:	Scheme Assets £'000	Pensions Obligations £'000	Net Pensions Liability £'000	Notes on Accounting Treatment
Opening balance at 1 April 2021	109,240	(217,105)	(107,865)	
Current service cost		(7,648)	(7,648)	Absorbed into the total cost of services in the CIES
Past service cost and gains/losses on settlements		(154)	(154)	Charged to Financing items in the CIES
Interest income and expenses	2,163	(4,297)	(2,134)	Charged as a net item to Financing and Investment Income and Expenditure in the CIES
Administration expenses	(66)		(66)	Charged to Other Operating Expenditure
Remeasurements:	6,256		6,256	
• Return on plan assets				Credited as Remeasurements of the Net Defined Benefit Liability to Other Comprehensive Income and Expenditure in the CIES
• Actuarial gains and losses arising from changes in demographic assumptions		0	0	Debited as Remeasurements of the Net Defined Benefit Liability to Other Comprehensive Income and Expenditure in the CIES
• Actuarial gains and losses arising from changes in financial assumptions		9,775	9,775	Credited as Remeasurements of the Net Defined Benefit Liability to Other Comprehensive Income and Expenditure in the CIES
• Other actuarial gains and losses	0	(508)	(508)	Credited as Remeasurements of the Net Defined Liability to Other Comprehensive Income and Expenditure in the CIES
Contributions:	2,630		2,630	
• Council employer's contributions				Transactions in the Cash Flow Statement. Debited to the General Fund Balance in the Movement in Reserves Statement (MIRS) as part of the adjustments between Accounting and Funding basis.
• Employee contributions	847		847	Absorbed into the total cost of services in the CIES – netted off Current Service Cost
Retirement grants and pensions	(5,887)	5,887	0	Transactions in the Cash Flow Statement. Debited to the General Fund Balance in the MIRS as part of the Adjustments between Accounting and Funding basis
Closing Balance at 31 March 2022	115,183	(214,050)	(98,867)	

Expected Return on Assets

For accounting years beginning on or after 1 January 2013, the expected return and the interest cost is replaced with a single net interest cost, which effectively set the expected return equal to the IAS19 discount rate.

The liabilities show the underlying commitments that the authority has in the long run to pay post employment (retirement) benefits. The total liability of £26.609 million has a substantial impact on the net worth of the authority as recorded in the Balance Sheet, resulting in a reduced net assets position of £110.374 million at 31 March 2023. However, statutory arrangements for funding the deficit mean that the financial position of the Authority remains healthy. The deficit will be made good by increased contributions over the remaining working life of employees (i.e. before payments fall due), as assessed by the scheme actuary.

Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method - an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc. This has been assessed by Barnett Waddingham an independent firm of actuaries, estimates for the County Council Fund being based on the latest full valuation of the scheme as at 1 April 2022.

The expected return and the interest cost has been replaced with a single net interest cost which effectively sets the expected return equal to the discount rate. The principal assumptions used by the actuary have been:

Mortality assumptions:	31 March 2022	31 March 2023
Longevity at 65 for current pensioners:		
Men	22.7	21.8
Women	24.0	22.9
Longevity at 65 for future pensioners: (assumed retiring in 20 years)		
Men	24.0	23.1
Women	25.4	24.4
Take-up of option to convert annual pension into retirement lump sum	50%	50%

It is also assumed members will retire at one retirement age for all tranches of benefit, which will be the pension weighted average tranche retirement age. It is assumed that members opted in to the 50% of contributions for 50% of the benefits at the previous valuation date will continue.

Financial Assumptions

	31 March 2022	31 March 2023
	% p.a.	% p.a.
Salary increases	4.20%	3.90%
Pension increases	3.20%	2.90%
Discount rate	2.60%	4.80%

Demographic / Statistical assumptions

These assumptions by the actuary are set with reference to market conditions at 31 March 2023. The estimate of the duration of the Authority's liabilities is 16 years. An estimate of the Employer's future cashflows is made using notional cashflows based on the estimated duration above. These estimated cashflows are then used to derive a Single Equivalent Discount Rate (SEDR). The discount rate derived is such that the net present value of the notional cashflows, discounted at this single rate, equates to the net present value of the cashflows, discounted using the annualised Merrill Lynch AA rated corporate bond yield curve (where the spot curve is assumed to be flat beyond the 30 year point). This is consistent with the approach used at the previous accounting date.

Similarly to the approach used to derive the discount rate, the Retail Prices Index (RPI) increase assumption is set adopting a Single Equivalent Inflation rate (SEIR) approach. The SEIR adopted is such that the single rate of inflation results in the same liability value when discounted using the annualised Merrill Lynch AA rated corporate bond yield curve, as applying the Bank of England implied inflation curve. As above, the Merrill Lynch AA rated corporate bond yield spot curve is assumed to be flat beyond the 30 year point and the Bank of England implied inflation spot curve is assumed to be flat beyond the 40 year point. This is consistent with the approach used at the previous accounting date.

As future pension increases are expected to be based on the Consumer Prices Index (CPI) rather than RPI there is a further assumption about CPI which is that it will be 1.0% p.a. below the market implied increases in RPI i.e. 2.9% p.a. up to 2030 and will be in line with RPI inflation thereafter.

Salaries are assumed to increase at 1.0% p.a. above CPI. This is consistent with the approach at the previous accounting date.

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The assumptions in longevity, for example, assumed that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit method. Demographic assumptions are consistent with those used for the most recent Fund valuation carried out as at 31 March 2022.

A judgement in the Court of Appeal about cases involving judges' and firefighters' pensions (the McCloud judgement) has the potential to impact on the Council. The cases concerned possible age discrimination in the arrangements for protecting certain scheme members from the impact of introducing new pension arrangements. As the Local Government Pension Scheme was restructured in 2014, with protections for those members who were active in the Scheme in 2012 and over the age of 55, the judgement is likely to extend to the Scheme.

The potential impact is uncertain but on the presumption that the remedy is for the Council to incur costs in extending protection to all members who were active at 31 March 2012 until their retirement, the Councils actuaries calculated a potential increase in pension liabilities which was incorporated into the accounting results at 31 March 2021. These results included an allowance which has been rolled forward and re-measured to obtain the accounting results as at 31 March 2023.

In 2022/23 the pension liability has reduced by £72.258 million – the main contributor is the change in financial assumptions. The IAS19 discount rate is determined based on bond yields at 31 March 2023. Bond yields have increased significantly over the year and therefore there will be a significant reduction in the expected pension liabilities.

The change in CPI inflation will also reduce the employer liabilities albeit to a lesser extent.

Demographic assumptions have been updated in line with the assumptions adopted for the 2022 valuation. The assumed life expectancies for members will therefore have reduced since last year and again will lead to a reduction in the pension liability.

The figures for the Council's pensions liabilities relating to 2021/22 movements and the 31 March 2022 values are based on the actuaries' report that was prepared for the 2021/22 unaudited accounts. Since then, the actuaries have completed their triennial review as at 31 March 2022 of the Local Government Pension Scheme administered by Devon County Council, as a result of which some of the assumptions have been updated from those applied in the 2021/22 report. Work is currently ongoing to consider the implications and determine a revised figure for the Council's pensions liabilities at 31 March 2022. As the 2021/22 statement of accounts has not been signed off by the auditors, it is likely that the updating will take place in that document and be reflected in adjustments to the 2021/22 comparatives and 1 April 2022 balance in this statement when its audit is complete.

In the triennial valuation, the Council's liabilities at 31 March 2022 (excluding the Strata element) were estimated to be £78.443 million, compared with the Teignbridge only element of the pensions liabilities recorded in the Balance Sheet at that date of £96.225 million. Note, though, that under the requirements of the Accounting Code not all of the updated assumptions made in the valuation will be applied to the Balance Sheet pensions liabilities.

Impact on the Defined Benefit Obligation in the Scheme		
	Increase in Assumption £'000	Decrease in Assumption £'000
Longevity (increase or decrease in 1 year) (increase is a shorter lifespan)	(5,762)	5,508
Rate of increase in salaries (increase or decrease by 0.1%)	(210)	208
Rate of increase in pensions (increase or decrease by 0.1%) and deferred revaluation	(1,943)	1,894
Rate for discounting scheme liabilities (increase or decrease by 0.1%)	2,062	(2,115)

The figures in brackets assume an increase in the obligation.

Impact on the Authority's Cash Flows

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. The County Council has agreed a strategy with the scheme's actuary to achieve a funding level of

100% over the period to 2040. Funding levels are monitored on an annual basis. The next triennial valuation will be set as at 31 March 2025.

The authority is anticipated to pay £3.976 million expected contributions to the scheme in 2023/24.

The scheme assets consist of the following categories, by proportion of the total assets held:

	31 March 2022		31 March 2023	
	£'000	%	£'000	%
Equities**	68,193	59	59,856	53
Gilts	15,319	13	0	0
Other Bonds	2,356	2	24,294	21
Property	10,852	10	9,959	9
Cash	1,361	1	1,350	1
Target Return Portfolio	10,647	9	7,896	7
Infrastructure	6,503	6	10,216	9
Other	(48)	0	44	0
Total	115,183	100	113,615	100

**At 31 March 2023 equities include £50.894 million of overseas equities.

Of the total fund asset at 31 March 2023, the following table identifies the split of those assets with a quoted market price and those that do not:

		31 March 2023	
		% Quoted	% Unquoted
Fixed interest government securities	UK	0	0
	Overseas	0	0
Corporate bonds	UK	6	0
	Overseas	0	0
Equities	UK	8	0
	Overseas	45	0
Property	All	0	9
Others	Absolute return portfolio	7	0
	Private Equity	0	1
	Infrastructure	0	9
	Private debt	0	3
	Multi sector credit	11	0
	Cash/Temporary investments	0	1
Net current assets	Debtors	0	0
	Creditors	0	0
Total		77	23

41. Contingent Liabilities

The transfer of the Authority's housing stock on 4 February 2004 resulted in a gross capital receipt of £13.1 million. Warranties for 25 years were given to Teign Housing on staffing, environmental and other issues (for example in relation to the existence of contaminated land, subsidence etc.). The purpose of these warranties is to safeguard the housing company if any of the main assumptions on which the transfer price was calculated turn out to be different in reality. The environmental liabilities are covered by an insurance policy but any other liabilities that do arise will be funded from the Authority's general

reserves. Owing to the uncertainties surrounding any potential claim, it is not practicable to make an estimate of the total value of liabilities (if any).

42. Nature and Extent of Risks Arising from Financial Instruments

The Authority's activities expose it to a variety of financial risks:

- credit risk – the possibility that other parties might fail to pay amounts due to the authority
- liquidity risk – the possibility that the authority might not have funds available to meet its commitments to make payments
- market risk – the possibility that financial loss might arise for the authority as a result of changes in such measures as interest rates and stock market movements.

The Authority's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services. Risk management is carried out by a central treasury team, under policies approved by the Authority in the annual treasury management strategy statement. There are treasury management practices that have been adopted in accordance with the policy statement to ensure risk is managed and covers areas, such as interest rate risk, credit risk, and the investment of surplus cash.

a) Credit risk

The following summary identifies the arrangements in place for managing credit risk in relation to financial assets and for estimating the impairment loss allowances that would reflect the Council's exposure to this risk:

<u>Asset type</u>	<u>Credit risk management practices</u>	<u>Estimation of impairment loss allowance</u>
Government bonds, deposits, loans to other local authorities	Investments guaranteed by statute – no credit risk	No allowance required
Deposits with banks & building societies (& financial institutions)	Deposits are restricted by the Council's treasury management strategy to institutions with minimum acceptable credit ratings. All deposits held at 31 March 2023 therefore have low credit risk. Deposits are not made with banks and financial institutions unless they are rated independently. We invest in the top banks and building societies. We require the institution's lowest credit rating to be, at a minimum in the middle adequate range	12 month expected credit losses have been assessed based upon risk factors which consider the credit rating and financial standing of the institution. The highest credit ratings for the deposits that the Authority has made mean that any allowance for expected credit losses would be insignificant.

<u>Asset type</u>	<u>Credit risk management practices</u>	<u>Estimation of impairment loss allowance</u>
	according to the Audit Commission report 'Risk and Return'. The Authority has a policy of not lending more than £3 million of its surplus balances to one institution with the exception of the Government (via Treasury Bills, other local authorities and the Debt Management office which is unlimited).	
Other loans to businesses and voluntary organisations	Loans are subject to internal credit rating by reference to audited accounts etc. A significant increase in credit risk since initial recognition arises when a loan's categorisation changes adversely. Loans are credit impaired where financial difficulties are identified or where the borrower breaches contracted terms of the loan. Balances are not written off until there is no realistic prospect of recovery.	Expected credit losses are calculated using historical data for defaults and risks specific to the borrower identified in the internal assessment process. No allowance required
Other debtors	Debtors are not subject to internal credit ratings and have been grouped for the purposes of calculating expected credit losses based upon time overdue. An element of balances are written off when they are more than 12 months past due plus specific provision for those greater than 12 months. Balances are written off but enforcement activity continues until there is no realistic prospect of recovery.	Expected credit losses are calculated using provision matrices based upon historical data and grouping of debtor ages and some specific debtors based upon financial data e.g. accounts etc. Between 1 April 2022 and 31 March 2023 the loss allowance decreased from £1.199 million to £1.056 million as a result of a change in the volume of debtors and to provide for potential write offs and economic conditions. 'Other debtors' include trade debtors and housing benefit overpayments etc.

Changes in Expected Credit Losses

The following movements in the impairment loss allowances for financial assets took place in 2022/23.

	Allowance at 1 April 2022	Increase / (decrease) in provision	Allowance at 31 March 2023
	£'000	£'000	£'000
Deposits with banks and building societies			
12-month credit losses	0	0	0
Other loans to businesses and voluntary organisations			
12-month credit losses	0	0	0
Lifetime credit losses	0	0	0
Credit-impaired assets	0	0	0
Other debtors			
Grouped assets	1,199	(143)	1,056
Total loss allowances	1,199	(143)	1,056

The total amount of undiscounted expected credit losses at recognition on financial assets initially recognised during 2022/23 was £0.

Exposure to Credit Risk

		Gross Carrying Amount £'000
Other debtors		
Grouped assets	Not subject to credit rating *	6,741
Total amount exposed to credit risk		6,741

*Other sundry debtors have an impairment provision based upon historical experience, age of debt, economic conditions and arrangements for repayment.

As detailed above, all deposits are low risk (see table above). Loans to businesses and other organisations are not material. Credit risk is not measured for individual debtors.

Loss allowances for council tax are £0.204 million at 31 March 2023 and £0.166 million for non domestic rates. These are calculated based upon historic default patterns and economic conditions prevailing at the time.

During 2022/23 the Council wrote off financial assets with a contractual amount outstanding of £0.034 million (£0.032 million in 2021/22) that are still subject to enforcement activity.

b) Liquidity risk

The Authority has a comprehensive cash flow management system that seeks to ensure that cash is available as needed. If unexpected movements happen, the authority has ready access to borrowings from the money markets and the Public Works Loans Board. There is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments. Instead, the risk is that the Authority will be bound to borrow at a time of unfavourable interest rates. There are no risks at present as we have no long term borrowing but any future plans will incorporate a sensible maturity structure for such loans.

The maturity analysis of financial liabilities is as follows:

	31 March 2022 £'000	31 March 2023 £'000
Less than one year	(4,781)	(3,833)
Between one and two years	0	0
Between two and five years	0	0
More than five years	0	0
	<hr/> (4,781) <hr/>	<hr/> (3,833) <hr/>

All trade and other payables are due to be paid in less than one year.

c) Market risk

i) Interest rate risk

The Authority is exposed to risk in terms of its exposure to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the authority. For instance, a rise in interest rates would have the following effects:

- borrowings at variable rates – the interest expense charged to the Surplus or Deficit on the Provision of Services will rise (at present we have no borrowings at variable rates)
- borrowings at fixed rates – the fair value of the liabilities/ borrowings will fall
- investments at variable rates – the interest income credited to the Surplus or Deficit on the Provision of Services will rise (at present we have no investments at variable rates)
- investments at fixed rates – the fair value of the assets will fall.

Borrowings are not carried at fair value, so nominal gains and losses on fixed rate borrowings would not impact on the Surplus or Deficit on the Provision of Services or

Other Comprehensive Income and Expenditure. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Surplus or Deficit on the Provision of Services and affect the General Fund Balance. Movements in the fair value of fixed rate investments that have a quoted market price will be reflected in Other Comprehensive Income and Expenditure.

The Authority has a number of strategies for managing interest rate risk. Policy is to aim to keep a maximum of 10% (no more than 10% for 2022/23) of its borrowings in variable rate loans. During periods of falling interest rates, and where economic circumstances make it favourable, fixed rate loans may be repaid early to limit exposure to losses.

The treasury management team has an active strategy for assessing interest rate exposure that feeds into the setting of the annual budget and which is used to update the budget quarterly during the year. This allows any adverse changes to be accommodated. The analysis will also advise whether new borrowing taken out is fixed or variable.

According to this assessment strategy, at 31 March 2023, if interest rates had been 1% higher with all other variables held constant, the financial effect would be:

	£'000
Increase in interest payable on variable rate borrowings	0
Increase in interest receivable on variable investments	(86)
Impact on Surplus or Deficit on the Provision of Services	(86)
Decrease in fair value of fixed rate investment assets	0
Impact on Other Comprehensive Income and Expenditure	0
Decrease in fair value of fixed rate borrowings liabilities (no impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income & Expenditure)	0

The impact of a 1% fall in interest rates would be as above but with the movements being reversed.

ii) **Price risk**

The Authority does not invest in equity shares and consequently is not exposed to losses arising from movements in the prices of shares.

iii) **Foreign exchange risk**

The Authority has no financial assets or liabilities denominated in foreign currencies and thus has no exposure to loss arising from movements in exchange rates.

43. **Other Long Term Liabilities**

These relate to the pension liability, the long term element of the Collection Fund balance for council tax and income received in advance relating to two operating leases.

The breakdown is as follows:-

31 March 2022 £'000		31 March 2023 £'000
(234)	Operating leases - income in advance	(232)
(2,926)	Collection Fund balance – council tax/NNDR	(2,760)
(98,867)	Pension Liability	(26,609)
(102,027)		(29,601)

44. Trust Funds

The Authority is also sole trustee for Hamlyn Playing Fields, Buckfastleigh and King George V Playing Field, Shaldon. Income and expenditure for these is not material. The assets are not included in the balance sheet of the Authority.

45. Heritage Assets

There are a small number of heritage assets held by the authority, principally covering miscellaneous works of art and civic regalia. They are valued periodically for insurance purposes and the insurance value is used as the valuation for accounting purposes. The items held are all valued at less than the £10,000 capitalisation limit and are not recorded on the balance sheet – a register is held and updated by the insurance officer.

46. Agency Services

- (a) The Authority collects land charge search fees on behalf of Devon County Council. These fees are reimbursed to the County Council on a periodic basis. The amount collected was £32,367 for 2022/23 (£39,040 in 2021/22).
- (b) The Authority acts as agent for Devon County Council, Devon and Cornwall Police Authority and Devon & Somerset Fire & Rescue Authority in the collection of council tax and for Central Government, Devon County Council and Devon & Somerset Fire & Rescue Authority for the collection of Non Domestic Business Rates. Details can be found in the Collection Fund on pages 113 and 114.
- (c) The Authority carries out payroll services for various organisations for which it received total fee income of £5,661 in 2022/23 (£5,121 in 2021/22).
- (d) As part of the response to the Covid 19 pandemic the Authority acted as agent for Central Government to administer various business/restart/hospitality grants, local restrictions grants and track and trace grants. In 2021/22 £14.060 million was paid out. In 2022/23 the agency work switched mainly to energy support £7.182 million, refugee support £0.378 million and other schemes including business grants of £0.362 million – total £7.922 million has been paid out.

47. Joint Operations

Teignbridge District Council, Exeter City Council and East Devon District Council each have interests in a joint operation called Strata Service Solutions Ltd, a registered company (company number 09041662) whose registered office is Civic Centre, Paris Street, Exeter, Devon, EX1 1JN. The Company commenced trading on 1 November 2014.

The business of the Company is the operation and provision of a shared information communications technology service to each of the Councils including;

- A source of expertise regarding information technology
- A resilient and reliable ICT infrastructure
- A service desk that maintains and supports devices, operating systems and core applications
- Information security and information management services
- Developing and implementing business systems to meet Council business objectives
- A Street Name and Numbering function

The proportions of ownership interests are; Exeter City Council (35.936%), Teignbridge District Council (27.372%) and East Devon District Council (36.692%). Each authority has equal voting rights, with decisions taken collectively and unanimously.

The figures that have been consolidated into the Council's single entity financial statements are:

Adjustment to Comprehensive Income & Expenditure Statement (CIES)

	2021/22	2022/23
	£'000's	£'000's
Fees	(1,955)	(2,247)
Cost of Sales	1,043	1,187
Admin Expenses	1,323	1,450
Transfer of pension scheme liability	0	0
Cost of Services`	411	390
(Gain) / loss on disposal of assets	0	4
Net interest on the net defined benefit liability	58	71
Interest receivable	0	(11)
(Surplus) or Deficit on Provision of Services	469	454
Remeasurement of the net defined benefit liability	(495)	(2,734)
Total CIES	(26)	(2,280)
Adjustments to Balance Sheet (cumulative for 2021/22 column)		
Property, Plant & Equipment	196	(11)
Intangible assets	341	20
Investment in Strata removed upon consolidation and replaced with proportional share of assets and liabilities	(2,366)	(289)
Total Long Term Assets	(1,829)	(280)
Inventories	3	2
Short Term Debtors	643	111
Cash & Cash Equivalents	290	(94)
Total Current Assets	936	19

	2021/22	2022/23
Short Term Creditors	(330)	154
Grants Receipts in Advance – Capital	(133)	(80)
Total Current Liabilities	(463)	74
	£'000's	£'000's
Pension Scheme Liability	(2,641)	2,467
Total Long Term Liabilities	(2,641)	2,467
Net Assets	(3,997)	2,280
Financed by:		
Usable reserves	196	(5)
Unusable reserves	(4,193)	2,285
Total Reserves	(3,997)	2,280

THE COLLECTION FUND

The Collection Fund is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate account. The statement shows the transactions of the billing authority in relation to the collection from taxpayers and distribution to local authorities and the Government of council tax and business rates.

	2021/22 Business Rates	2021/22 Council Tax	2022/23 Business Rates	2022/23 Council Tax
	£'000	£'000	£'000	£'000
INCOME				
Income from Council Tax		(104,648)		(109,191)
Business Rates Receivable	(22,811)		(24,866)	
(Plus): Transitional Protection/S13A Relief	34	(34)	(39)	(10)
	<u>(22,777)</u>	<u>(104,682)</u>	<u>(24,905)</u>	<u>(109,201)</u>
EXPENDITURE				
Precepts, Demands & Shares:				
Central Government	15,309		13,885	
Devon County Council	2,756	73,161	2,499	77,252
Devon & Cornwall Police Authority		11,452		12,237
Devon & Somerset Fire & Rescue Authority	306	4,357	278	4,556
Teignbridge District Council (net including Towns / Parishes)	12,248	12,666	11,108	13,502
Rates write offs and change in impairment allowance	(90)		(5)	
Council Tax written off and change in impairment allowance		201		243
Rates increase/(reduction) in provision for appeals	(195)		(5)	
Transitional Protection	(120)		138	
Renewable Energy disregard	90		73	
Business Rates – Cost of collection	194		196	
	<u>30,498</u>	<u>101,837</u>	<u>28,167</u>	<u>107,790</u>
Movements on the Collection Fund :				
DEFICIT / (SURPLUS) FOR THE YEAR	7,721	(2,845)	3,262	(1,411)
DEFICIT / (SURPLUS) BROUGHT FORWARD	2,332	496	(874)	(2,747)
ACCUMULATED DEFICIT / (SURPLUS)	<u>10,053</u>	<u>(2,349)</u>	<u>2,388</u>	<u>(4,158)</u>

(see note 4 to the Collection Fund)

NOTES TO THE COLLECTION FUND

1. The accounting arrangements for the Collection Fund are as follows:

- Under business rates retention as a billing authority we act as an agent, collecting business rates on behalf of the major preceptors and central government. Teignbridge received 40% of the estimated income as a payment of £11.108 million (2021/22 £12.248 million) from the rates collection fund. The authority had to pay a tariff to government of £9.147 million (2021/22 £9.147 million) and a levy of £0.802 million (2021/22 £0.926 million). However as we are part of the Devon pool some of this was returned to us as a pooling gain of £0.326 million (2021/22 £0.293 million).
- The surplus or deficit on collection funds at the end of the year is required to be distributed to or made good by contributions from the Authority and major preceptors/ shares in a subsequent financial year. A £1.000 million surplus (2021/22 £0.5 million surplus) has been declared by Teignbridge as the council tax estimate in 2022/23. A £1.972 million (2021/22 £10.927 million) deficit was anticipated for non-domestic rates for 2022/23 however an actual deficit balance has arisen of £2.388 million (2021/22 £10.053 million).

2. Business Rates

The total business rateable value as at 31 March 2023 was £86.116 million (31 March 2022 £86.003 million) with a multiplier of 51.2 pence (51.2 pence 2021/22) in the pound 49.9 pence (49.9 pence 2021/22) in the pound for properties where the rateable value is less than £51,000 (£51,000 2021/22).

3. Council Tax

Council Tax (CT) income derives from charges raised according to the value of residential properties which have been classified into 8 valuation bands. The income required to be taken from the collection fund is dividing by the CT Base (the total number of properties in each band adjusted by a proportion to convert the number to a Band D equivalent and adjusted for discounts) to get individual charges. The relevant amount for 2022/23 was 50,594 (2021/22 49,651) adjusted for a collection rate of 98.1% to give Teignbridge's Tax Base of 49,633 (2021/22 48,410) Band D equivalents. The average Band D charge for the Teignbridge CT, excluding Parishes, was £185.17 (2021/22 £180.17).

4. Collection Fund Balance

The deficit / (surplus) balance on the fund is split between the preceptors as follows:

	2021/22		2022/23	
	Business Rates £'000	Council Tax £'000	Business Rates £'000	Council Tax £'000
Central Government	5,026		1,194	
Devon County Council	905	(1,686)	215	(2,980)
Devon & Cornwall Police Authority		(272)		(480)
Devon & Somerset Fire and Rescue Authority	101	(97)	24	(175)
In short / long term debtors / short term creditors / long term liabilities	6,032	(2,055)	1,433	(3,635)
Balance of Fund to Teignbridge District Council (in Collection Fund Adjustment Account)	4,021	(294)	955	(523)
	<u>10,053</u>	<u>(2,349)</u>	<u>2,388</u>	<u>(4,158)</u>

GLOSSARY OF FINANCIAL TERMS

ACCRUALS	A sum included in the account to cover income or expenditure attributable to an accounting period for goods received or works done, but for which payment has not been received/made by the end date of the period for which the accounts have been prepared.
ACTUARIAL GAINS & LOSSES	These are changes in actuarial deficits or surpluses that arise because either actual experience or events have not been exactly the same as the assumptions adopted at the previous valuation (experience gains and losses) or the actuarial assumptions have changed.
BALANCES	The surplus or deficit on any account at the end of the year. Amounts in excess of that required for day to day working may be used to reduce the demand on the Collection Fund or Rents.
CAPITAL EXPENDITURE	Expenditure on the acquisition of property, plant equipment or intangible assets or expenditure which adds to and not merely maintains the value of such an asset.
CAPITAL FINANCING COSTS	Annual charges related to borrowing including interest, minimum revenue provision and repayments of principal on debt outstanding.
CAPITAL RECEIPTS	Income received from sale of assets which is available to finance other capital expenditure or to repay debt on assets financed from loan.
CHARTERED INSTITUTE OF PUBLIC FINANCE AND ACCOUNTANCY (CIPFA)	The governing body responsible for issuing the statement of recommended practice to prepare the accounts.
COLLECTION FUND	A separate fund which must be maintained by a district for the proper administration of Council Tax and Non Domestic Rates.
CURRENT SERVICE COST	Amount chargeable to Services based on the Actuary's assessment of pension liabilities arising and chargeable to the financial year.
CURTAILMENTS	This is the amount the Actuary estimates as the cost to the authority of events that reduce future contributions to the scheme, such as granting early retirement.
DEBT	Amounts borrowed to finance Capital Expenditure which are still to be repaid.

DEFINED BENEFIT SCHEME	A pension or other retirement benefit scheme other than a defined contribution scheme. Usually, the scheme rules define the benefits independently of the contributions payable, and the benefits are not directly related to the investments of the scheme. The scheme may be funded or unfunded (including notionally funded).
DEMAND	The charging authorities own Demand is, in effect, its precept on the fund.
FEES & CHARGES	In addition to the income from charge payers and the Governments, Local Authorities charge for services, including Planning Consents, Hire of Sporting Facilities, Car Parking etc.
FIFO	A method of valuing inventory (First In First Out) where stocks issued are assumed to be issued from the oldest available stocks.
FINANCIAL INSTRUMENTS	A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another.
GOVERNMENT GRANTS	Payments by Central Government towards the cost of Local Authority services, including both Revenue and Capital.
IMPAIRMENT ALLOWANCE	A sum provided against income due to prudently allow for non collectable accounts.
INTEREST COST	For the pension fund this represents the discount rate at the start of the accounting period applied to the liabilities during the year based on the assumptions at the start of the accounting period.
INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) & THE CODE OF PRACTICE (CODE)	Formal financial reporting standards adopted by the accounting profession and to be applied when dealing with specific topics within its accounting Code. The Code is based on approved accounting standards issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee, except where these are inconsistent with specific statutory requirements.
LOCAL AUTHORITY (SCOTLAND) ACCOUNTS ADVISORY COMMITTEE (LASAAC)	Formed a joint committee with CIPFA to produce the Code of Practice on Local Authority Accounting in the United Kingdom (referred to as the 'Code').
LOCAL DEVELOPMENT FRAMEWORK (LDF)	A plan which includes documents that establish the local policy towards the use of land and the vision for involving communities in the plan making process.

MINIMUM REVENUE PROVISION (MRP)	A 'prudent' annual provision from revenue in respect of capital expenditure financed by borrowing or credit arrangements.
PAST SERVICE COST	These will typically be additional benefits awarded on early retirement. This includes added years or augmentation and unreduced pension benefits awarded before eligible retirement age in the pension scheme.
PRECEPT	The levy made by precepting authorities including the County Council and Parish Councils, on the District Council requiring it to collect the required income from council taxpayers on their behalf.
PROJECTED UNIT METHOD	<p>An accrued benefits valuation method in which the scheme liabilities make allowance for projected earnings. An accrued benefits valuation method is a valuation method in which the scheme liabilities at the valuation date relate to:</p> <ul style="list-style-type: none">a) the benefits for pensioners and deferred pensioners (i.e. individuals who have ceased to be active members but are entitled to benefits payable at a later date) and their dependants, allowing where appropriate for future increases, andb) the accrued benefits for members in service on the valuation date. <p>The accrued benefits are the benefits for service up to a given point in time, whether vested rights or not. Guidance on the projected unit method is given in the Guidance Note GN26 issued by the Faculty and Institute of Actuaries.</p>
PUBLIC WORKS LOAN BOARD (PWLB)	A Government Agency which provides longer term loans to Local Authorities at interest rates slightly higher than those at which the Government itself can borrow.
RATEABLE VALUE	A value placed on all properties subject to Rating. The value is based on a national rent that property could be expected to yield after deducting the cost of repairs.
REVENUE EXPENDITURE	Recurring items of day to day expenditure consisting principally of Salaries and Wages, Debt Charges and general running expenses etc.
SANGS	Suitable Alternative Natural Green Space. Accessible alternative green provision to migrate where development is close to a protected site.
SETTLEMENTS	A settlement will generally occur where there is a bulk transfer out of the Pension Fund or from the employer's share of the Fund to a new contractor's share of the Fund as a result of an outsourcing. It reflects the difference between the IAS 19 liability transferred and the assets transferred to settle the liability.

SHORT TERM LOAN	Borrowing from outside the authority that may be recalled within the year.
STRAIN ON FUND CONTRIBUTIONS	Additional employers pension contributions as a result of an employee's early retirement.
SUNDRY CREDITORS	Amounts owed by the Council at 31 March.
SUNDRY DEBTORS	Amounts owed to the Council at 31 March.
TEMPORARY BORROWING	Borrowing for revenue purposes for a period of less than one year.
VESTED RIGHTS	<p>In relation to a defined benefit scheme, these are:</p> <ul style="list-style-type: none">a) for active members, benefits to which they would unconditionally be entitled on leaving the scheme;b) for deferred pensioners, their preserved benefits;c) for pensioners, pensions to which they are entitled. <p>Vested rights include where appropriate the related benefits for spouses or other dependants.</p>
VIREMENT	The authorised transfer of an under spending in one budget head to another head.

Part 3

Supplementary Information

Introduction

Teignbridge District Council must ensure its business is conducted in line with the law and proper standards, and use public money economically, efficiently and effectively. It is the Council’s duty to put in place arrangements for the governance of its affairs, and effective delivery of services.

To achieve good governance, we have systems for managing and overseeing what we do. These arrangements are intended to ensure that we deliver intended outcomes while acting in the public interest at all times.

We have measured ourselves against the principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) and Society of Local Authority Chief Executives (SOLACE) Framework for Delivering Good Governance in Local Government. The following statement explains how Teignbridge District Council has complied with the principles and also meets the requirements of the Accounts and Audit Regulations (England) 2015 in relation to the publication of an Annual Governance Statement.

The Guiding Principles



The governance framework

The governance framework comprises the systems, processes, culture and values which direct and control our daily business, and includes the methods we use to engage, lead and account

to the community. It enables us to monitor how we are doing and to consider whether our plans have helped us deliver appropriate services that are value for money.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risks of failure to achieve policies, aims and objectives and can therefore only provide reasonable but not absolute protection. The management of risk is an ongoing process designed to identify, prioritise and manage risks to the achievement of the Council's aims and objectives, and maximise opportunities.

The governance framework has been in place at Teignbridge District Council for the year ended 31 March 2023 and up to the date we approved the statement of accounts.

The Governance Framework and how we comply:

Principle 1: Behaving with integrity, demonstrating strong commitment to ethical values, and being lawful

- The Council's Constitution, Councillor and Officer Codes of Conduct, and Vision and Values statement set out required standards of members and officers.
- The Constitution is reviewed on an ongoing basis to ensure it is fit for purpose.
- A Procedures Committee oversees operation of the Constitution including review of proposed amendments. Recommended improvements are pending Procedures Committee and Council approval.
- Registers of Interests are maintained to avoid conflicts, prejudice or bias.
- The designated statutory Head of Paid Service, Financial Officer and Monitoring Officer help ensure business is conducted lawfully.
- Internal and external audit scrutinise Council activities and report independently on the extent to which laws, policies and procedures are complied with.
- Audit Scrutiny, Standards Committee and the Monitoring Officer provide oversight.
- Anti-Fraud and Corruption and Whistleblowing policies are in place.
- Council services are led by trained and professionally qualified staff.
- Comments and complaints processes are in place and are publicised, including how to complain to the Ombudsman.
- Our commitment to equality and inclusion is incorporated in the work we do, and we publish our adherence to the Equality Act duties annually.

Principle 2: Ensuring openness and comprehensive stakeholder engagement

- Our Consultation Toolkit sets out the principles of stakeholder engagement. We encourage all members of the community to contribute to and participate in the work of the Council. Numerous consultations have been undertaken throughout the year, especially in respect of major projects.
- Our Modern 25 transformation programme involved focus groups to help us understand and improve customers' experiences when redesigning services.
- Members of the public have access to Council meetings, minutes and agendas.
- Most meetings are available to the public through the Council's YouTube channel and through Webcasting, which provides transparency in decision making.
- Our Residents' Newsletter is used to communicate Council activity weekly and other matters of interest.
- Plain English principles are used in publications and digital content meets accessibility standards with a 94.3% AA rating on our website (above the Government's industry benchmark of 88.1%). Our website has been continually improved based on what customers need.

- We have developed a Digital Strategy to guide the way services will be delivered with a digital first approach.
- We survey customers on a number of services for views to help shape future direction.
- A Statement of Community Involvement sets out participation and engagement processes for planning policy, and the revision of our Local Plan is currently underway. We are one of a small number of authorities nationally leading the way in terms of on line consultation, effectively harnessing modern methods of engagement in order to gather public views on proposals. Our Local Development Scheme sets out timescales for the various stages of the Local Plan, from inception to adoption.

Principle 3: Defining outcomes in terms of sustainable economic, social and environmental benefits

- A Ten Year Council Strategy guides our work. This was implemented following extensive research and consultation with residents, business and partners, and is underpinned by ten “Super Projects” each having a widespread impact on the economy, community wellbeing, and environment. Following the local elections in May 2023 the Strategy is under review to support the new Council.
- Our elected members called a Climate Emergency in 2019 and we have since taken a series of steps to progress climate action across both Teignbridge and Devon as a whole. Through our membership of the Devon Climate Emergency, a consortium of public bodies, infrastructure providers, and academic institutions, we have supported development of the Devon Carbon Plan, which was finalised in August 2022 and endorsed by Council in December 2022. The Devon Carbon Plan contains a series of actions highlighting the changes that need to take place for Devon to reach net zero.
- Under our in-house Carbon Action Plan, we have progressed a series of heat decarbonisation projects across our four most carbon intensive buildings including two leisure centres, a public lido and our main offices at Forde House; these projects are in varying stages of completion and will collectively reduce our demand for natural gas by up to 88% across the buildings we own and occupy as a local authority.
- We are also progressing a fleet decarbonisation strategy under our in-house carbon action plan to consider how we can transition to a low-carbon vehicle fleet, with the results expected to be relayed to elected members in 2023/24.
- Our Local Plan team have undertaken significant work to prepare our 2020 – 2040 Local Plan for inspection due later this year; the plan contains a dedicated chapter for Climate Change and details policies supporting sustainable development, site allocations for renewable energy, policies supporting battery energy storage, and policies setting standards for electric vehicle charging infrastructure.
- The emerging local plan also amalgamates a nationally significant line of enquiry to progress the Newton Abbot and Kingsteignton Garden Communities Project, which features climate change adaptation and mitigation as principle levers for change.
- Budgets, financial plan and capital programme direct financial resources to priorities.
- We have a Procurement Strategy in conjunction with other Devon Districts which defines our commitment to support local economies. A Sustainable Procurement policy sets out our approach to purchasing sustainably and with social value.
- An Economic Development Plan aids local businesses and the local economy, together with a Jobs Plan which was implemented in June 2021.
- We have been awarded £2.1M under the UK Shared Prosperity and Rural England fund and are defining projects to take forward under these levelling up schemes.
- A number of small grants and funding schemes are provided, which benefit local communities.
- We are working jointly with our neighbouring authorities Exeter City Council, Mid Devon and East Devon District Councils, and Devon County Council, to achieve

joined-up decision making on planning and infrastructure matters, and we are members of the Heart of the South West Local Enterprise Partnership.

Principle 4: Determining the interventions necessary to achieve intended outcomes

- Performance measures track progress with delivery of our Strategy.
- A medium term financial strategy outlines how we intend to raise and manage the resources needed to deliver our services and priorities over the medium term. This is constantly under review to address the ongoing financial challenges facing the Council.
- Executive Key decisions are publicised in advance so they can be scrutinised in line with decision making and Overview and Scrutiny arrangements.
- Overview and Scrutiny review groups are appointed to look at Council policy, services, and particular issues of local concern.
- Our Modern 25 transformation programme has been developed and launched to modernise the way we work, looking at processes, structure and outcomes for customers.
- A digital transformation programme, digital strategy, and our annual business planning and review exercises “BETTER2022” drive service improvement and performance.
- A Partnership toolkit aids collaborative working and strong partnership governance.

Principle 5: Developing capacity including the capability of leadership and the individuals within it

- Recognised recruitment and selection procedures and induction programmes are followed for both staff and members.
- Training and development needs are tracked through annual personal development and performance interviews for staff.
- Member development needs are co-ordinated by the Democratic Services Team Leader with oversight from the Procedures Committee.
- HR policies aim to promote the health and wellbeing of the workforce, and the Investors in People accreditation is maintained.

Principle 6: Managing risks and performance through robust internal control and strong public financial management

- Our Risk Management Strategy outlines our approach to managing risk and risk management reports are reviewed by the Strategic Leadership Team (SLT) and the Audit Scrutiny Committee.
- The Strategy requires risks to be managed at all levels including service, strategic, and project levels, and risk must be identified and considered in all decision making.
- Some risks have inevitably increased as a result of the pandemic and economic climate, and these have been kept under review to ensure appropriate mitigations are in place.
- Robust performance monitoring using a basket of indicators is undertaken by the SLT and Overview and Scrutiny Committees.
- Work with services is ongoing to improve automated performance reporting through the use of the Power BI reporting tool.
- A programme of reviews (BETTER2022) help ensure value for money in services is scrutinised, for efficient service delivery.
- Our Head of Corporate Services is the designated officer responsible for the proper administration of the Council’s financial affairs.
- Managers are responsible for ensuring internal control systems are in place, and a programme of auditing reviews the effectiveness of these

Principle 7: Being transparent, with good practices in reporting and audit, to deliver effective accountability

- Agendas, reports, and minutes of Council meetings are published, along with a forward plan of Key Decisions, and meetings are accessible with live stream and recordings on our website where appropriate.
- An internal audit function reports to the SLT and Audit Scrutiny Committee who also receive and consider the external auditors' findings.
- Key data is published including Council spending and senior officer pay, and timely responses are given to information requests.
- Freedom of Information, Data Subject Access, and other information requests are dealt with fully and promptly.

How do we know our arrangements are working?

At least annually, we review the effectiveness of the governance framework including the system of internal control. The review of effectiveness is informed by the work of the senior managers within the authority who have responsibility for the development and maintenance of the governance systems; the Audit Manager's annual report; and by comments made by external auditors, and other review agencies and inspectorates. Further assurance is provided by:

- Assurance statements completed by the Council's management team, which cover their areas of control, acknowledge accountability for risk management and internal control, and certify their satisfaction with the arrangements in place throughout the year.
- Key officers' views on the standards of governance within the Council – specifically the Section 151 Officer (responsible for the Council's financial affairs), the Monitoring Officer, the Audit Manager, and the Health and Safety Manager.
- The Council's Monitoring Officer has a legal responsibility to look into matters of potential unlawfulness within the Council. The Monitoring Officer also reviews the operation of the Constitution, to ensure it is up to date, and reflects best practice and legal requirements.
- The Standards Committee is available to support the Monitoring Officer on standards of conduct and probity issues.
- The Overview and Scrutiny process has monitored the Council's policies and performance on an ongoing basis. Executive Members have also kept issues under review during meetings with managers.
- The Audit Scrutiny Committee has reviewed arrangements for managing risk concluding that adequate risk management arrangements are in place.
- Counter fraud arrangements have been kept under review through a Fraud Risk Assessment and fraud controls are evaluated during internal audit work. Internal audit have delivered counter fraud assurance work over the numerous government support grants and payments distributed as a result of the pandemic, and for other government schemes such as the energy rebate.

- The Council's external auditor would have normally provided the Council with their opinion on the Council's accounts, but this work is delayed. However, the last Value for Money report received was positive.
- As a significant group relationship, our IT provider Strata Service Solutions Limited is audited by the Devon Audit Partnership, as the provider of its internal audit services in 2022-2023. Strata's performance has been monitored by the Council's IT Requirements Board, and by the Joint Executive and Scrutiny Committees. A governance review is in progress to ensure future arrangements are fit for purpose.
- Strata has maintained compliance with the Government PSN (Public Services Network) Code of Connection, which is a mandatory set of security standards Councils must meet in order to connect to this secure network, which also provides wider assurance as the PSN controls cover the complete Council network. Assurance has also been given in respect of cyber risk in deployment of the following: National Cyber Security Centre's (NCSC) 10 Steps to Cyber Security, the Open Web Application Security Project (OWASP) website principles use of NCSC WebCheck, MailCheck, Protective Domain Name System security, and the Early Warning Vulnerability Service. Strata are also working towards the NCSC Local Government Cyber Assessment Framework.
- The May 2023 elections were held in line with the performance standards set by the Electoral Commission.
- Equalities performance has been self assessed against the Equality Framework for Local Government 2021.
- The Local Government Ombudsman received six cases in the year 2022-2023, none of which were upheld. Two further cases from the previous year were upheld and we have addressed the recommendations made.
- CIPFA guidance on the role of the Chief Financial Officer in public service organisations was used to benchmark the Council's arrangements, showing how these standards are met.
- Financial Management was assessed against CIPFA's Financial Management Code with positive findings. This has a focus on financial resilience which is particularly important in current times.
- Based on the assurance work undertaken by internal audit, the Audit Manager has provided an opinion on the control environment which concluded that this was adequate and effective. It should, however, be noted that all risks of failure cannot be eliminated, and the assurance given is therefore reasonable and not absolute.
- Information Governance - there have been no major reportable data breaches and average processing time for Freedom of Information and Environmental Information Regulation requests is above average compared to other organisations.
- Corporate governance arrangements Council-wide have been assessed against the requirements of the governance framework outlined in the CIPFA / SOLACE Framework for Delivering Good Governance in Local Government.
- Reviews have been commissioned to examine specific areas such as: Centre for Governance and Scrutiny, cyber governance, and a review of the Council's Operating Model, the outputs of which are being evaluated and addressed.

Conclusion

Our governance arrangements continue to be regarded as fit for purpose in accordance with the governance framework. Set out below, are the challenges and actions highlighted by last year's Annual Governance Statement, and issues we will focus on during 2023-2024.

2022-2023 Challenges	Planned Action
<p><u>Financial Sustainability</u></p> <p>Having successfully navigated the ongoing financial risks created by the pandemic and its subsequent lockdowns, we need to continue to monitor the Council's financial position closely for both revenue and capital programmes, given the ongoing uncertainty around future levels of costs and government funding.</p>	<p>The Chief Financial Officer will continue to produce frequent updates on the financial position and update the Strategic Leadership Team.</p> <p>Anticipated shortfalls for future years will need to be addressed as part of the budget setting and monitoring processes. Work with consultants "Ignite" on a future operating model for the Council, together with ongoing service plan reviews, will help meet the shortfalls currently anticipated.</p>
<p><u>Update and plans for 2023-2024</u></p> <p>The risk of future financial sustainability remains due to high inflation rates, increasing interest rates, high energy and food costs and a likely recession.</p> <p>The work outlined above, including our Modernisation Programme M25, continues with the aim of addressing the anticipated shortfalls. Further detailed information is included in our Financial Plan. Future decisions on spending will be contentious and/or politically sensitive requiring members to make difficult choices.</p>	
<p><u>Cyber governance</u></p> <p>An independent review was commissioned using funding from the Local Government Association. This has highlighted a number of areas for improvement.</p>	<p>An action plan is being formalised and prioritised for officers to implement.</p>
<p><u>Update and plans for 2023-2024</u></p> <p>A new suite of policies has been developed for implementation, with further improvement actions, including a review of Business Continuity plans to be addressed in Autumn 2023. A new post has been created to assist with this work.</p>	

2022-2023 Challenges	Planned Action
<p><u>Member and Officer roles and relationships</u></p> <p>The Centre for Governance and Scrutiny (CfGS) reviewed officer/member roles and responsibilities, including consideration of values, behaviours, and ethical issues, and the constitutional provisions supporting these.</p>	<p>Officers are working through improvement actions arising from this work.</p>
<p><u>Update and plans for 2023-2024</u></p> <p>This is a continued area of concern, and some decision making has been delayed due to a failure to appreciate roles and professional responsibilities. A disregard for professional officer advice, and / or proposals put forward without such, has also resulted in increased risk in some areas, the Future High Street work being an example of this. A revised officer and member protocol, to give clarity of roles and aid decision making has been drafted. This protocol, together with previously recommended improvements to the Constitution proposed in July 2022, which are still pending Council approval, need to be taken forward and implemented as soon as practical.</p>	
<p><u>Anti-fraud and Corruption and Whistleblowing policies</u></p> <p>These policies have not been reviewed for some time. It is good practice to review policies on a regular basis to ensure they remain fit for purpose and reflect best practice.</p>	<p>Anti-fraud and Corruption and Whistleblowing policies will be reviewed and updated in 2022-23</p>
<p><u>Update and plans for 2023-2024</u></p> <p>Completed with revised polices approved by Council in May 2023. Further work to raise awareness of Whistleblowing is being undertaken.</p>	

ADDENDUM to the 2022-2023 Annual Governance Statement

(September 2024)

The 2022-2023 draft Annual Governance Statement (AGS) was reviewed by the Audit Scrutiny Committee on 29th August 2023 and approved as part of the 2022-2023 Financial Statements.

The AGS should follow best practice guidance contained in the “Delivering Good Governance in Local Government Framework” (CIPFA/Solace) . The guidance states that the AGS should be kept up to date at the time of publication. During normal operations, this would mean the period between the end of the financial year, and the publication of the audit financial statements just a few months later. However, financial statements can only be formally published on conclusion of an external audit and there have been delays nationally with the completion of these, culminating in the government introducing “backstop” legislation to clear the backlogs of outstanding audits across the country. As a

result of this, the Council received a “disclaimer opinion” from its external auditor in September 2024, hence it is only now able to publish the 2022-2023 financial statements.

In deciding whether any changes are required to the 2022-2023 AGS since the year end (March 2023) and September 2024, we have considered whether any significant governance issues have occurred and also whether they are pertinent to this prior year.

We have concluded that there are no additional matters to be included, however it should be noted that work is ongoing to address recommendations made by the Centre for Governance and Scrutiny, and a Peer Review undertaken in January 2024 in respect of strengthening member and officer relationships to achieve effective decision making. For full details please refer to the 2023-2024 Annual Governance Statement.

Signed on behalf of Teignbridge District Council:

Managing Director

Leader of the Council

OTHER INFORMATION AND CONTACTS

1. Environmental Footprint/Climate Change

Teignbridge District Council declared a Climate Emergency in April 2019 and has since taken a series of steps to progress climate action within Teignbridge and across Devon as a whole.

Through our membership of the Devon Climate Emergency, a consortium of public bodies, infrastructure providers, and academic institutions, we have supported development of the Devon Carbon Plan, which was finalised in August 2022 and endorsed by Council in December 2022. The Devon Carbon Plan contains a series of actions highlighting the changes that need to take place for Devon to reach net zero emissions in the shortest feasible timeframe.

Following our endorsement of the Devon Carbon Plan, we have begun to transpose the Devon Carbon Plan into a specific District Carbon Action Plan for Teignbridge, which will highlight the actions reflecting Teignbridge communities, economies and landscapes. The development of this plan is progressing well following the completion of draft actions, and a first round of residents and staff engagement workshops.

Our in-house Carbon Action Plan was adopted by Full Council in July 2022 and sets out a series of actions, targets, and policies working towards achieving net zero emissions covering our direct scope 1 and 2 carbon footprint, as well as our indirect scope 3 supply chain carbon footprint.

Under our in-house Carbon Action Plan, we have progressed a series of heat decarbonisation projects across our four most carbon intensive buildings including two leisure centres, a public lido and our main offices at Forde House; these projects are in varying stages of completion and will collectively reduce our demand for natural gas by up to 88% across the buildings we own and occupy as a local authority.

We are also progressing a fleet decarbonisation strategy under our in-house carbon action plan to consider how we can transition to a low-carbon vehicle fleet, with the results expected to be relayed to elected members in 2023/24.

Our Local Plan team have undertaken significant work to prepare our 2020 – 2040 Local Plan for inspection due later this year; the plan contains a dedicated chapter for Climate Change and details policies supporting sustainable development, site allocations for renewable energy, policies supporting battery energy storage, and policies setting standards for electric vehicle charging infrastructure.

The emerging local plan also amalgamates a nationally significant line of enquiry to progress the Newton Abbot and Kingsteignton Garden Communities Project, which features climate change adaptation and mitigation as principal levers for change

www.teignbridge.gov.uk/carbonfootprint

2. Building Regulations Control Account –Year Ended 31 March 2023

The Building (Local Authority Charges) Regulations 1998 require the disclosure of information regarding the setting of charges for the administration of the building control function. Building Regulations Control Services operate as a separate trading unit and the Summary Accounts for the year are detailed in the Devon Building Control Partnership Accounts, which can be found at the following website:

[Browse meetings - Devon Building Control Partnership Committee - Teignbridge District Council](#)

3. Comments / Contacts

If you have any specific queries or comments in the context or format of these accounts please contact Martin Flitcroft – Tel: 01626 215246 or email martin.flitcroft@teignbridge.gov.uk

These Accounts can be found on our website at www.teignbridge.gov.uk . If you need a copy of these Accounts in another language or format please email info@teignbridge.gov.uk or call 01626 361101

**Teignbridge District Council
Full Council
29 October 2024
Part i**

**Committee Appointments and Political Balance – Local
Government and Housing Act 1989**

Purpose of Report

To appoint councillors with effect from 29 October 2024

Recommendation(s)

The Council is recommended to resolve to appoint councillors to the committees and positions set out in the report and circulated.

Financial Implications

There are no financial implications arising from this report.
Head of Corporate Services and Chief Finance Officer
martin.flitcroft@teignbridge.gov.uk

Legal Implications

The purpose of this report is to comply with the Local Government and Housing Act 1989, which requires the allocation of seats on committees in accordance with the level of representation of political groups on the Council as a whole.

Section 15 of the Local Government and Housing Act 1989 places a duty on the Council to review the representation of political groups on its committees where the members of the Council are split into different political groups. A council is deemed to be split into different political groups where there is at least one such group on the Council. There is a particular duty to conduct this review at the Annual General Meeting or as soon as practicable after that.

For political balance, a group is required to have at least two members in order to be formally constituted as a political group.

Section 15 of the Local Government and Housing Act 1989 sets out how committees must be constituted when the Council is divided into one or more political groups. The Council must give effect, as far as reasonably practicable, to the following four principles in constituting its committees or sub-committees:

- (a) that not all of the seats on any committee are allocated to the same political group;
- (b) that if a political group has a majority on the Council, it must have a majority of seats on all committees;

(c) that, subject to (a) and (b) above, the number of seats allocated to a political group across all the committees must reflect their proportion of the authority's membership; and

(d) that, subject to (a) to (c) above, the number of seats allocated to a political group on each committee is as far as possible in proportion to the group's membership of the authority.

The Local Government (Committees and Political Groups) Regulations 1990 (as amended) make provision for securing the political balance on councils and their committees and for determining the voting rights of members of certain committees

Once the allocations have been agreed, the appointment of individual members must be given effect in accordance with the wishes of the relevant Group as expressed through the Group's Leader / Deputy Leader.

Paul Woodhead
Head of Legal Services and Monitoring Officer
Email: paul.woodhead@teignbridge.gov.uk

Risk Assessment

Failure to allocate seats in line with the statutory principles set out in the Local Government and Housing Act 1989 would be in breach of statutory requirements and may result in error or legal challenge.

Democratic Services Team Leader & Deputy Monitoring Officer
sarah.selway@teignbridge.gov.uk

Environmental/ Climate Change Implications

There are no Environmental/Climate Change Implications arising out of this report.
Democratic Services Team Leader & Deputy Monitoring Officer
sarah.selway@teignbridge.gov.uk

Report Author

Democratic Services Team Leader & Deputy Monitoring Officer
sarah.selway@teignbridge.gov.uk

Appendices/Background Papers

Local Government (Committees and Political Groups_ Regulations 1990
Local Government and Housing Act 1990

1. Introduction

The membership of the political groups on the Council is as follows:-.

Liberal Democrat Group	25 Seats
South Devon Alliance Group	9 Seats
Conservative Group	9 Seats
Independent Group	4 Seats
Total Seats	47

The various groups comprise the following Members:

Liberal Democrat Councillors (25)
Buscombe
Cox
Dawson
Farrand-Rogers
Foden
Goodman-Bradbury
Hayes
Henderson
Hook
Jackman
James
Keeling
Major
Morgan
Nutley
Nuttall
Palethorpe
C Parker
Parrott
Rollason
Sanders
Swain
G Taylor
Williams
Wrigley
South Devon Alliance Councillors (9)
Bradford
Daws
Gearon
Hall
Mullone
P Parker
Ryan
J Taylor
MacGregor

Conservative Councillors (9)
Atkins
Bullivant
Lake
Peart
Purser
Rogers
Smith
Thorne
Webster
Independent Group Councillors (4)
Clarance
Jeffries
Radford
Steemson

2. Committees

2.1 The committees which are subject to political balance requirements currently comprise:

Committee	No. of Members on the committee
Overview & Scrutiny Committee	20
Planning Committee	17
Licensing & Regulatory Committee	11
Audit Scrutiny Committee	8
Standards Committee	6
Strata Scrutiny	3

2.2 The committees which are not subject to political balance requirements:

Name of body other than ordinary committee	No. of Members on the committee
Procedures Committee	<p>Membership:</p> <p>(a) The Chair of Council (who will Chair the Committee);</p> <p>(b) All Group Leaders;</p> <p>(c) Two additional members from each Group (who are appointed at Annual Council) provided that the Group comprises 10% or more of the Council full membership</p>

3. Allocations of seats and nominations

3.1 Allocations to committees subject to political balance requirements will be:-

Committee	Total Seats	Lib Dems	SDA	Cons	Ind
Overview & Scrutiny	20	11	4	4	1
Planning	17	9	3	3	2
Licensing & Regulatory	11	6	2	2	1
Audit Scrutiny Committee	8	5	1	1	1
Standards	6	3	1	1	1
Strata Scrutiny	3	1	1	1	0
Total	65	35	12	12	6

3.2 Each political group has been asked to provide its allocations for the committees. The nominations will be circulated prior to the meeting if available.

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**Teignbridge District Council
Full Council
29 October 2024
Part i**

**UPDATE ON THE MODERN 25 COUNCIL TRANSFORMATION
PROGRAMME**

Purpose of Report

To update members on progress and delivery of savings to be achieved through the Modern 25 programme, and to seek approval for the matters detailed in the recommendations listed below.

Recommendation

Full Council approves:

- 1. The disposal of Old Forde House.**
- 2. To commence public consultation on the Council stopping provision of public toilets.**
- 3. The carry out an Options appraisal of the Lido site in Teignmouth to determine whether it is possible to improve its financial viability and to look at alternative uses.**
- 4. To remove some of the M25 strategic portfolio savings identified as unviable (as identified in Section 3 of the report).**

And that

- 5. Members note the progress that has been made with regards to the M25 programme and realisation of savings**

Financial Implications

The Modern 25 agenda is critical for the Council to progress work on eliminating future revenue budget gaps. The financial implications are identified throughout the report. Section 2 identifies progress to date; section 3 identifies areas we may not be able to pursue and section 4 has some recommended areas we feel should be explored now.

Martin Flitcroft
Chief Finance Officer & Director of Corporate Services
Email: martin.flitcroft@teignbridge.gov.uk

Legal Implications

The Council has fiduciary duties that it must comply with. To that end it must be cognisant of the need to adopt and operate a clear strategy to enable timely decisions to be made so as to ensure that it operates within its means.

Paul Woodhead
Head of Legal Services and Monitoring Officer
Email: paul.woodhead@teignbridge.gov.uk

Risk Assessment

The risk to the Council in not agreeing the recommended disposals is that the Council will fail to achieve the Modern 25 savings target of £2.6 million by March 2027. Given that a minimum of £600,000 revenue savings have been identified by reducing the Council's assets portfolio and/or improving our income from assets, not disposing of the suggested assets will have a significant impact on the revenue savings targets and also the Council capital spend as the Council will need to invest in the assets it retains (see Appendix I re public toilets projected planned maintenance costs). Given the deadline for savings and the time required to carry out consultation, develop recommendations, and of dispose or repurpose assets it is critical that timely decisions are made now to enable the savings to be realised by 2027. If these savings are not realised there will need to be further cuts to public services elsewhere to make the savings and balance the budget, and ultimately if this cannot be achieved the Council is at risk of serving a Section 114 notice.

Report Author

Amanda Pujol Director of Customer & Transformation
Email: Amanda.Pujol@teignbridge.gov.uk

Tom Phillips, Head of Assets
Email: Tom.Phillips@teignbridge.gov.uk

Executive Member

Councillor Peter Williams Portfolio Holder for M25
Councillor David Palethorpe, Portfolio Holder for Assets
Councillor Richard Keeling, Leader, and Portfolio Holder for Finance

1. Background

1.1 In 2022 the Council recognised it had an anticipated deficit of £2.6 million in the next 3 years and as a result decided to develop and implement a new operating model for the Council –The Modern 25 Transformation Programme. The work has focused on the effective delivery of key services and projects, increasing digital service delivery and maximising efficiency and economies of scale – overall ensuring all the work of the Council is strategically aligned.

1.2 The Modern 25 Programme is based around 6 key Design Principles and consists of four workstreams:

Design Principles:

- Digitally enabled council
- Align resource to priorities
- Person-centred design
- Efficient and effective delivery
- Value for money services
- Investing in our staff

People and Organisation Workstream:

The People & Organisation workstream will ensure that TDC is flexible and well-resourced to meet its strategic objectives. This includes a clearer and more suitable organisation structure, and updated job descriptions to support the target operating model. This workstream is supported by a communication and change plan which aims to support staff wellbeing through this period of change, meeting the Person-Centred Design, Efficient and Effective Delivery, and Investing in Staff design principles.

The objectives of this workstream are:

- To implement Phase One of the council-wide restructure (as agreed by Full Council on 21/05/24), and support Heads of Service to implement Phase Two.
- To develop and implement a development and training programme for the Senior Leadership Team (SLT) and Senior Management Team (SMT)
- To review existing pay and grading arrangements
- To develop and implement a People Strategy for TDC

Strategic Portfolio

The Strategic Portfolio Workstream will develop specific individual projects to deliver against a defined strategic portfolio. The workstream will oversee the implementation and change activities associated with the portfolio project deliverables, will monitor portfolio project progress as part of overall programme governance, and will ensure that project outcomes align with the new operating model, supporting the Align to Priorities, Efficient and Effective delivery, and Value for Money design principles.

The Strategic Portfolio workstream has the following objectives:

- To make financial savings of £1.84m
- To improve alignment of service activity with council priorities
- To maximise performance of statutory services, non-staff efficiencies, and commercial surplus creation

Customer and Process

The Customer Workstream will deliver a new Target Operating Model (TOM) to support a modernised and sustainable council in line with the Council's vision and design principles and to deliver savings of £776,000. These savings are to be achieved via a combination of customer-enabling, self-serve, process improvement and internal re-modelling. This will ensure alignment of services to customer needs, that our processes are as efficient as possible, and result in cost reduction to delivering services. This workstream primarily supports the Digitally Enabled Council, Align to Priorities, Person-Centred Design, and Efficient and Effective Delivery design principles.

The CS & TOM workstream has the following objectives:

- To deliver financial savings of £776,000 (approx. 22 FTE equivalent) through process re-design
- To maximise customer self-service and promote use of digital channels, reducing phone calls and emails
- To ensure all customer-facing processes are designed with a customer-first approach
- To improve accessibility of TDC's website

Digital

The Digital workstream is supported by Strata's business plan which will introduce transformational technology to enable the digitalisation of processes and improved customer experience, enabling the process improvements identified in the Customer & Process workstream to be realised. Digital transformation also requires close change management with staff and includes investment in staff digital skills alongside the introduction of technology, which supports the People & Organisation objective of ensuring that staff and services are well-equipped to deliver digital services. This workstream contributes to the Digitally Enabled Council, Person-Centred Design, Efficient and Effective Delivery, and Investing in Staff design principles.

The objectives of this workstream are:

- To deliver essential digital tools to enable the target operating model and to-be process maps to be realised.
- To rationalise existing line of business systems and maximise value of current systems.
- To upskill staff digital skills
- To implement a data strategy

The programme is managed through a Programme Board with member representation which meets monthly and has also reported into the Medium-Term Financial Plan Working Group.

2. Progress to date

2.1 Financial Savings to date

As members are aware the overall financial revenue savings to be delivered by the programme are £2.6 million. These are recurring revenue savings and therefore reduce the Councils base budget and reliance on reserves. At the beginning of the programme targets were set annually to release a percentage of the savings each year, dependent upon elements of the work programme being delivered. The savings profile recognised that some savings are predicated on other parts of the programme being implemented first (for example the organisational restructure or some of the digital tools being implemented) Hence the savings are greater towards the end of the programme.

Since then, a potential further £400,000 has been invested by the Council to fund the management restructure. This £400,000 must be removed from the Councils budget by 31 March 2026 in addition to the original savings profile. Savings have been made to date as summarised in 2.2 below however other pressures such as high wage rises etc have maintained a high anticipated budget gap for future years currently anticipated to be £4.2 million in 2026/27 .

2.2 The current savings made to date against the projected savings rates can be found in the table below:

	Target revenue savings		Actual Savings Generated		Total recurring revenue savings	One off savings in year
	*People and organisation/ Customer/ Digital	Strategic Portfolio **	*People and organisation/ Customer/ Digital	Strategic Portfolio **		
22/23			£0	£102,590	£102,590	£375,096
23/24			£0	£547,010	£547,010	£300,515
24/25	£89,685					
25/26	£373,636	£732,485				
26/27	£712,746	£1,091,515				
TOTAL	£1,176,067	£1,824,000	£0	£649,600	£649,600	£675,611

As can be seen above some savings have been made ahead of target as strategic portfolio projects were accelerated to provide savings more quickly than anticipated:

Project Name	Saving Type	22/23 REVENUE SAVINGS	23/24 REVENUE SAVINGS
Review third sector SLAs for savings	Budget reduction		1,380
Reduce community safety activity	Budget reduction	13,700	
Pre-planning Application fees and volumes	Commercial surplus		7,497
Reduce public art expenditure	Budget reduction		5,000
Forde House decarb project - let vacant space	Commercial surplus	1,240	29,510
Teignbridge Business Centre - Contract cleansing	Budget reduction		2,910
Teignbridge Business Centre - letting agency fee	Budget reduction		610
Town centre marketing - Reduce/ remove budget	Budget reduction		5,040
Market Walk Advertising - Reduce/ remove budget	Budget reduction	8,000	5,520
Old Forde House special works - remove budget	Budget reduction		3,530
Stop Area Tourism contribution	Budget reduction		7,000
Reduce funding for Teign and Exe Estuary Partnerships	Budget reduction		2,250
Increased income/reduce cost of Approach Golf, Shaldon	Commercial surplus		14,277
Increased income - green spaces/ resorts	Commercial surplus	4,530	34,311
Increased income – concessions	Commercial surplus		30,440
Increased income - cemeteries	Commercial surplus	15,120	8,310
Reduce general contractor performance incentive	Budget reduction		800
Reduce Ash Dieback budget	Budget reduction		10,000
Fund substantive posts from Homeless Prevention Grant	Budget reduction	50,000	50,000
Review of free parking services	Budget reduction		4,470
Stop war pension loss	Budget reduction	10,000	4,000
Increase CIL admin top slice to 5%	Commercial surplus		60,000
Charging for provision of waste containers at new properties	Commercial surplus		24,155
Develop corporate plan for Leisure to reduce cost/increase income	Leisure management		236,000

A full list of the strategic portfolio projects, including those which have been realised can be found in Appendix I

2.3 People and Organisation

Following the Full Council decision on the restructure of 21/05/24 nine of the Heads of Service are now in post. Two are out to advert (Head of Housing, Head of Finance & Audit and Head of Neighbourhoods) and two are vacant (Head of Strategy and Policy and Head of Development Management). The Head of Strategy and Policy has interviews scheduled and the Head of Development Management is being covered on an interim basis.

We have reviewed the Councils values and competency framework and have developed a training and development programme for the new Heads of Service.

2.4 Customer & Process

The customer and process workstream has fallen behind schedule in 2024 due to difficulties recruiting business analysts. Two additional Business Process Improvement Analysts have now been appointed and we are working to re-baseline the process mapping schedule with services for 2025. Priority will be given to services under the new structure with the highest proposed FTE savings targets. Customer user engagement to inform process design, and web audit work to enable customer self-serve and improve the customer journey will continue concurrently with process mapping.

The focus of the workstream to date has been the Leisure and Assets services. The review of Leisure processes and subsequent recommendations report is nearing completion and will be evaluated by the delivery team in early October. Findings from the Assets process mapping have been integral to initiating a project running alongside the development of the Asset Management Framework to identify and implement improvements and efficiencies.

2.5 Digital

The digital workstream focuses on Strata delivering a number of “enablers” that will enable the organisation to function more efficiently, support the implementation of new processes and enable the organisation to address a wider range of customer enquiries through the Customer Support Team and support customer self service. We are currently tendering for a new telephony platform across the 3 authorities and have been piloting a chat bot on the Council website to enable customers to retrieve answer to queries more easily.

3. Strategic Portfolio projects recommended to no longer pursue

3.1 As part of the work undertaken by Ignite a list of projects were identified that they believed could potentially provide savings or income, but required further work and investigation to determine whether they were realistic and could be achieved. These projects were not included in the savings targets detailed in section 2 so do not contribute to £2.6 million required, however it was recommended that we should have a list of approximately £4 million potential savings as it was apparent not all savings would be achievable, and some projects

could be held in reserve. Further work has been undertaken by officers to investigate whether these are feasible. Officers recommend these should no longer pursued for the reasons detailed below:

Reduce funding Teign and Exe Estuary Partnerships	Budget reduction	Climate Change, Trees & Coastal Cllr Hook	Budget reduced from £5,000 to £2,750, partial saving achieved, no political appetite to leave the partnerships	£2,750
Stop LGA Coastal	Budget reduction	Climate Change, Trees & Coastal Cllr Hook	Coastal agreement to be retained for 24/25 - (decision by Cllr Jackie Hook) Contributes towards dredging and harbour revision orders	£330
Planning Performance Agreement fees & volumes	Commercial surplus	Planning Cllr Taylor	These services cannot be recharged at a profit as the charges must be reflective of the costs accrued by the Council in the delivery of these functions. Additional income will not be realised	£150,000
Stop Sandbag Provision	Budget reduction	Climate Change, Trees & Coastal Cllr Hook	No establishment saving available as labour is recharged from Waste & Cleansing team; the cost of materials to supply sandbags is the only cost to TDC and is dependent on demand	£6,000
Reduce ranger activity	Budget reduction	Green Spaces & Leisure Cllr Nutley	TDC are contractually obligated to manage Dawlish Warren NNR and the SANGs at Dawlish Countryside Park and Ridgetop Park. Any potential savings from the remaining 2.2 FTE TDC funded staff can only be realised through the transfer or disposal of the Council's countryside parks and Local Nature Reserves	£40,000
Council Tax Support Scheme	Budget reduction	Corporate Resources Cllr Keeling	The MTFP group met in January to consider potential savings from CTR scheme. Based on info supplied at the meeting they decided against cutting levels of support and instead, we are doing some modelling on changes to our Discretionary Rate	£75,000

			Relief Scheme and council tax discretionary discounts.	
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4 Disposal of assets

4.1 As members can see from Appendix 1, following the review of the Councils Assets policy, disposals/reprovisioning of assets to generate additional income are part of the Strategic portfolio for M25. This is estimated to generate a potential income or savings of a minimum of £600,000. Executive agreed the Asset Strategy at a meeting on 4th June 2024 and work has been ongoing by Assets, Finance and the Business Transformation Team to look at the costs and income generated by our assets to identify those assets that either cost the Council significant amounts of revenue and /or capital, and to develop proposals for repurposing or disposal of those assets.

4.2 As a result of this work we are asking Full Council to agree to the disposal of Old Forde House and the development of an options appraisal for the Lido site in Teignmouth. We are also seeking permission to commence public consultation on the Council stopping the provision of public toilets (excluding the 3 Changing Places toilets the Council has recently invested in Dawlish Warren, Decoy Park and the Lawn Dawlish which we will explore transferring to Town and Parish Councils).

4.3 Old Forde House is a Grade I listed building which the Council has previously let out in part as office space to other organisations and is used for meetings and lets for weddings. With regards to the Council's use of the building, use for public events has been restricted as the building does not meet the Disability Discrimination Act in terms of accessibility. Furthermore, since the Council has refurbished the Forde House offices and introduced hybrid working, there is significantly less demand for the rooms to be used by officers as meeting space. The building and upkeep of grounds is a net cost to the Council of £120,000 per annum and the building will require significant amounts of capital expenditure to maintain it going forward. Given this, officers are recommending we should dispose of the building and if sold/transferred this will release a £120,000 per annum revenue saving. There are 2 potential options for disposal dependent upon the requirements of any potential purchaser (with or without the walled car park) and the potential receipt that could be raised. These options can be found in Appendix 2a and 2b.

4.4 It should be noted that Old Forde House has been accepted as an asset of community value and there will therefore be an exclusivity period where groups can work together to develop a bid.

4.4.1 The effect of the listing means that if the Council intends to sell the asset the Council's Spatial Planning and Delivery Service must be notified by way of a Section 95 Notice.

4.4.2 This triggers what is known as the Interim Moratorium Period. This lasts for a period of 6 weeks. Local Land Charges will contact the asset nominee in writing and publish the Council's intention to dispose of the asset locally and on its website etc so that any relevant community interest groups can consider whether they would like to place a bid for the asset.

4.4.3 If a relevant community and voluntary group requests to be considered as a bidder, what is known as the Full Moratorium Period is launched, enabling the group to develop an offer to purchase. This lasts for a period of 6 months (which includes the 6 week Interim Moratorium as detailed above).

4.4.4. At the end of the Full Moratorium Period, or if no expression of interest is received from a legitimate community and voluntary group at the Interim Moratorium stage, the Council is free to dispose of its asset on the open market. If the Council does not dispose of the asset within 18 months of the date when it first gave notification of its intention to do so, the sale process will begin again.

4.5 The site of the Lido has been investigated by officers as part of the asset review. The running of the pool, plant and changing facilities has net cost to the Council of approximately £ 70,000 per annum. This cost is following investment in decarbonisation work to reduce its running costs. There is also a significant amount of HR and staff time spent each year ensuring the facility is adequately staffed for the season. Given this we are seeking approval from Council to develop a full options appraisal to consider whether it is financially viable to continue to operate it and explore alternative options including disposal, transfer, and potential redevelopment.

4.6 The Council continues to provide public convenience facilities across the district at a significant cost to the authority. There are 30 public conveniences in Teignbridge. A full list can be found in Appendix 3. Teignbridge is an outlier in this respect as many of the neighbouring authorities have already reduced or stopped providing public toilets to balance their revenue budgets and protect statutory services. Public conveniences are not a statutory service and given the savings the Council needs to make, the Council needs to consider stopping the provision of public conveniences to prevent cuts being made to statutory services elsewhere. The total revenue cost of providing public conveniences is over £500,000 per annum. (please see Appendix 3)

4.7 Unfortunately many of our public conveniences are in a poor condition and require capital investment to bring them up to suitable standard. The maintenance backlog will require £318,000 capital investment in the next 4 years, with £270,000 of that funding required before 31 March 2027.

4.8 The proposal is to consult with the public for a period of 6 weeks regarding the Council stopping the provision of public toilets. The results of the public consultation and any subsequent decision will be brought back to members for approval. We will seek to look at alternative means of continuing to provide public conveniences in areas if possible (e.g. where Town and Parish Councils may be able to continue to support the provision) and carry out an option appraisal of any public convenience sites where there may be alternative uses to generate income or support Councils strategic objectives (e.g. concession or use for housing).

5.0 Conclusion

5.1 The Council continues to have a predicted deficit in its medium-term financial plan despite savings being made. The Modern 25 project is making good progress but to enable the savings to be realised by 2027 we need to progress with the disposal of Old Forde House and commence public consultation on the provision of public toilets, and officers

need to develop options for the Lido. This will enable members to make further decisions on these specific assets and provision of services in due course. The total ongoing revenue savings to the Council if the Council is no longer responsible for maintaining and providing public toilets, the Lido and Old Forde house is £690,000 . Officers are also continuing to review all our assets in accordance with our Assets Strategy and will be coming forward with further proposals at a future date.

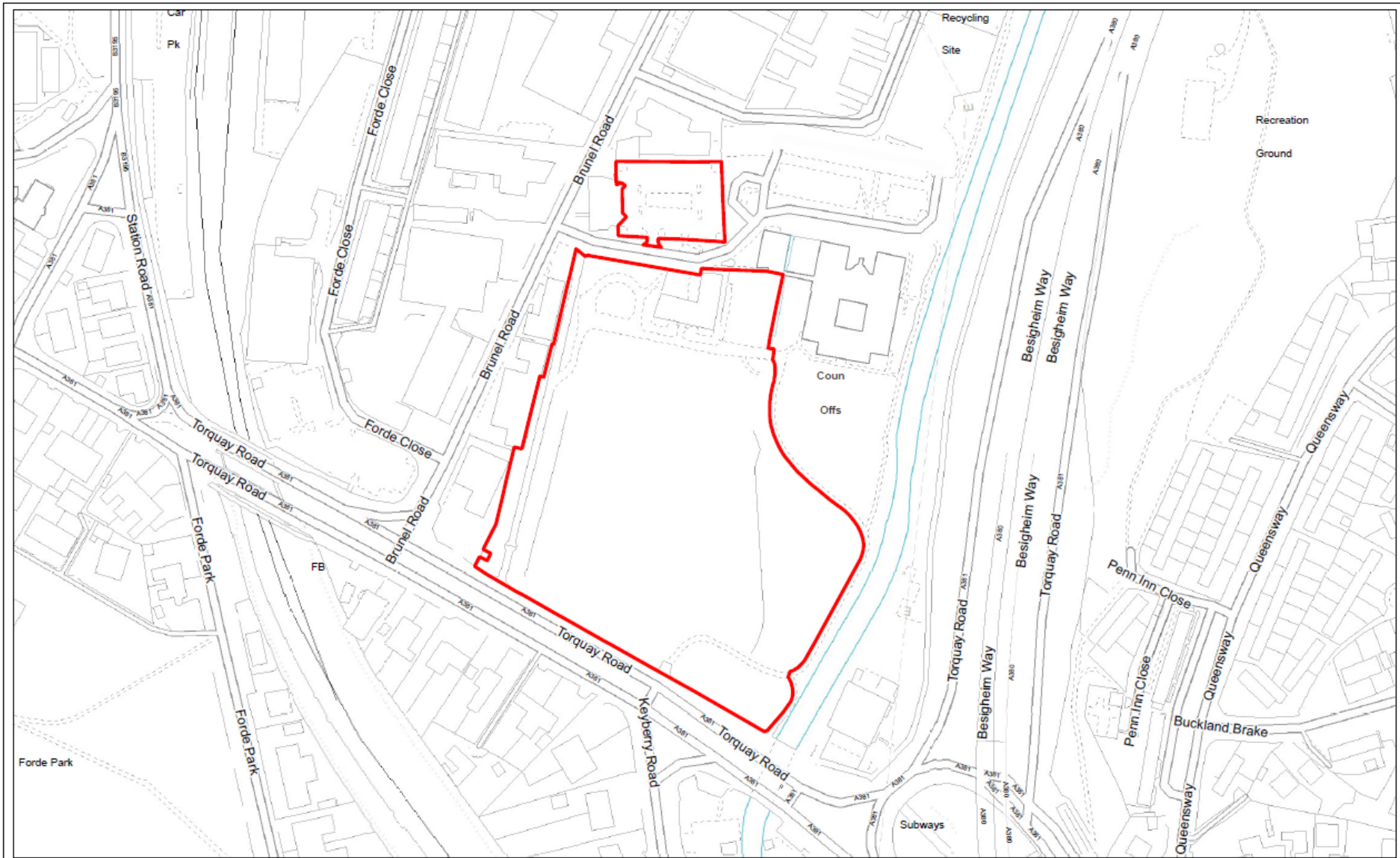
APPENDIX I-Strategic Portfolio Savings

Project Reference	Project Name	Saving Type	Executive Member	Service Area/ Project Title	BRAG Status	STATUS SUMMARY	TOTAL - Ignite proposed cumulative unweighted saving	TOTAL BUDGET REDUCTION/ INCOME GENERATED
COMPLETED:								
SP01	Review third sector SLAs for savings	Budget reduction	Homes & Communities Cllr Goodman-Bradbury	Community & Housing		Partially complete - remainder will not be achieved - see section below	£ 17,780	17,780
SP02	Reduce Community Safety activity	Budget reduction	Homes & Communities Cllr Goodman-Bradbury	Community & Housing		Partially complete - remainder will not be achieved - see section below	£ 13,700	13,700
SP07	Reduce public art expenditure	Budget reduction	Complete	Dev Mng & Planning		Cost budget removed in 23/24	£ 5,000	5,000
SP10	Sherborne House Service Charge budget	Assets management	Complete	Estates		Income budget increased in 24/25	£ 16,800	80,000
SP11a	Teignbridge Business Centre - Contract cleansing	Assets management	Complete	Estates		Cost budget reduced in 23/24	£ 3,410	2,910
SP11b	Teignbridge Business Centre - letting agency fee	Budget reduction	Complete	Estates		Cost budget removed in 23/24	£ 710	610
SP12a	Town centre marketing - Reduce/remove budget	Budget reduction	Complete	Estates		Cost budget removed in 23/24	£ 4,000	5,040
SP12b	Market Walk Advertising - Reduce/remove budget	Budget reduction	Complete	Estates		Cost budget removed in 22/23 and 23/24	£ 5,520	13,520
SP13	Old Forde House Special works - remove budget	Budget reduction	Complete	Estates		Cost budget removed in 23/24	£ 3,530	3,530
SP14	Stop Area Tourism contribution	Budget reduction	Complete	Dev Mng & Planning		Cost budget removed in 23/24 and 24/25	£ 10,000	10,000
SP15a	Stop Teign and Exe Estuary Partnerships	Budget reduction	Climate Change, Trees & Coastal Cllr Hook	Coastal & Drainage		Partially complete - remainder will not be achieved - see section below	£ 2,250	2,250
SP23	Reduce contractor performance incentive	Budget reduction	Complete	Green Spaces		Full saving will not be realised - contract expired	£ 10,000	800
SP25	Reduce Ash Dieback budget	Budget reduction	Complete	Green Spaces		Cost budget reduced in 23/24 and 24/25	£ 20,000	20,000
SP26	Fund substantive posts from Homeless Prevention Grant	Budget reduction	Complete	Community & Housing		Grant funding applied to post 22/23 and 23/24	£ 100,000	100,000
SP30	Stop war pension loss	Budget reduction	Complete	Revs & Bens		Inherent diminishing budget	£ 15,000	15,000
SP33	Increase CIL admin top slice to 5%	Commercial surplus	Complete	Dev Mng & Planning		Scheme in place - monitor demand	£ 80,000	60,000
SP34	Charging for provision of waste containers at new properties	Commercial surplus	Complete	Waste		Scheme in place - monitor demand	£ 48,000	48,000
TOTALS							£ 355,700	£ 398,140

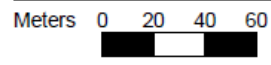
PROJECTS IN PROGRESS:								
Project Reference	Project Name	Saving Type	Executive Member	Service Area/ Project Title	BRAG Status	STATUS SUMMARY	TOTAL - Ignite proposed cumulative unweighted saving	ANTICIPATED BUDGET REDUCTION/ INCOME GENERATED
SP09	Forde House decarb project - let vacant space	Commercial surplus	Estates, Assets & Parking Cllr Paethorpe	Estates		Additional income dependent on renting of ground floor	£ 80,000	80,000
303 SP17	Review Pest Control Contract	Budget reduction	Recycling, Waste & Env Health Cllr Williams	Env Health		Contract renewed for 1yr to conduct user research/ benchmarking. Out to tender for re-procurement	£ 30,500	20,750
303 SP18	Residential Caravan Site Licensing	Commercial surplus	Recycling, Waste & Env Health Cllr Williams	Env Health		Contacting site owners to ensure contact details are correct and to obtain email addresses, consultation to began Aug 2024, results early Oct 2024	£ 15,000	15,000
SP21	Review profit & loss for Approach Golf, Shaldon	Leisure management	Green Spaces & Leisure Cllr Nutley	Green Spaces		Marketing plan developed to explore options to increase income	£ 8,200	14,277
SP22a	Increased income - green spaces/ resorts	Commercial surplus	Green Spaces & Leisure Cllr Nutley	Green Spaces		New Beachcomber and catering kiosk at eastcliff	£ 10,000	38,841
SP22b	Increased income - concessions	Commercial surplus	Green Spaces & Leisure Cllr Nutley	Green Spaces		Finance team working to resolve accounting query to confirm figures for 23/24 FY	£ 5,000	30,440
SP22c	Increased income - cemeteries	Commercial surplus	Green Spaces & Leisure Cllr Nutley	Green Spaces		Income buget increase	£ 15,000	23,430
SP28a	Review of free parking services	Budget reduction	Estates, Assets & Parking Cllr Paethorpe	Parking		Increased/ additional charges	£ 12,250	12,470
SP28b	Increase PCN income through removal of barriers	Commercial surplus	Estates, Assets & Parking Cllr Paethorpe	Parking		22/23 Additional income taken as one off income in 23/24. Review fees and charges for 25/26 to generate budget saving	£ 5,000	5,000
SP31a	Reducing printing and mail volumes	Budget reduction	Corporate Resources Cllr Keeling	Printing & Mail Volumes		Promote online Ctax billing via website, social media and newsletters, create printing and mail dashboard to monitor trends	£ 30,000	30,000
SP31b	Integrating mail and printing functions	Budget reduction	Corporate Resources Cllr Keeling	Printing & Mail Volumes		New grant schemes will be managed using synertec going forwards	£ 7,500	7,500
SP35	Switch to needs led street cleansing	Budget reduction	Recycling, Waste & Env Health Cllr Williams	Waste		Budget increased in 23/24 Forms part of IT project - PID predicted savings are £111,420, primarily based on reduction from 4 to 3 vehicles. Strata work planned for UAT 23/9	£ 200,000	111,420
TOTALS							£ 418,450	£ 389,128

PROJECTS IN DEVELOPMENT:		yet to determine whether full amount will be realised							
Project Reference	Project Name	Saving Type	Executive Member	Service Area/ Project Title	BRAG Status	STATUS SUMMARY	TOTAL - Ignite proposed cumulative unweighted saving	ANTICIPATED BUDGET REDUCTION/ INCOME GENERATED	
SP19a SP19b SP19c SP20 SP37	Assets review including transfer, disposal of assets, commercialisation, recharging for maintenance/ management of assets, reduction in grounds maintenance contract	Asset Management	Estates, Assets & Parking Cllr Palethorpe	Assets		<ul style="list-style-type: none"> •Full strategic assets review •Transfer green space assets to community to reduce grounds maintenance contract •Recharge Towns & Parishes for grounds maintenance contract •Recharge for green space management •Bowling club grants 	£ 607,000	£ 607,000	
SP03	Freeze inflation increase on Members Allowance	Budget reduction	Corporate Resources Cllr Keeling	Dem Services		Budget set by members and independent renumerator - being considered by MTFP O&S Review Group	£ 17,500	0	
306 SP06	Pre-planning Application fees and volumes	Commercial surplus	Planning Cllr Taylor	Dev Mng & Planning		Fees and budget increased 22/23, demand has decreased and 23/24 budget reduced - review demand stats Feb 25	£ 43,000	7,497	
308 SP08	Reduce agricultural consultant expenditure	Budget reduction	Planning Cllr Taylor	Dev Mng & Planning		Added to fees and charges - budget line cancelled from 23/24, new budget to be covered by recharges - RECHARGES NOT RECEIVED TO DATE	£ 5,000	0	
SP27a	Reduce external legal expenditure	Budget reduction	Corporate Resources Cllr Keeling	Legal		Resource dependant - impacted by staff turnover	£ 6,000	0	
SP27b	Recruit administration resource to free up fee earners	Budget reduction	Corporate Resources Cllr Keeling	Legal		Vacancies advertised - overlap with TOM/ people workstreams	£ 25,000	0	
SP36	Reduce Public convenience sites	PC Sites	Recycling, Waste & Env Health Cllr Williams	PC Sites		Forms part of Assets Review	£ 250,000	250,000	
SP38	Develop corporate plan for Leisure	Leisure management	Green Spaces & Leisure Cllr Nutley	Leisure		303hr reduction in operating hours in 23/24 - £236k saving. Further savings need to be identified once Leisure strategy is agreed and assets review work completed	£ 365,000	365,000	
TOTALS							£ 1,318,500	£ 1,229,497	

PROJECTS HELD IN RESERVE		not currently being pursued but may be revisited if savings targets cannot be met						
Project Reference	Project Name	Saving Type	Executive Member	Service Area/ Project Title	BRAG Status	STATUS SUMMARY	TOTAL - Ignite proposed cumulative unweighted saving	ANTICIPATED BUDGET REDUCTION/ INCOME GENERATED
SP01	Review third sector SLAs for savings	Budget reduction	Homes & Communities Cllr Goodman-Bradbury	Community & Housing		Partial saving achieved above, however, discussion with the MTFP group and previous 2 attempts to review this with members have failed . Lack of willingness from members to support due to impact of reduced support for individuals in need (CAB.CVS etc)	£ 111,390	0
SP02	Reduce Community Safety activity	Budget reduction	Homes & Communities Cllr Goodman-Bradbury	Community & Housing		Partial saving achieved above, however, further reduction would mean a staff reduction and significant reduction in resource. Would impact on direct delivery to residents. Not likely to gain member support and not supported by officers	£ 16,300	0
SP04	Reduce Councillors Community Fund	Budget reduction	Corporate Resources Cllr Keeling	Dem Services		Not supported by MTFP working group .unlikely to be realised as not supported by members	£ 47,000	0
SP32	Strata - Service to be reviewed to deliver 10% reduction on base contract	Budget reduction	Corporate Resources Cllr Keeling	Strata		Due to rising costs in software supplier contracts and the need to invest in IT to deliver the efficiency savings elsewhere in the business it is unlikely that this will be realised within the next 2 years	£ 97,980	0
306	TOTALS						£ 272,670	



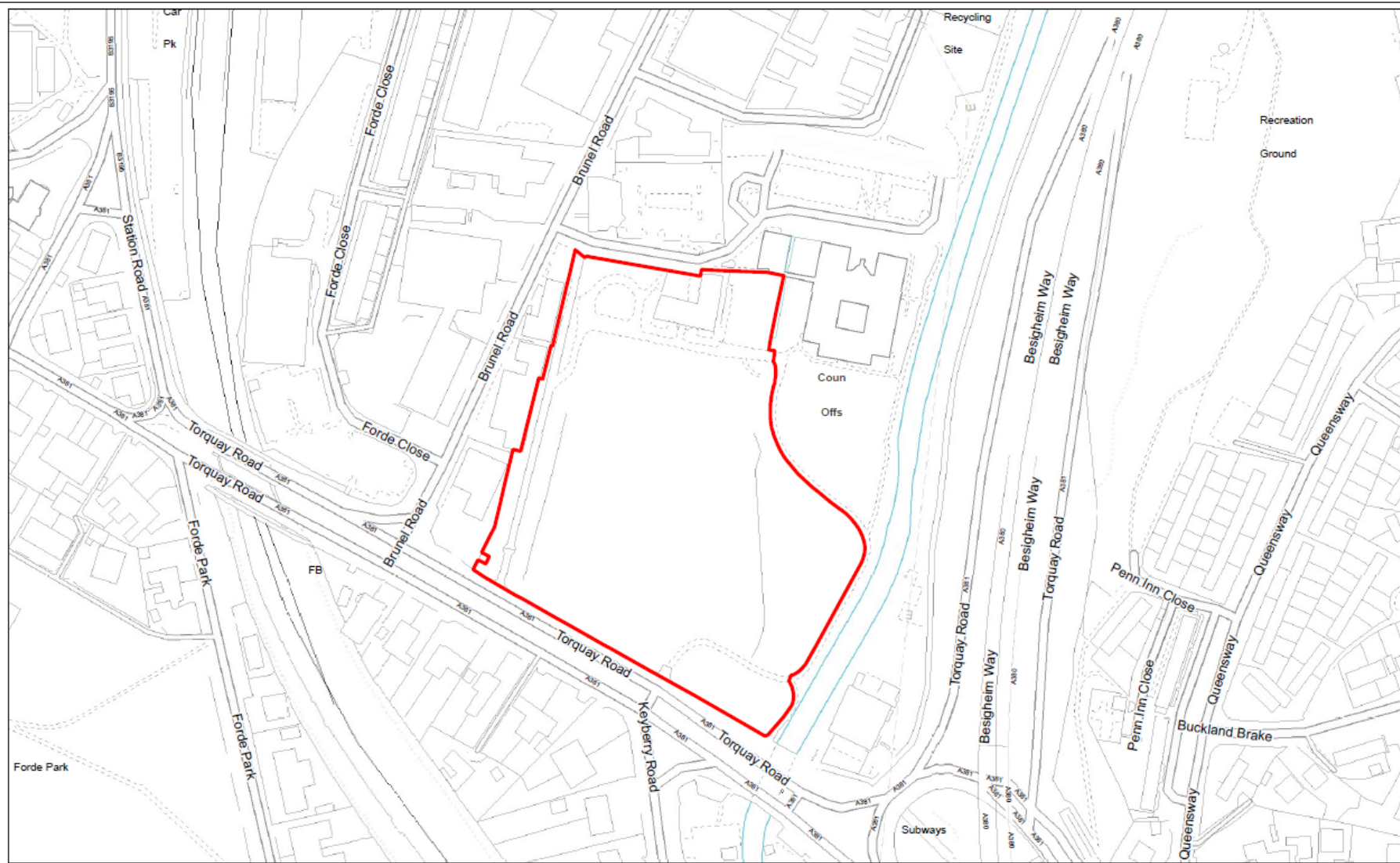
Old Forde House - Option A



Scale: A4@ 1:2,500

Drawn By: SC

Date: 25/09/24





Appendix 3- Toilet costs

2023/24	2023/24
Total Cost of Toilets 2023/24	523,068
Rent received from Former Toilets	
Smugglers Lane, Holcombe	3,450
Station Road, Moretonhampstead	3,600
Mary Street, Bovey Tracey	3,163
Teignmouth Toilets	
Jubilee Shelter Rent	3,000
Jubilee Shelter Water Recharges 2020-2023	12,165
Jubilee Shelter & Eastcliff Water Charges	-3,686
Jubilee Shelter Planned Seasonal R&M - Step decoration	0
Relevant Toilet Costs 2023/24	544,760
Overall Net Expenditure 2023/24	£17,789,850
Cost of toilets as a percentage of overall net expenditure	3.06%
Teignmouth Town Council Contribution	71,000
	473,760
Overall Net Expenditure 2023/24	£17,789,850

Cost of toilets as a percentage of overall net expenditure

Appendix 4
Toilets -Locations- 30 Total

#	Name	Town	Comment
1	Kingsbridge Lane	Ashburton	TDC
2	Newbridge	Ashburton	TDC
3	Victoria Park	Buckfastleigh	TDC - Leased-in
4	Chudleigh Car Park	Chudleigh	TDC
5	Boat Cove	Dawlish	TDC
6	Dawlish Lawn TIC	Dawlish	TDC – includes changing places facility
7	Sandy Lane	Dawlish	TDC
8	Barton Hill	Dawlish	TDC
9	Beach Walk	Dawlish Warren	TDC
10	Car Park Beach Road	Dawlish Warren	TDC
11	Lustleigh	Lustleigh	TDC
12	The Fountain	Kingsteignton	TDC
13	Court Street	Moretonhampstead	TDC
14	Bakers Park	Newton Abbot	TDC
15	Market Walk	Newton Abbot	TDC – due to close imminently if works proceed with new facility to be provided upon completion
16	Station Road	Newton Abbot	TDC
17	Newfoundland Way	Newton Abbot	Managed by Newton Abbot Town Council
18	Cricketfield Road	Newton Abbot	TDC
19	Decoy Park	Newton Abbot	TDC
20	Ness Tunnel	Shaldon	TDC
21	The Strand	Shaldon	TDC
22	Strand	Starcross	TDC - Leased-in
23	Jubilee Shelter/Eastcliff	Teignmouth	Managed by Teignmouth Town Council
24	Lower Brook Street	Teignmouth	Council Approved Freehold transfer to TTC
25	Brunswick Street	Teignmouth	TDC - Closed WC
26	The Point Car Park	Teignmouth	Managed by Teignmouth Town Council proposed to be replaced by new facility

27	The Den	Teignmouth	Temporary WC Managed by Teignmouth Town Council until new facility in place
28	Widecombe	Widecombe-in-the-moor	TDC
29	Former first aid room, Seaward WCs	Dawlish Warren	Changing Places Facility
30	Former Rangers Office, Decoy Country Park	Newton Abbot	Changing Places Facility

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Equality Impact Assessment

Assessment Of: Review of Teignbridge Public Toilets	
<input type="checkbox"/> Policy <input type="checkbox"/> Strategy <input type="checkbox"/> Function <input checked="" type="checkbox"/> Service <input type="checkbox"/> Other:	<input type="checkbox"/> New <input checked="" type="checkbox"/> Already exists / review <input type="checkbox"/> Changing
Directorate: Economic Development	Assessment carried out by: Gary Powell on behalf of the Assets Service Lead
Service Area: Assets	Job Role: Consultation & Engagement Officer
Version 1 / Date of Sign Off by Director: 17 Oct 23	

Step 1: What do we want to do?

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

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

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

To commence public consultation on Teignbridge District Council stopping provision of public toilets
 Why: Seeking to eliminate future revenue budget gaps.
 Legal Implications
 The Council has fiduciary duties that it must comply with. To that end it must be cognisant of the need to adopt and operate a clear strategy to enable timely decisions to be made so as to ensure that it operates within its means.

1.2 Who will the proposal have the potential to affect?

Service users
 The wider community
 Teignbridge workforce

1.3 Will the proposal have an equality impact?

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

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

If 'Yes' complete the rest of this assessment.

Yes
 No
 [please select]

Teignbridge District Council does not have a statutory function to provide public toilets. However, the closure of a significant number of public toilets in the ownership of TDC will have an impact on most of the Districts residents and visitors.

Step 2: What information do we have?

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

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

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

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

For workforce / management of change proposals you will need to look at the diversity of the affected team(s) using available evidence such as the employee profile data. Identify any under/over-representation for age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex; and sexual orientation. Please see: [Equality Act 2010 \(legislation.gov.uk\)](https://legislation.gov.uk).

Data / Evidence Source <i>[Include a reference where known]</i>	Summary of what this tells us
LG Inform Teignbridge Profile	Basic district stats including population and demographics.
DCC Facts and Figures	Economic stats.
Public Toilets Consumer Research Campaign 2022 Citron Hygiene	Attitudes towards Public Toilets across the UK.
The UK Accessible Public Toilets Report QS Supplies 2023.	Overview of Local authority – funded public toilets.
East Devon Cabinet Report December 2021 Public toilets review	Example of a neighbouring councils public toilets review – Shows the importance of public toilets to tourism and the local economy.
Additional comments:	

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

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

2.3 Are there any gaps in the evidence base?

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

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

There are likely to be gaps in specific impact on older people, people with disabilities and people who are pregnant/ during maternity.

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

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

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

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

There will be a full public consultation.

Teignbridge CVS could be asked to help gather evidence of specific impact to older people, people with disabilities and people who are pregnant/ during maternity.

2.5 How will engagement with stakeholders continue?

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

Monitor feedback and complaints/compliments from the community and stakeholders.

Step 3: Who might the proposal impact?

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

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

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

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

GENERAL COMMENTS (highlight any potential issues that might impact all or many groups)	
PROTECTED CHARACTERISTICS	
Age: Young People	Does your analysis indicate a disproportionate impact? Yes <input type="checkbox"/> No <input type="checkbox"/> Neutral <input checked="" type="checkbox"/>
Potential impacts:	Lack of Toilets around playground will be problem
Mitigations:	Seek transfer to Town or Parish Councils
Age: Older People	Does your analysis indicate a disproportionate impact? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Neutral <input type="checkbox"/>
Potential impacts:	Older people may be deterred from visiting the district due lack of facilities
Mitigations:	Seek transfer to Town or Parish Councils
Disability	Does your analysis indicate a disproportionate impact? Yes <input type="checkbox"/> No <input type="checkbox"/> Neutral <input type="checkbox"/>
Potential impacts:	Special equipment may not be available
Mitigations:	Seek transfer to Town or Parish Councils
Sex	Does your analysis indicate a disproportionate impact? Yes <input type="checkbox"/> No <input type="checkbox"/> Neutral <input checked="" type="checkbox"/>
Potential impacts:	
Mitigations:	
Sexual orientation	Does your analysis indicate a disproportionate impact? Yes <input type="checkbox"/> No <input type="checkbox"/> Neutral <input checked="" type="checkbox"/>
Potential impacts:	
Mitigations:	
Pregnancy / Maternity	Does your analysis indicate a disproportionate impact? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Neutral <input type="checkbox"/>
Potential impacts:	People may be deterred from visiting the district due lack of facilities
Mitigations:	Seek transfer to Town or Parish Councils
Gender reassignment	Does your analysis indicate a disproportionate impact? Yes <input type="checkbox"/> No <input type="checkbox"/> Neutral <input checked="" type="checkbox"/>
Potential impacts:	
Mitigations:	
Race	Does your analysis indicate a disproportionate impact? Yes <input type="checkbox"/> No <input type="checkbox"/> Neutral <input checked="" type="checkbox"/>
Potential impacts:	
Mitigations:	
Religion or Belief	Does your analysis indicate a disproportionate impact? Yes <input type="checkbox"/> No <input type="checkbox"/> Neutral <input checked="" type="checkbox"/>
Potential impacts:	
Mitigations:	
Marriage & civil partnership	Does your analysis indicate a disproportionate impact? Yes <input type="checkbox"/> No <input type="checkbox"/> Neutral <input checked="" type="checkbox"/>
Potential impacts:	
Mitigations:	

OTHER RELEVANT CHARACTERISTICS

Socio-Economic (deprivation)	Does your analysis indicate a disproportionate impact? Yes <input type="checkbox"/> No <input type="checkbox"/> Neutral <input checked="" type="checkbox"/>
Potential impacts:	
Mitigations:	
Other group(s) <i>Please add additional rows below to detail the impact for other relevant groups as appropriate e.g. Asylums and Refugees; Rural/Urban Communities, Homelessness, Digital Exclusion, Access To Transport</i>	Homeless people will be affected by lack of facilities
Potential impacts:	People using the street as a toilet
Mitigations:	Seek transfer to Town or Parish Councils

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

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

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

No

Step 4: Impact

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

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

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

Summary of significant negative impacts and how they can be mitigated or justified:
There will be an opportunity for transferring public toilets to Town & Parish Councils, and for local business to take up some of the demand.
Summary of positive impacts / opportunities to promote the Public Sector Equality Duty:
Potentially the remaining toilets will be of a high standard of cleanliness and maintenance

4.2 Action Plan

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

Improvement / action required	Responsible Officer	Timescale
Ensure key groups contacted for comments specifically related to accessibility.	Assets staff / depot staff with oversight of toilets	6 Weeks
Monitor feedback and complaints/compliments from the community and stakeholders engaged in the facility	Assets staff	6 months

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

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

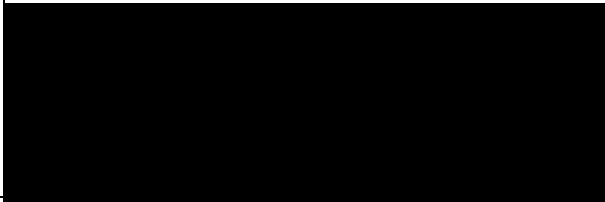
Regular monitoring of complaints/compliments and stakeholders

4.4 Is there an opportunity to promote positive attitudes and good relations between different groups and communities?

There could be opportunities for Voluntary and Community services, to offer toilet facilities, at Community centres, village halls, and other publicly accessible venues. Also commercial operators may see benefit in offering facilities to their client groups.

Step 5: Review & Sign-Off

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

Reviewed by Service Manager: Yes <input type="checkbox"/> No <input type="checkbox"/> Instead was reviewed by:	Strategic Leadership Team Sign-Off: 
Date:	Date: 17/10/24

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**Teignbridge District Council
Full Council
Tuesday 29 October 2024
Part i**

Statutory Review of Polling Districts, Polling Places and Polling Stations

Purpose of Report

To:

1. Set out the legislative requirements for conducting a Review of Polling Districts and Polling Places.
2. Communicate the findings based on responses to the Review of Polling Districts and Polling Places.
3. Set out draft recommendations following the initial consultation process and subsequent period for comments.
4. To seek support for the recommendations detailed below.

Recommendation(s)

The Council RESOLVES to:

1. Adopt the draft Order for Newton Abbot (Appendix A) and the draft Order for Central Devon (Appendix B).
2. Continue to designate the whole of a parish or polling district as the polling place for the purposes of siting a polling station.
3. Give further consideration during 2026 to the polling arrangements for the parish of Exminster.

Financial Implications

Refer to 4.1 below.
Director Corporate
martin.flitcroft@teignbridge.gov.uk

Legal Implications

Refer to 4.2 below.
Head of Legal Services and Monitoring Officer
paul.woodhead@teignbridge.gov.uk

Risk Assessment

Refer to 4.3 below.

Electoral Services Manager
cathy.ruelens@teignbridge.gov.uk

Environmental/ Climate Change Implications

Refer to 4.4 below.
Climate Change Officer
William.elliott@teignbridge.gov.uk

Report Author

Electoral Services Manager
Email: cathy.ruelens@teignbridge.gov.uk

Executive Member

Cllr Richard Keeling

Appendices/Background Papers

Appendix A – Draft Order for Newton Abbot (attached)
Appendix B – Draft Order for Central Devon (attached)

Notice of Review

[Statutory Review of Polling Districts and Polling Places - Teignbridge District Council](#)

Definitions

[Statutory Review of Polling Districts and Polling Places - Definitions - Teignbridge District Council](#)

Criteria for polling places and polling districts

[Statutory Review of Polling Districts and Polling Places - Criteria for polling places and polling districts - Teignbridge District Council](#)

Proposals for the review of polling stations

[Statutory Review of Polling Districts and Polling Places - Proposals for the review of polling stations - Teignbridge District Council](#)

Electoral Commission guidance on conducting polling districts and polling places reviews [Reviews of polling districts, polling places and polling stations | Electoral Commission](#)

1. Introduction/Background

Local authorities are legally required to review their polling districts and polling places for UK parliamentary constituencies at least once every five years. Local authorities must comply with the legislative requirements contained in the Representation of the People Act 1983 Sections 18A to 18C.

The legislation requires that:

- each parish in England is to be a separate polling district, unless special circumstances apply
- the council must designate a polling place for each polling district, unless the size or other circumstances of a polling district are such that the situation of the polling stations does not materially affect the convenience of the electors
- the polling place must be an area in the district, unless special circumstances make it desirable to designate an area wholly or partly outside the district (for example, if no accessible polling place can be identified in the district)
- the polling place must be small enough to indicate to electors in different parts of the district how they will be able to reach the polling station

Every person should be able to vote without facing barriers and, as part of the compulsory review, local authorities must consider the accessibility of potential polling stations when considering designating or reviewing a polling place.

For reference, the definition of a polling district, polling place and polling station is as follows:

Polling District

A polling district is the area created by the separation of a ward into smaller parts within which a polling place can be determined which is most suitable for the electors.

Polling Place

A polling place is the area (or may be a building) in which the number of polling stations will be selected by the Returning Officer.

Polling Station

A polling station is the room or area in which voting takes place. This must be located within the polling place that has been designated for the particular polling district. The number of polling stations to be accommodated within a polling place is the decision of the Returning Officer for the election.

Where possible, it is the Council's policy to avoid the use of schools and to only consider using a school where there is no other suitable premises in the area.

As part of the review process the Council is required to seek representations from its residents and from other groups and/or organisations who may have an interest in polling arrangements. During this review we directly contacted the following:

- The (Acting) Returning Officer for Newton Abbot
- The (Acting) Returning Officer for Central Devon
- The Member of Parliament for Newton Abbot
- The Member of Parliament for Central Devon
- Teignbridge District Councillors

- Devon County Councillors representing divisions within the Teignbridge area
- Teignbridge Town and Parish Councils
- Registered Political Parties & Election Agents
- Scope
- RNIB South West
- Age UK Devon

2. Responses to the initial consultation

During the initial consultation period the (Acting) Returning Officer for Newton Abbot constituency confirmed that he is happy with the proposed arrangements for Newton Abbot. A response was not received from the (Acting) Returning Officer for Central Devon constituency.

From the other consultees listed we received the following responses:

The County Councillor for Exminster and Haldon requested that provision is made for a separate polling station to serve electors at the new Matford development in the parish of Exminster. This request was supported by a submission from Exminster Parish Council. The reasons given are as follows:

- The size of the new community is likely to be in the region of 2,000 homes.
- There is no direct bus link between the Matford development and Exminster.
- There is no practical walking route from the Matford development to Exminster.
- Parking is limited at the current Exminster polling station (Victory Hall, Exminster).

We did not receive any responses to the consultation from Exminster residents and, to date, we have received no complaints from electors concerning the polling station location for Exminster parish at either the May 2024 Police and Crime Commissioner elections or at the recent UK Parliamentary general election in July 2024.

In addition to the responses concerning Exminster, we received positive responses from the following Town and Parish Councils concerning their current polling arrangements:

- Bovey Tracey Town Council
- Hennock Parish Council

There were no responses received from any of the other consultees and no responses from any members of the public.

3. Draft recommendations

In each parish area we have designated the whole of the polling district, or parish, as a polling place to give the greatest flexibility as to where a polling station may be sited. An exception to this is where there is no suitable place within the parish so a neighbouring parish may have been designated as the polling place. An example of

this is Ashcombe where there is no suitable premises to site a polling station, so the neighbouring parish of Mamhead is designated as a polling place for this parish. The combined electorate of both parishes is just 141 so it is easily manageable and sensible to run a combined polling station there.

Our policy has been and will continue to be, to avoid using schools where possible. This minimises disruption for pupils and takes account of the numerous complaints we have received from parents in the past when schools have had to close for us to use on polling day. At present we only use one school – Canada Hill Primary School in Ogwell and the school manages to stay open due to careful management of voter access to the premises. Not all schools have the space or facilities to allow this.

We have also managed to move away completely from using mobile polling stations (portacabins). It became increasingly difficult to attract staff who were willing to work in them, particularly where they had to use mobile toilets and generators. We also received numerous complaints from electors who didn't like using them or had access issues with them, and from residents objecting to having them sited outside their homes and the noise nuisance created by the generators. In addition to this they are an expensive option. As an example, the most expensive polling station used this year was in the region of £400 compared to more than £3,000 for the last mobile station we used in May 2019. At national elections the cost is covered by the consolidated fund, but it becomes a very expensive option for local authorities when running their own local elections, particularly at parish level where costs are recharged to the parishes.

Having given due consideration to the submissions concerning the polling arrangements for Exminster parish, the review recommends deferring the siting of an additional polling station until the next scheduled Teignbridge District and Parish elections in May 2027. There is no indication that voter turnout is lower in Exminster than at other Teignbridge polling stations, which suggests there are no immediate issues of concern with the current polling arrangements.

There are around 400 electors registered to vote in the new development (equating to 12.32% of the Exminster electorate) and the existing polling station in Exminster copes well with the number of electors allocated to it. The total number of electors currently allocated to Exminster Victory Hall is 3,245 with only 400 of these coming from the new development. It is felt these numbers will remain manageable for the 2025 County Council elections but are aware that, as the development and its population continue to grow, the polling arrangements will need a further interim review before the next full review due to be held in 2029. The other issue to be considered for the new area is where a polling station can be sited. Matford Brook Academy has been suggested as a possible location, but as stated, our policy is to avoid using schools where we can in order to prevent disruption to pupil attendance. In the absence of an obvious alternative location the siting of a mobile polling station may need to be actively considered. As there are no scheduled elections due to be held in Teignbridge during 2026, the review feels this will give an ideal opportunity to revisit the Exminster polling arrangements ahead of scheduled elections in 2027 and to fully investigate and evaluate the viable options available.

4. Implications, Risk Management and Climate Change Impact

4.1 Financial – There are no immediate financial implications as the proposed arrangements have not significantly changed from those presently in place. There would be a financial implication should a decision be made to use a mobile polling station for Exminster in the future, but this will be assessed at that point in time. The siting and designation of a polling station is a decision for the Returning Officer, not the Council.

4.2 Legal – There is a legal obligation to conduct the review and, where necessary, to keep the arrangements under continuous review outside of the statutory period. Any arrangements not properly in place may be subject to a legal challenge.

4.3 Risks – The review has been conducted with adherence to Electoral Commission guidance and with reference to current legislation in order to mitigate any risk. The greatest risk is to not have an up to date Polling Districts and Polling Places Order in place as this will create uncertainty concerning the satisfactory designation of polling stations and may leave the Council open to challenge.

4.4 Environmental/Climate Change Impact – The location of polling stations has environmental implications where transport accessibility may influence the electorate's travel behaviours during local and national elections. The location and density of population centres tends to dictate where polling stations are held, with a tendency to use local existing venues including town halls, village halls, and community centres, which will make it easier to visit them via walking, cycling, and shared transport. The report gives examples of where additional polling stations are under consideration, and examples of how temporary venues may need to be created to meet local need; should these changes progress, then consideration should be given for accessibility via sustainable transport on a case-by-case basis where it is possible to do so.

4. Conclusion

As no other issues were raised during the initial consultation and no responses were received from any members of the public, the recommendation of the review is that Teignbridge adopts the draft Order for Newton Abbot and the draft Order for Central Devon

The draft recommendations were published on Monday 16 September. The closing date for comments on these proposals was Friday 4 October and no comments were received.

It is therefore recommended that Teignbridge Council

1. Adopts the draft Order for Newton Abbot and the draft Order for Central Devon.
2. Continues to designate the whole of a parish or polling district as the polling place for the purposes of locating a polling station.
3. Gives further consideration during 2026 to the polling arrangements for Exminster.

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Polling Places for Central Devon Constituency

Polling Districts	Parishes and other Places within the Polling Districts	Polling Places	Designated Polling Station
CAA ASHBURTON	Parish of Ashburton	Ashburton	St Andrew's Church Hall
CAB ASHTON	Parish of Ashton	Ashton	Ashton Village Hall
CAC BICKINGTON	Bickington	Bickington	Bickington Village Hall
CAD BOVEY TRACEY (BOVEY)	Parish of Bovey Tracey excluding the part in the Bovey Tracey (Heathfield) Polling District	Bovey Tracey	Methodist Hall Wickham Hall Riverside Community Centre
CAE BOVEY TRACEY (HEATHFIELD)	Parish of Bovey Tracey excluding the part in the Bovey Tracey (Bovey) Polling District	Bovey Tracey	Heathfield Community Centre
CAF BRIDFORD	Parish of Bridford	Bridford	Bridford Village Hall
CAG BUCKFASTLEIGH	Parish of Buckfastleigh, excluding the part in the Buckfastleigh (Buckfast) Polling District	Buckfastleigh	Buckfastleigh Town Hall
CAH BUCKFASTLEIGH (BUCKFAST)	Parish of Buckfastleigh (Buckfast) excluding the part in the Buckfastleigh Polling District	Buckfastleigh	South Park Community Centre
CAI BUCKLAND-IN-THE-MOOR	Parish of Buckland-in-the-Moor	Buckland-in-the-Moor	Community Hall

CAJ	CHRISTOW	Parish of Christow	Christow	Teign Valley Community Hall
CAK	CHUDLEIGH	Parish of Chudleigh	Chudleigh	Woodway Room, Chudleigh Town Hall
CAL	DODDISCOMBSLEIGH	Parish of Doddiscombsleigh	Doddiscombsleigh	The Nobody Inn
CAM	DUNCHIDEOCK	Parish of Dunchideock	Dunchideock	Dunchideock Village Hall
CAN	DUNSFORD	Parish of Dunsford	Dunsford	Dunsford Village Hall
CAO	EXMINSTER	Parish of Exminster	Exminster	Victory Hall, Exminster
CAP	HENNOCK (VILLAGE)	Parish of Hennock, excluding the part that lies in the ecclesiastical Parish of Chudleigh Knighton	Hennock	Hennock Village Hall
CAQ	HENNOCK (CHUDLEIGH KNIGHTON)	Parish of Hennock, the part that lies in the ecclesiastical Parish of Chudleigh Knighton	Chudleigh Knighton	Chudleigh Knighton Village Hall
CAR	HOLCOMBE BURNELL	Parish of Holcombe Burnell	Holcombe Burnell	Longdown Village Hall
CAS	IDE	Parish of Ide	Ide	Ide Memorial Hall
CAT	ILSINGTON	Parish of Ilsington, excluding the part in the Ilsington (Liverton) Polling District	Ilsington	Ilsington Village Hall
CAU	ILSINGTON (LIVERTON)	Parish of Ilsington, excluding the part in the Ilsington Polling District	Liverton	Liverton Village Hall
CAV	KENN	Parish of Kenn	Kenn	Kenn Centre, Kennford
CAW	LUSTLEIGH	Parish of Lustleigh	Lustleigh	Lustleigh Village Hall

CAX	MANATON	Parish of Manaton	Manaton	Manaton Parish Hall
CAY	MORETONHAMPSTEAD	Parish of Moretonhampstead	Moretonhampstead	Moretonhampstead Parish Hall
CAZ	NORTH BOVEY	Parish of North Bovey	North Bovey	North Bovey Parish Hall
CBA	POWDERHAM	Parish of Powderham	Powderham & Kenton	Victory Hall, Kenton
CBB	SHILLINGFORD ST GEORGE	Parish of Shillingford St George	Shillingford St George	Shillingford St George Village Hall
CBC	TEDBURN ST MARY	Parish of Tedburn St Mary	Tedburn St Mary	Tedburn St Mary Village Hall Pathfinder Village Hall
CBD	TRUSHAM	Parish of Trusham	Trusham	Trusham Village Hall
CBE	WHITESTONE	Parish of Whitestone	Whitestone	Whitestone Village Hall
CBF	WIDECOMBE-IN-THE-MOOR	Parish of Widecombe-in-the-Moor, excluding the part in Widecombe-in-the-Moor (Leusdon) Polling District	Widecombe-in-the-Moor	Widecombe Village Hall
CBG	WIDECOMBE-IN-THE-MOOR (LEUSDON)	Parish of Widecombe-in-the-Moor, excluding the part in the Widecombe-in-the-Moor Polling District	Leusdon	Leusdon Memorial Hall
CBH	WOODLAND	Parish of Woodland	Woodland	Woodland Village Hall

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Polling Places for Newton Abbot Constituency

Polling Districts	Parishes and other Places within the Polling Districts	Polling Places	Designated Polling Station(s)
NAA ABBOTSKERSWELL	Parish of Abbotskerswell	Abbotskerswell	Abbotskerswell Village Hall
NAB ASHCOMBE	Parish of Ashcombe	Mamhead	Mamhead Village Hall
NAC BISHOPSTEIGNTON	Parish of Bishopsteignton	Bishopsteignton	Bishopsteignton Community Centre
NAD BROADHEMPSTON	Parish of Broadhempston	Broadhempston	Broadhempston Village Hall
NAE COFFINSWELL	Parish of Coffinswell	Coffinswell	The Vestry, Coffinswell
NAF DAWLISH (CENTRAL EAST)	Central part of Dawlish Parish forming part of the North East Ward of the Parish of Dawlish	Dawlish	St Agatha's Hall
NAG DAWLISH (CENTRAL WEST)	Central part of Dawlish Parish forming part of the South West Ward of the Parish of Dawlish	Dawlish	Main Hall, The Manor House
NAH DAWLISH (EASTERN)	Eastern part of Dawlish Parish forming part of the North East Ward of the Parish of Dawlish	Dawlish	Cofton Parish Hall St Mary's Church Hall, Dawlish Warren
NAI DAWLISH (NORTHERN)	Northern part of Dawlish Parish forming part of the North East Ward of the Parish of Dawlish	Dawlish	Mayor's Parlour, The Manor House

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NAJ	DAWLISH (SOUTHERN)	Southern part of Dawlish Parish forming part of the South West Ward of the Parish of Dawlish	Dawlish	Holcombe Village Hall St Gregory's Church Main Hall, The Manor House
NAK	DAWLISH (TEIGNMOUTH ROAD)	Most Southerly part of Dawlish Parish forming the Teignmouth Road Ward of the Parish of Dawlish	Dawlish	Holcombe Village Hall
NAL	DAWLISH (WESTERN)	Western part of Dawlish Parish forming part of the South West Ward of the Parish of Dawlish	Dawlish	Main Hall, The Manor House
NAM	DENBURY & TORBRYAN	Parish of Denbury & Torbryan	Denbury	Denbury Village Hall
NAN	HACCOMBE-WITH- COMBE (HAWTHORN)	Urban North West part of Haccombe-with-Combe parish forming the Hawthorn Ward of the Parish of Haccombe-with-Combe	Combeinteignhead AND Buckland, Newton Abbot	The Buckland Centre
NAO	HACCOMBE-WITH- COMBE (Rural)	Rural part of Haccombe-with-Combe parish forming the Rural Ward of the Parish of Haccombe-with-Combe	Combeinteignhead	Combeinteignhead Village Hall
NAP	HACCOMBE-WITH- COMBE (URBAN)	Urban part of Haccombe-with-Combe parish forming the Urban Ward of the Parish of Haccombe-with-Combe	Combeinteignhead AND Milber, Newton Abbot	St Luke's Church Hall, Newton Abbot
NAQ	IDEFORD	Parish of Ideford	Ideford	Ideford Village Hall
NAR	IPPLEPEN	Parish of Ipplepen	Ipplepen	Ipplepen Village Hall

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NAS	KENTON	Parish of Kenton	Kenton	Victory Hall, Kenton
NAT	KINGSKERSWELL	Parish of Kingskerswell	Kingskerswell	Kingskerswell Community Centre Kingskerswell Public Hall
NAU	KINGSTEIGNTON (EAST)	Eastern part of Kingsteignton Parish forming the East Ward of the Parish of Kingsteignton	Kingsteignton	Community Hall, Rydon Road
NAV	KINGSTEIGNTON (WEST)	Western part of Kingsteignton Parish forming the West Ward of the Parish of Kingsteignton	Kingsteignton	St Michael's Church Hall
NAW	MAMHEAD	Parish of Mamhead	Mamhead	Mamhead Village Hall
NAX	NEWTON ABBOT (BRADLEY)	North West part of Newton Abbot forming the Bradley Ward of the Parish of Newton Abbot	Newton Abbot	Bradley Barton Community Centre Highweek Village Hall
NAY	NEWTON ABBOT (BRUNEL)	Eastern part of Newton Abbot forming the Brunel Ward of the Parish of Newton Abbot	Newton Abbot	Salvation Army Community Hall
NAZ	NEWTON ABBOT (BUCKLAND)	Eastern part of Newton Abbot forming part of the Buckland and Milber Ward of the Parish of Newton Abbot	Newton Abbot	Mary Rose Centre, Buckland
NBA	NEWTON ABBOT (BUSHELL)	Central part of Newton Abbot forming the Bushell Ward of the Parish of Newton Abbot	Newton Abbot	Salvation Army Community Hall St Mary Abbotsbury Church Newton Abbot Children's Centre
NBB	NEWTON ABBOT (COLLEGE)	Southern part of Newton Abbot forming the College Ward of the Parish of Newton Abbot	Newton Abbot	The Parlour, Old Forde House Salvation Army Church Hall

DRAFT

APPENDIX A

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NBC	NEWTON ABBOT (MILBER)	Eastern part of Newton Abbot forming part of the Buckland and Milber Ward of the Parish of Newton Abbot	Newton Abbot	St Luke's Church Hall
NBD	OGWELL	Parish of Ogwell excluding the part In the Ogwell (Cross) Polling District	Ogwell	Canada Hill Primary School East Ogwell Memorial Hall
NBE	OGWELL (CROSS)	Parish of Ogwell which consists of the Ogwell (Cross) Polling District only	Ogwell AND Newton Abbot (College)	Canada Hill Primary School
NBF	SHALDON	Parish of Shaldon	Shaldon	St Peter's Parish Church
NBG	STARCROSS	Parish of Starcross	Starcross	Starcross Pavilions
NBH	STOKEINTEIGNHEAD	Parish of Stokeinteignhead	Stokeinteignhead	Stokeinteignhead Village Hall
NBI	TEIGNGRACE	Parish of Teigngrace	Teigngrace	Teigngrace Village Hall
NBJ	TEIGNMOUTH (CENTRAL)	Central part of Teignmouth forming the Central Ward of the Parish of Teignmouth	Teignmouth	Alice Cross Day Centre Richard Newton Hall
NBK	TEIGNMOUTH (EAST)	Eastern part of Teignmouth forming the East Ward of the Parish of Teignmouth	Teignmouth	Den Bowling Club Richard Newton Hall
NBL	TEIGNMOUTH (ROWDENS)	Small part of Eastern Teignmouth forming the Rowdens Ward of the Parish of Teignmouth	Teignmouth AND Dawlish (Southern)	Richard Newton Hall Holcombe Village Hall
NBP	TEIGNMOUTH (WEST)	Western part of Teignmouth forming the West Ward of the Parish of Teignmouth	Teignmouth	Kingsway Community Centre Council Offices, Bitton House Broadmeadow Sports Centre

Full Council
29 October 2024
Part i

Peer Review Action Plan

Purpose of Report

To review and sign off the Action Plan created following the Peer Review undertaken by the Local Government Association in January 2024

Recommendation(s)

The Committee RESOLVES to:

- (1) Approve the Peer Challenge Action Plan

Financial Implications

Financial Implications are set out in paragraphs 3.1.1 and 3.1.2 of this report.

Director of Corporate
Email: martin.flitcroft@teignbridge.gov.uk

Legal Implications

Legal Implications are set out in paragraph 3.2.1 of this report.

Head of Legal Services and Monitoring Officer
Email: paul.woodhead@teignbridge.gov.uk

Risk Assessment

Risks are set out in paragraphs 3.3.1 and 3.3.2 of this report.

Director of Place
Email: neil.blaney@teignbridge.gov.uk

Environmental/ Climate Change Implications

There are no environmental or climate change implications from this report.

Director of Place
Email: neil.blaney@teignbridge.gov.uk

Report Author

Neil Blaney
Director of Place
Email: neil.blaney@teignbridge.gov.uk

Executive Member

Cllr Richard Keeling
Leader of the Council

Appendices/Background Papers

Appendix 1 – Draft Action Plan

Background paper 1 – LGA Corporate Peer Review Feedback Report: 9-11 January 2024 [LGA Corporate Peer Review: Teignbridge District Council | Local Government Association](#)

1. Background

- 1.1 Corporate peer challenges are delivered by the Local Government Association (LGA). The intention is to support Councils in identifying opportunities for continuous improvement by providing insight, guidance and challenge.
- 1.2 It is expected that all Councils receive a Corporate Peer Challenge every 5 years.
- 1.3 Any actions identified in the Feedback Report are expected to be set out in an Action Plan within 6 months of the Feedback Report being completed. Due to the impact of the unexpected decision to call a General Election it was agreed with the LGA that the timescale to produce the Action Plan could be extended.

2. Overview of the Action Plan

- 2.1 The Feedback Report, included as Background Paper 1 to this report, sets out the findings of the Corporate Peer Challenge team.
- 2.2 The Corporate Peer Challenge team, appointed by the LGA, spent three days on site in January 2024, speaking with elected members, officers, key partners, and external organisations. Their work was also informed by a Council produced Position Statement, included as Background Paper 2 to this report, which included key facts and figures about the district.
- 2.3 The Position Statement was also produced with input from members from all political groups within the Council, officers within the Council's Corporate Management Team (CMT), and external organisations and partners.

- 2.4 Section 2 of the Report made 11 key recommendations to the Council.
- 2.5 Following the review there were discussions with all officers and political groups that engaged with the process, to identify potential actions to address the recommendations. Appendix 1 to this report sets out a draft Action Plan for Members to consider.
- 2.6 The actions are split across four key themes of Relationships, Constitution, Council Strategy and Partnership, and Functioning Authority.
- 2.7 The following actions were suggested but have not been included as it is considered that they have already been implemented:

Suggested action	Response
Relationships	
Ongoing meetings between the Leader, Deputy Leader, and statutory officers to provide timely advice and guidance, review agendas	Already occurs monthly
Group Leader meetings with statutory officers	Already in the diary to occur monthly
Facilitated discussions between Executive Members and Senior Leadership Team	Arranged for October 2024
Provide teas and coffees at meetings	In place for Full Council only
Member access to all parts of Forde House	In place
Constitution	
Adopt the Officer/Member Protocol	Approved 30 July 2024 Council
Council Strategy and Partnerships	
Co-production sessions on developing policies	Council Strategy work including the Officer/Member Working Group provides this forum

On-going communication programme of key issues with local communities	Facilitated workshops through Devon Association of Local Councils (DALC) have taken place and more work planned.
Centralised Partnership Record	Already exists
Responsibilities on external bodies	Already exists
Create an 'invest to save' reserve	A reserve of £0.4m has been created when closing the 2023/24 accounts

Functioning Authority

An operating model that aligns with the Council Strategy	New structure and roles approved by Council
Enhance scrutiny procedures for raising issues in advance of the meetings	New Informal Overview and Scrutiny (O&S) meetings agreed 16 September 2024
Improve feedback mechanisms for scrutiny groups	Working groups reporting back to O&S, who report back to Executive or Full Council
Review decisions made contrary to statutory officer advice	The mechanisms to do this already exist through scrutiny functions
Introduce a new Finance Management System, training and testing	Work in progress

2.8 Section 4 of this report sets out actions not considered for inclusion within the action plan but are available for consideration as alternative options.

3. Implications, Risk Management and Climate Change Impact

3.1 Financial

3.1.1 The Action Plan contains several additional financial costs to the Council, which while of low value are not within existing budgets. This includes the introduction of teas and coffees at Full Council, an extension to the Member and Officer training programme, and bringing in the Centre for Governance and Scrutiny to review the Constitution.

3.1.2 The Feedback Report also included support for the introduction of an Invest to Save strategy and scrutiny of the Medium-Term Financial Plan, which will have an impact on future budget setting processes.

3.2 Legal

3.2.1 There are no Legal implications related to approving the Action Plan. However, it should be noted that the actions within the plan contain several activities relating to changes to the Council's Constitution and an action related to the regard to be given to statutory officer advice.

3.3 Risks

3.3.1 Failure to agree the action plan could mean that the Council does not implement improvements that have been identified as necessary by an external review. This will have reputational impacts and may lead to future scrutiny on the effectiveness of governance and performance at the Council.

3.3.2 Not taking collective ownership of the actions could undermine the ability to make improvements and avoid the opportunity to address issues identified by the Corporate Peer Challenge team and key partners. Again, this could have reputational harm and impact on relationships.

3.4 Environmental/Climate Change Impact

3.4.1 There are no direct impacts or references to the environment or Climate Change within the Action Plan.

4. Alternative Options

4.1 The production and implementation of an Action Plan are core requirements of the Corporate Peer Challenge process. The Feedback Report was accepted by the Council and the 'alternative options' to consider can only be based on how else to take the recommendations forward.

4.2 The actions were based on extensive feedback from those involved in the process and included all relevant actions.

4.3 The following actions were raised during the post report engagement work for inclusion but are not recommended to be taken forward in the Action Plan:

Suggested action

Response

Maintain an ongoing programme of compulsory Councillor training

The only compulsory training relates to membership of the Planning and Licensing Committees due to their regulatory nature. It is impractical to make other training compulsory.

Creation of community centred case studies from recent engagement to build evidence

No resource to implement this

Staff information and briefings

These already exist and are part of 'Business As Usual' operations.

5. Conclusion

- 5.1 The Peer Challenge Action Plan sets out practical steps on how the Council can make continuous improvements recommended by the Corporate Peer Challenge team.
- 5.2 Approving the Action Plan and monitoring the effectiveness of its implementation will be part of a 6-month review that the LGA will carry out following Member approval.
- 5.3 The Action Plan also recommends that the Overview and Scrutiny Committee and Audit Scrutiny Committee review the actions on a quarterly basis, and Full Council receives an annual report.

Theme: Relationships			
Action	Measure	Lead officer / member	Timescale
Senior Officer Availability for Group Meetings	Senior Leadership and Senior Management Team officers will be available to attend meetings with the Council's various political groups to discuss and advise on relevant topics on council agendas, questions and topic areas identified in advance.	Senior Leadership Team, Group Leaders	On request

Theme: Constitution			
Action	Measure	Lead officer / member	Timescale
Defining strategic roles and responsibilities	Develop an Executive Members / Strategic Leadership Team charter that clarifies respective roles, responsibilities and commitments and embeds this into the Council's constitution. Establish role profiles for Executive Members, clarifying their duties and accountability, including communicating relevant information throughout the Council.	Managing Director / Leader	December 2024
Governance and Constitution Review	Having completed the first stage review with the Centre for Governance and Scrutiny, a task and finish group has been created to review and recommend to Full Council, amendments and changes to the constitution.	Monitoring Officer / Leader	July 2025
Decision making flow-chart	Linked to the constitution review, update website with a simple explanation on how council decisions are made. This information should be accessible to councillors, officers, stakeholders, businesses and residents and act as an index that also leads to more detailed information (e.g. links to constitution sections).	Democratic Service Team Leader	March 2025

Theme: Council Strategy and Partnerships			
Action	Measure	Lead officer / member	Timescale
Adopt and implement a new 'One Teignbridge' Council Strategy	Following engagement with the community and partners in shaping the Council Strategy, the Council will adopt the strategy and accompanying action plan that sets out priorities and key actions over the life of the Strategy.	Director of Place / Head of Partnerships and Strategy	January 2025
Refresh Council Strategy Performance and Risk Monitoring Framework	Overhaul existing Council Strategy monitoring processes and systems to streamline reporting of key progress indicators and ensure that budget considerations are at the forefront of planning and implementation. Our monitoring framework will also monitor ongoing customer needs and community feedback, so that it can be used to help inform Partnership Board recommendations and Council Strategy Action Plan decisions.	Director of Place / Head of Partnerships and Strategy	July 2025
Ongoing engagement with Town and Parish Councils	An ongoing programme of communication involving detailed workshops on key issues like town planning to build trust, cooperation, and community involvement. This work will involve understanding one another's priorities and potentially co-creating a charter for mutually beneficial working relationships.	Director of Place / Head of Partnerships and Strategy	On-going

Appendix 1: Teignbridge District Council Corporate Peer Review Action Plan

Theme: Functioning authority			
Action	Measure	Lead officer / member	Timescale
Appoint Opposition Overview and Scrutiny Chairs	Appoint a chair and vice-chair from opposition political parties to Overview and Scrutiny Committee to foster greater transparency and fairness.	Leader	May 2025
Routine briefings ahead of complex decisions	Continue specialist officer briefings for councillors ahead of all complex (determined by the relevant Executive Member/s) committee decisions and provide updates and (ordinarily) annual refresher sessions throughout long-term project implementation (like Modern 25) or decision-making phases, including reminders about previous council decisions.	Lead officers will vary per theme	Ad hoc
Centralised Record of Council Decisions	Enhance or replace existing systems into a centralised and searchable repository of all council decisions and subsequent progress with projects. This will ensure transparency, accountability and easy access to up to date information for councillors, officers and members of the public.	Democratic Service Team Leader	April 2025
Essential Officer Training	Implement and maintain an ongoing programme of officer training centred on the council constitution; officer/member protocol; and ensuring timely and effective communication with councillors, town and parish councillors and other key partners.	Head of Human Resources and Organisational Development	April 2025
Establish an Invest to Save Budget	Bring forward a medium-term financial plan and annual budget with an 'Invest to Save' provision that grows to at least £500,000, enabling us to allocate resources to delivering long-term efficiencies.	Director of Corporate	February 2025
Introduce a new modern finance system	Retain sufficient staff resources to ensure delivery of the project, with dedicated project managers at both Teignbridge District Council and Strata.	Director of Corporate	May 2026

Teignbridge District Council

Council

Part I

Report Title

Planning Application Validation Guides

Purpose of Report

To seek adoption of the Revised Validation Guides.

Recommendation(s)

Council RESOLVES to:

Adopt the revised Validation Guides and to publish the same.

Financial Implications

See section 2.1

Martin Flitcroft
Head of Corporate Services
Email: Martin.Flitcroft@teignbridge.gov.uk

Legal Implications

The legal implications are as detailed in this report.

Paul Woodhead
Head of Legal Services and Monitoring Officer
Email: Paul.Woodhead@teignbridge.gov.uk

Risk Assessment

See section 2.2

Environmental/ Climate Change Implications

See section 2.3

Report Author

Ian Perry
Head of Development Management
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Executive Member

Appendices/Background Papers

Appendices

1. Validation Consultation Responses
2. Validation Guide
3. Validation Guide - Householder
4. Planning Committee report 23/9/24

Introduction/background

- 1.1. Under The Town and Country Planning (Development Management Procedure) (England) Order 2015 (Regulation 11) Local Planning Authorities (LPA) are required to review and re-publish their local list validation requirements every two years.
- 1.2. Between these formal reviews, the guides are living documents that are updated in response to legislation and policy changes.
- 1.3. Local list validation requirements must be:
 - reasonable, having regard in particular to the nature and scale of the proposed development; and,
 - about a matter which it is reasonable to think will be a material consideration in the determination of the application.

These statutory tests are set out in section 62 (4A) of the Town and Country Planning Act 1990 (inserted by the Growth and Infrastructure Act) and article 11(3)(c) of the Town and Country Planning (Development Management Procedure) (England) (Order) 2015.

- 1.4. The Teignbridge District Council Validation Guides include both the national list of validation requirements and the local list of validation requirements and set out the information to be submitted to the council for the different types, nature and sizes of planning application. There are two guides, a main guide and a simplified version for householder applications.
- 1.5. Provided the required information is submitted an application will be considered valid. The quality of the information is assessed during the course of the application and further detail sought if necessary.
- 1.6. Legislation does not stipulate how the local lists should be reviewed and re-published but the National Planning Practice Guidance (NPPG) recommends a three step process:

Step 1 - Review the existing local list to identify the drivers for each item on the list. These drivers should be statutory requirements, policies in the National Planning Policy Framework or Development Plan, or published guidance that explains how adopted policy should be implemented.

Step 2 - Where the LPA considers that changes are necessary, the proposals should be issued to the local community, including applicants and agents, for consultation.

Step 3 – Consultation responses should be taken into account when preparing the final revised list. The revised list should be published on the LPA’s website.

- 1.7. In accordance with Step 1 a review of the local list of validation requirements was undertaken and revisions of the Validation Guides made to reflect changes in legislation and policy, both for Teignbridge District Council and our Statutory Consultees.
- 1.8. As changes from the previous guides were required, in accordance with Step 2, an 8 week consultation was launched on the Teignbridge District Council website and comments were invited from agents via the Registered Agents Newsletter, from District Councillors via the Members’ Newsletter, from Town and Parish Councils via email, and from all statutory consultees via email. Reminders were also sent out towards the end of the consultation period.
- 1.9. All responses received have been reproduced in Validation Consultation Responses document (Appendix 1) and, following full consideration of the issues raised, the responses have been answered and amendments made to the validation guides where appropriate.
- 1.10. The final versions of the validation guide (Appendix 2) and simplified householder validation guide (Appendix 3) are attached.
- 1.11. On 23 September 2024 the Planning Committee expressed its unanimous support for the revised Validation Guides.

Implications

2.1 Financial

There are no immediate resource implications arising from this report. It is a statutory requirement and part of the normal planning process.

2.2 Risks

Where a local list is out of date the council can no longer require the submission of local list information prior to validation and the information has to be sought during the life of the application with the application being refused for lack of information if it is not provided. This is more time consuming for case officers and puts time pressures on decision making which can either result in more refused applications and then additional appeals, or requests for extension of time for determination which can negatively impact upon performance if these are not agreed.

This is the current situation the department are working within, and the adoption of the revised validation guides will enable the local list requirements to be sought prior to validation making the application process smoother and quicker and reducing the risk of poor determination performance.

2.3 Environmental/Climate Change Impact

The policy on carbon reduction plans is a local list requirement and therefore the adoption of the revised validation guides will ensure that applications which do not meet the validation criteria are not made valid until they submit a carbon reduction plan.

Conclusion

3.1 Members are requested to resolve to adopt the revised Validation Guides

Validation Guide Consultation Responses – full and unredacted.

Full guide (pages 1 – 9)

Householder guide (pages 10 – 11)

Full Guide

Received 20 consultation responses as shown below (full responses, not summarised) split into the relevant sections of the guide.

General Information

NHS – The NHS has undertaken an initial review of the application guides and note there appears to be no section on access to health services. Before we formally respond is there a possibility of including a section that recommends that potential major planning application developers enquire with the NHS via tsdft.lpae-devon@nhs.net to confirm the NHS capacity for new residents of the proposed development.

This is not a validation requirement. This would fall within pre-application advice and we can certainly consider signposting developers to you at pre-app stage.

Kingsteignton Town Council - Members confirmed they agreed the content of the two draft planning application guides subject to them being carried out and upheld as detailed.

Environment Agency - Just to confirm that we have reviewed the drafts and have no additional comments to make.

Exminster Parish Council - In the paragraph called "What is Validation" amend the penultimate sentence to read as below: "Some of the requirements are National Requirements and some are Local Requirements such as Neighbourhood Development Plans which have been adopted by the Council. For simplicity, no differentiation is made in this document between the two types of requirements."

Noted but not a validation requirement. Neighbourhood Development Plans are part of the development plan under which development is considered rather than a validation requirement and as such are not required to be mentioned in the validation guide.

Dawlish Town Council - We would like to say that we think the document is very good, very useful, a great aide memoir and great to have links for further info and it sets out the procedure well for all applicants and should save time for Planning Committees to have to relook at applications that haven't been completed correctly the first time. We would like to see more site visits included as standard part of the procedure where possible.

Noted but not a validation matter.

Buckfastleigh Town Council - The majority of the parish of Buckfastleigh lies within the National Park. We do not receive a significant number of applications that lie within the Teignbridge planning area however Buckfastleigh Town Council commented that the document process and wording in the guidance is overly complication and not user friendly to new applicants who may be unfamiliar with planning terminology.

Noted and agree that it is complex. There is a simplified version for householders.

Newton Abbot Town Council - Paid-for pre-application advice. In many local planning authorities, such pre-application advice is free for parish & town councils. Would TDC offer this?

Enquiry noted and passed on, this is not a validation matter and will be answered separately.

Development Management – insertion of an additional paragraph for variation applications. These should be accompanied by a written statement setting out what has changed from the original approved application including a list of plans that have been amended and an overall drawing showing the changes.

Noted and added

Application Form and Fees

Kenn Parish Council – No issues with this form and fee

Plans

Dawlish Town Council

It would be helpful and beneficial if it was a requirement in some cases for more details of the surrounding environment and road layouts nearby to the property the application is being made for to get a better understanding of the area.

Noted. Validation guide requires a plan showing the full site, all site boundaries, adjoining properties and, where possible, at least two named roads. This is a requirement under legislation to properly identify the site and online maps can be used to zoom out further if required.

Town/ Parish Councillor – Cllr Martin Heath

Site location plans should be a little larger to catch a wider area to help understand surrounding areas; not just the next one or two road. Suggest - extra 400 to 600 feet further on both sides.

Noted. Validation guide requires a plan showing the full site, all site boundaries, adjoining properties and, where possible, at least two named roads. This is a requirement under legislation to properly identify the site and online maps can be used to zoom out further if required.

Information Required

New Section requested - Designing out Crime Statement

Devon & Cornwall Police – Statutory Consultee

Apologies as I don't know where best suited but if possible, could the requirement for applicant to include a Designing out Crime Statement be added to the Validation Guide? As you know this supports local and national guidance and would be appreciated. Something along the lines of...

Designing out Crime Statement

Where or when this item is required:

- All Major developments
- Educational Buildings
- New neighbourhood community facilities
- Premises where the intended occupants are particularly vulnerable and require higher standards of security to ensure their personal safety, i.e. care homes, drug rehabilitation centres etc.
- ATM/ cash machines

Guidance

The statement should detail how Crime Prevention Through Environmental Design principles are to be incorporated into the development. This includes:

- Access and Movement - places with quality connections and well-defined routes, that provide convenient movement without compromising security
- Structure – encouraging ‘active frontages’ and limiting access to private space
- Surveillance – encouraging overlooking of public spaces by those who will take action should a crime be committed
- Ownership – clearly defining where public space ends and private space begins and encouraging people to take ownership of their environment
- Physical Protection – ensuring buildings include appropriate physical measures to prevent crime
- Activity – ensuring the level of human activity is appropriate to the location to reduce the risk of crime and increase perceptions of public safety
- Management and Maintenance – discouraging disorder by creating places that are well looked after with minimum cost implications.

Noted – This is considered a beneficial amendment and will be included in the new validation guide

General comments on sections 3.7, 3.8, 3.9, and 3.23,

Devon Wildlife Trust – statutory consultee

Use of the phrase ‘undertaken by suitably qualified and licensed ecological consultants’ is frequent within the document and we welcome the sentiment which this seeks to achieve. However, we see deleterious effects on the natural environment caused by those who practise as ecological consultants and inaccurately deem themselves to be ‘suitably qualified’. We strongly urge the LPA to include the phrase ‘undertaken by members of CIEEM’. CIEEM are the recognised professional body for ecologists and have a rigorous membership applications process. Ecological work produced by members is more likely to be produced to an acceptable standard. Furthermore, members are expected to uphold the CIEEM Code of Conduct and breaches are dealt with by the organisation. Use of the phrase ‘All reports must be up to date (less than 2 and a half years old at time of submission)’ is frequent within the document and we welcome the sentiment which this seeks to achieve. However, the statement is ambiguous and should be reworked. Surveys are usually undertaken within the summer months, but reports are often not produced until the winter or spring following survey effort. For example, bat emergence surveys could be undertaken in May/June 2024, but a report not produced until January 2025. This is not in the spirit of the statement above, but would technically conform. We recommend the statement is reworked to read ‘All surveys must be up to date (less than 2 and a half years old at time of submission)’.

Noted request to replace phrase ‘undertaken by suitably qualified and licensed ecological consultants’ with ‘undertaken by members of CIEEM’. Having fully considered this request we consider that this would unreasonably prevent local experienced bat consultants, who are not members of the CIEEM, from undertaking reports/surveys and no change will be made to the text at this time.

*Agree with request to amend wording from ‘All **reports** must be up to date (less than 2 and a half years old at time of submission) to ‘All **surveys** must be up to date (less than 2 and a half years old at time of submission)’.*

3.1 Affordable Housing Statement

TDC Housing – internal consultee

I had a very quick read of the AH section. I think we asked before but it would be helpful to have property sizes in a schedule stating sqm. This is because they sometimes comes as feet which is a pain to convert

Agreed and requirement added.

3.7 Biodiversity - South Hams SAC Zones

Devon Wildlife Trust – statutory consultee

‘the type and extent of the impact(s) from the development, including habitat loss, flight path severance and increased lighting levels’. Assessment of the scale of the impact of a proposed development is often encumbered by a lack of detail within ecological reports.

Reference to the size of habitat loss should be included within this bullet point to ensure that a sufficient level of detail is provided to allow accurate assessment. This could be achieved by adding ‘(m2) after ‘habitat loss’. Figures in m2 should also be required for habitat creation. There are errors within the following section:

‘Sites located within the South Hams Special Area of Conservation or one of the associated Greater Horseshoe Bats Sustainance Zones or large sites within the Landscape Connectivity Zone (which can be viewed on Ecology layers of the Devon County Council map viewer South Hams SAC map) may require comprehensive bat surveys, undertaken over an extended period prior to submission of the application. These surveys should comply with

the latest Bat Conservation Trust's survey guidance. Site's location within the South Hams SAC Landscape Connectivity Zone may also require bat surveys’.

Reference to where the location of the sites can be viewed is mentioned twice within this section (not copied above); this should be reworked to a single reference.

The link provided for ‘Bat Surveys for Professional Ecologists’ links to the National Bat Monitoring Programme. This should be replaced with a link to the BCT Survey Guidelines (2023).

Agreed and amendments made.

3.8 Biodiversity - Bats and Birds in Buildings

Devon Wildlife Trust – statutory consultee

Surveys must be carried out to current BCT Guidelines and this must be referenced within this section.

Agreed and requirement added.

‘Works to buildings or structures known or suspected to support bats’. This is misleading and should be removed. The majority of bat roosts are identified within buildings which are not known or suspected to support bats. The bullet point should read ‘Works to buildings or structures’.

‘Illumination of and/or additional light spill onto a known or suspected bat roost or roost entrance’. As above, this is misleading and should be reworked to read ‘Illumination of and/or additional light spill onto a building or structure within potential to support a bat roost or roost entrance’.

‘Illumination of/light spill onto/removal of a hedge, tree line or woodland edge known or suspected to be used by bats when accessing their roosts’. As above, this is misleading and should be reworked to

read 'Illumination of/light spill onto/removal of a hedge, tree line or woodland edge with potential to support roosting/commuting/foraging bats'.

Wording suggested would require applicants, without the requisite knowledge, to decide on potential and our original wording of '...known or suspected to support bats' was therefore used instead. After due consideration DWT concerns are noted but no changes made at present.

'Works are to a flat roof'. We do not support this statement. Works to a flat roof frequently involve works to soffits/fascias which provide roosting opportunities for bats. All buildings and proposed works must be assessed on an individual basis. We recommend this bullet point is removed.

Noted but consider that roosting in the soffits/fascias is infrequent and it would greatly increase requirement for bat surveys. Taking a balanced approach we intend to keep this exception.

'A licenced bat consultant will be needed to undertake the survey(s) and produce the report unless they consider that a full report is not required (e.g., no evidence of bats) when you may obtain a letter from them stating why a full report is not required and submit this with your application instead.' We do not support this statement as it could be misinterpreted; for example, an initial inspection for roosting bats could identify high potential for a building, with three emergence surveys undertaken. If no evidence of bats was identified during these surveys, a letter could be produced. This would not be sufficient to demonstrate absence of bats. Full details of survey effort and results would be required within a full report. The inclusion of the option to produce a letter allows ecologists of lower ecological principles to carry out and submit sub-standard assessments. We recommend that this paragraph is removed.

Noted but we intend to retain this option.

If the paragraph is retained, it will require additional information. 'No evidence of bats' should be replaced with 'the building is of negligible roost suitability and no evidence of or potential for bats is found'. Furthermore, the letter provided must include robust justification and photographic evidence to support the conclusion.

Agreed. The paragraph is to be retained and amended as requested

3.9 Biodiversity - Ecological Reports

Devon Wildlife Trust – statutory consultee

As above, assessment of the scale of the impact of a proposed development is often encumbered by a lack of detail within ecological reports. Statements such as 'limited loss of grassland' or 'small areas of grassland habitat loss' are ambiguous, but frequently used. The addition of a requirement to provide figures in m2 for habitat loss and gain would allow robust assessment of the impact of a scheme.

Noted and amended as requested

'If your professional ecological consultant considers that a report is not required, you may submit a letter from them justifying why this is the case'. As above, this statement encourages poor ecological practise and we recommend that it is removed.

Noted but we intend to retain this option. However, the paragraph has been amended as requested under 3.8 above

3.10 Biodiversity Net Gain

Development Management - internal requirement

Inclusion of two further bullet points to ensure that completed matrix has sufficient detail:

- The completed metric, required by point iii above, shall also include detail of how the 10% net gain will be achieved through on-site creation and enhancement and/or off-site creation and enhancement.
- If the submitted metric includes any “red boxes”/errors then an explanatory statement setting out the reasons why or how the shortfall will be satisfied shall be submitted

Inclusion of requirement for applicants to complete a checklist (provided by DCC working on behalf of all Devon Local Planning Authorities) [Devon BNG Statement for Validation July 24.docx \(sharepoint.com\)](#)

Noted and added.

3.11 Carbon Reduction Plan

TDC Climate Change Officer – Internal Consultee

Following the introduction of building regulations Part L 2021, the guidance in relation to the carbon calculator under Section 3.11 is out of date and will need removing from the document including the link to the “Carbon Offsetting Calculator”. Although the need to submit a carbon calculator no longer applies, we still request a representative sample number of SAP calculations to validate commitments contained within carbon reduction plans; this will need referencing in the validation document.

There is a need to consider climate adaptation in new developments, as required under local plan policies S6a and S6b; to this effect, there is good representation for the impacts of flooding in the planning consultation and decision making, but the consideration for the risk of extreme heat is underrepresented. CIBSE TM52/59 overheating risk assessments should be expected as standard as part of the validation process for full plans and outline applications.

Through the planning validation process, there remains a need to direct applicants to established best practice guidance on carbon reduction and energy efficiency. This should be a priority prior to adopting the emerging 2020 2040 local plan. The guidance should set out approaches to passive design and benchmarks for energy efficiency, embodied carbon, the specification of low carbon heating, and high efficiency ventilation.

Further to the consideration of Policy S7, the validation document should draw attention to the remaining sustainability policies contained within the adopted local plan, which should be reflected within carbon reduction plans. These include policies S6c, S6d, and S6e in relation to resilience, and S9 a to g in relation to sustainable transport. The validation guidance should also draw attention to allocation-specific policies. Applicants should also be reminded of their responsibilities for electric vehicle charging requirements under Building Regulations Part S.

As a general comment, there is a need to make the document accessible, and to improve document formatting to make the document easier to read and navigate.

Noted and carbon reduction calculator link removed and requirement for SAP calculations added.

Remaining points are matters for consideration by the case officer during the life of the application and are not validation requirements therefore no further changes made.

3.15 Environmental Impact Assessment

Town/Parish Councillor – Cllr Martin Heath

On larger developments where green corridors for wildlife to run to are needed, at this time we don't ask for extra widths for wildlife with no people on. A true wildlife corridor should not have humans using it for walk throughs, but an extra standalone corridor should exist for wildlife connections to the next field. Having humans on the same corridor makes it not a wildlife corridor by description and practice. According to environmental guidelines, a green corridor is for wildlife only; not mixed traffic. The bigger the estate to be built, the wider the corridor should be. But the smallest should be no less than 6 mts with mixed trees and bushes. See guidelines on how to make a real green corridor. Therefore, a development of 100 homes may need 8 mts, but for 400 homes it may need 32 mts width corridors as a minimum. New statements need to come with plans as to the kind of green corridor developers intend to build.

Noted – however the Environmental Impact Assessment outlines what must be provided under legislation within an Environmental Statement. The above comment seems to relate more to Green Infrastructure and the validation requirement is for the submission of Green Infrastructure Statements, Context Plans and Masterplans. The content of these documents is part of the assessment of the application once valid.

3.16 Fire Statement

Town/Parish Councillor – Cllr Martin Heath

Fire breaks should be built in if new estates are built near wooded areas. And at least twice the distance of a forest tree. Therefore, a tree on the boundary at 30 mts should have a gap at least of 60 mts before a boundary fence of a home.

Noted but not a validation requirement.

3.17 Flood Risk / Surface Water Management

TDC Environmental Health – internal consultee

For development within that meets the threshold for a FRA , the FRA must include a map showing access and egress with projected depths along the full course of these routes.

Agreed and requirement added.

3.20 Heritage Statement

DCC Historic Environment Team

Thanks for the consultation on Teignbridge's validation guidelines. The Historic Environment Team is happy with the wording and has no comments on the proposed wording with regard to section 3.20 of the guidelines re Heritage Statements other than to suggest that the first section could be amended to allow to accordance with the paragraph below it. The first part refers to "archaeological remains" while the second paragraph refers to "heritage assets".

Proposed re-wording of the first part of section 3.20

Required for:

Proposals that

- Affect a Listed Building
- Located in or adjacent to a Conservation Area
- Affect a Scheduled Ancient Monument
- Affect the district's heritage assets - including sites likely to contain archaeological remains a site likely to have archaeological remains
- Affect Registered Parks & Gardens

Guidance, Policy background and further information sources:

A Heritage Statement, including a Description or Statement of Significance is required for all development affecting heritage assets. A heritage asset is defined as 'a building, monument, site, place, area or landscape identified as having a degree of significance meriting consideration in planning decisions, because of its heritage interest. Heritage asset includes designated heritage assets and assets identified by the local planning authority (including local listing).' It should give a description of the heritage asset affected and the contribution of the setting to that significance.

Agreed and wording amended.

3.20 Heritage Statement

Historic Buildings and Places – Statutory Consultee

It would be helpful for this section to clarify that a listing includes the entire building, both inside and out, as well as curtilage structures, even if they are not mentioned in the statutory list description.

The document should also confirmation that submission of the statutory list description is not a heritage statement.

It should also recommend that a Heritage statement include photos, phasing plans, etc to help understand the impact of the changes proposed.

Agreed and wording amended to include additional information

3.21 Land Contamination Assessment

TDC Environmental Health – internal consultee

Please can you include a link to the relevant guidance.

Contacted EH to obtain link and added.

3.23 Lighting assessment

TDC Environmental Health – internal consultee

Please can you include a link to the Institute of Lighting Engineers guidance on reducing obtrusive lighting. <https://theilp.org.uk/publication/guidance-note-1-for-the-reduction-of-obtrusive-light-2021/>

Agreed and link added

3.23 Lighting assessment

Devon Wildlife Trust – statutory consultee

The term 'Local Wildlife Sites' is ambiguous and does not cover all cases where sites may be at risk from lighting. This should be replaced with 'sites designated for nature conservation'.

Noted. We do not agree with wording of 'sites designated for nature conservation' but have extended our description to 'local wildlife sites and sites of biodiversity value'

The following statement should be added: 'Where proposals are likely to affect biodiversity, the lighting scheme should follow the recommendations provided in the Devon dark corridors guidance note produced by DCC'.

Noted. However, this is not adopted policy and therefore has not been included.

3.29 Section 106 Agreements

Newton Abbot Town Council

S106 - Applicants/agents should clarify the Council's requirements in pre-application discussions and submit a Statement of Proposed Heads of Terms for a Section 106 Agreement. Why is it not possible to liaise with parish & town councils on the contents of S. 106 Agreements, BEFORE they are signed? The local councils can often provide invaluable local knowledge of the impacts of new development and what should be included in the S. 106 and/or the implications of what is planned to be included. This would save a great deal of time & cost in the long run.

Noted – Heads of Terms are not normally agreed until application is under consideration unless pre-application advice has been sought and pre-application advice is optional. After discussion we therefore consider that they are not justified to be a validation requirement and this section has been removed.

3.35 Transport/Travel

Active Travel – statutory consultee

Active Travel England (ATE) has produced a Planning Application Assessment Toolkit that helps users to assemble evidence and assess the active travel merits – walking, wheeling, and cycling – of a development proposal.

ATE would therefore encourage LPAs to include the submission of a completed toolkit as a requirement in their local validation checklists where a Transport Assessment is required and/or where ATE would be a statutory consultee. ATE would be happy to discuss this further upon request to do so.

Agreed – added requirement for submission of the toolkit.

3.35 Transport/Travel

Network Rail – Statutory Consultee

It is positive to see the requirement for a Transport Assessment to be submitted for Development of land resulting in a material increase or significant change of traffic using existing rail infrastructure (particularly level crossings) or require rail improvements.

It should be noted that this section states "Where a Transport Assessment or Transport Statement is submitted it must include Annual Average Daily Traffic flow (AADT) as well as peaks". Where an application affects/alters the use of a level crossing the developer will be required to submit data regarding pedestrian and/or vehicular trips over the level crossing to ascertain what level of mitigation is required as a result of the development.

Network Rail view this as a requirement that should be included within the document for development impacting on railway infrastructure. Without this information Network Rail will likely object to any application despite the inclusion of a transport assessment if it does not attempt to assess the impact on the level crossing and provide data regarding the number of predicted users. This will likely delay the application further if this information is not submitted within the transport assessment.

Agreed and requirement included

3.39 Waste Audit/Management

DCC Waste – Statutory Consultee

We are supportive of the inclusion of Waste Audit Statements in section 3.39. We would recommend that the requirements of Waste Audit Statements are included in the guide's wording such as:

The following points shall be addressed in the statement:

- Demonstrate the provisions made for the management of any waste generated to be in accordance with the waste hierarchy.
- The amount of construction, demolition and excavation waste in tonnes, set out by the type of material.
- Identify targets for the re-use, recycling and recovery for each waste type from during construction, demolition and excavation, along with the methodology for auditing this waste including a monitoring scheme and corrective measures if failure to meet targets occurs.
- The predicted annual amount of waste, in tonnes, that will be generated once the development is occupied.
- Identify the main types of waste generated when development is occupied.
- The details of the waste disposal methods likely to be used, including the name and location of the waste disposal site.
- Identify measures taken to avoid all waste occurring.

Additionally, 3.39 could include reference to Waste Consultation Zones as per Policy W10 of the Devon Waste Plan. We would suggest wording such as:

Policy W10 of the Devon Waste Plan looks to protect waste management sites from constraint from non-waste development. Therefore, planning applications for non-waste development within a Waste Consultation Zone should demonstrate within their Planning Statement, or other documentation:

- the proposal will not prevent or restrict the operation of the existing or permitted waste management facility; or
- any potential impacts on the operation of the waste management facility, such as noise, dust and odour, can be adequately mitigated by the applicant to ensure a suitable standard of amenity for future users; or
- the proposal is in accordance with a site allocation in an adopted Local Plan.

Please do not hesitate to contact us should you have any queries.

Noted – however, if there is an issue with the content of the statement submitted the case officer will address this during the life of the application and therefore no changes have been made.

Simplified Householder Validation Guide Consultation Responses – full and unredacted.

Received 2 consultation responses as shown below (full responses, not summarised) split into the relevant sections of the guide.

General Information

Exminster Parish Council - In the paragraph called "What is Validation" please amend the penultimate sentence as below: "Some of the requirements are National Requirements and some are Local Requirements such as Neighbourhood Development Plans which have been adopted by the Council. For simplicity, no differentiation is made in this document between the two types of requirements."

Noted but not a validation requirement. Neighbourhood Development Plans are part of the development plan under which development is considered rather than a validation requirement and as such are not required to be mentioned in the validation guide.

Application Form and Fees

No comments received.

Plans

No comments received.

Information Required

3.2 Biodiversity Bats and Birds in buildings

Devon Wildlife Trust – Statutory Consultee

Surveys must be carried out to current BCT Guidelines and this must be referenced within this section.

Agreed and requirement added.

‘Works to buildings or structures known or suspected to support bats’.

This is misleading and should be removed. The majority of bat roosts are identified within buildings which are not known or suspected to support bats. The bullet point should read ‘Works to buildings or structures’.

‘Illumination of and/or additional light spill onto a known or suspected bat roost or roost entrance’.

As above, this is misleading and should be reworked to read ‘Illumination of and/or additional light spill onto a building or structure within potential to support a bat roost or roost entrance’.

‘Illumination of/light spill onto/removal of a hedge, tree line or woodland edge known or suspected to be used by bats when accessing their roosts’.

As above, this is misleading and should be reworked to read ‘Illumination of/light spill onto/removal of a hedge, tree line or woodland edge with potential to support roosting/commuting/foraging bats’.

The above wording does not appear in the householder guide, only in the full guide.

'Works are to a flat roof'.

We do not support this statement. Works to a flat roof frequently involve works to soffits/fascias which provide roosting opportunities for bats. All buildings and proposed works must be assessed on an individual basis. We recommend this bullet point is removed.

Noted but consider that roosting in the soffits/fascias is infrequent and it would greatly increase requirement for bat surveys. Taking a balanced approach we intend to keep this exception.

'A licenced bat consultant will be needed to undertake the survey(s) and produce the report unless they consider that a full report is not required (e.g., no evidence of bats) when you may obtain a letter from them stating why a full report is not required and submit this with your application instead.'

We do not support this statement as it could be misinterpreted; for example, an initial inspection for roosting bats could identify high potential for a building, with three emergence surveys undertaken. If no evidence of bats was identified during these surveys, a letter could be produced. This would not be sufficient to demonstrate absence of bats. Full details of survey effort and results would be required within a full report. The inclusion of the option to produce a letter allows ecologists of lower ecological principles to carry out and submit sub-standard assessments. We recommend that this paragraph is removed.

Noted but we intend to retain this option.

If the paragraph is retained, it will require additional information. 'No evidence of bats' should be replaced with 'the building is of negligible roost suitability and no evidence of or potential for bats is found'. Furthermore, the letter provided must include robust justification and photographic evidence to support the conclusion.

Agreed. The paragraph is to be retained and amended as requested

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Planning Validation Guidance (Excluding Householder applications – see separate guide)

General information	Page 1
1. Application form and fee	Page 2
2. Plans required (depending on type of application)	Page 3
3. Information required (depending on type of application)	Page 5

General Information

This validation guide sets out the information required to validate a planning application and other consents. It includes both national and local validation requirements.

Pre-Application Advice

We offer a paid pre-application advice service www.teignbridge.gov.uk/planningguide.

Submitting an application

Applications should be submitted online via the Planning Portal
www.teignbridge.gov.uk/planningapply

What is a Major application?

The following types of application are classed as 'major'

- Residential applications for 10 or more houses or for Outline Consent on a site of 0.5 hectares or more, *or*
- Commercial development site of 1 hectare or more or involving floor space of 1000m² or more

Outline/Reserved Matters Applications

Where full information within part 3 has been submitted at outline stage this information is not required again at reserved matters stage.

Variation (Section 73 applications)

These should be accompanied by a written statement setting out what has changed from the original approved application including a list of plans that have been amended and an overall drawing showing the changes.

What is Validation?

Validation is the process of checking that all relevant documentation has been provided. The onus is on the applicant/agent to provide the specific information required to validate your application at the outset. Without this the application will be invalid which will delay the statutory start date. This guide should be read together with the relevant guidance notes for each type of application, available to view on the Planning Portal when you submit your application online. Some of the requirements are National Requirements and some are Local Requirements which have been adopted by the Council. For simplicity, no differentiation is made in this document between the two types of requirements.

What happens if my application is invalid?

We will email you and advise you that you did not submit the correct documentation for a valid application. We will hold the application open for 21 days and ask you to submit the necessary documentation within the 21 day period. If we do not receive the information within this timeframe, we will close our file and take no further action on the application. Your application fee will be returned after deduction of an administration charge. If you wish to continue after

this stage, you will need to start again and resubmit a new application with all the correct documentation/information.

Validation disputes

If you disagree with our reasons for invalidating a planning application and negotiation with us has failed, you may send a notice to us setting out your reasons for refusing to supply the information under Section 12 of the Development Management Procedure Order 2015. You must have submitted all the other information needed to validate the application together with the fee. We will then either agree and validate the application or disagree and issue a Non-Validation Notice against which you may then appeal under Section 78 of the Town and Country Planning Act 1990.

Diversity

Our Diversity Policy promotes inclusion for all sectors of the community and applications/supporting information, along with any representations received from the public, will be checked for any inappropriate comments. Only planning related matters can be considered, and any comments regarding disability, race or ethnicity, religion or belief, sexual orientation or gender reassignment or that are defamatory, prejudiced or otherwise likely to cause offence to the subject of the comments or any other reader will be removed. Any comments that are considered to constitute hate incidents or hate crimes may be passed to the police.

Data Protection

All applications and supporting documentation will be published on the website. Private telephone numbers, private email addresses and signatures will be removed prior to publication. We are committed to ensuring that your privacy is protected by adhering to the EU General Data Protection Regulation (GDPR). Any personal information provided will be used by us solely for the purpose of processing your application and contacting you regarding this. The data will be processed in accordance with our full [privacy policy](#).

1. Application Form – Required for all applications

1.1. All applications must be made on the correct form.

1.2. Ownership certificate A, B, C or D on the application form must be completed stating the ownership of the application site. This also incorporates the Agricultural Land Declaration.

- complete Certificate A if you own all of the land (freehold or leasehold of more than 7 years) and do not have agricultural tenants
- or**
- complete Certificate B, C or D if you do not own all the land or if you have agricultural tenants on the land. This includes situations where the development overhangs the boundary with the adjoining property/land
 - Certificate B – Complete this if you know who the owners/agricultural tenants are. State the names and addresses of these people on the application form. You also need to serve 21 days' notice on them, before you submit the application
 - Certificate C – This is a combination of the circumstances described in Certificates B and D and should be completed accordingly

- Certificate D – Complete this if you do not know any of the owners. Specify the steps you have taken to find the owners e.g., land registry search. You must advertise the application in a local newspaper at least 21 days before submission

1.3. The application form must be signed and dated and all questions on the form must be answered fully and accurately.

1.4. The correct full fee must be submitted with the application. [Schedule of fees and fee calculator](#)

2. Plans Required

All plans must:

- be to a recognised metric scale (e.g., 1:50 etc) which is marked clearly on the plan.
- include a scale bar so that the scale can be checked for accuracy
- be clearly marked with the direction of North
- have the size of the plan (A3, A2 etc) marked on the plan
- have a unique drawing number shown on the plan
- have an appropriate description/title marked on the plan
- belong to you as copyrighted plans cannot be accepted
- be submitted as a single PDF of one page (not packaged together), correctly orientated for on-screen display
- be of a quality and resolution that will be clear to view by the public when uploaded onto the website

2.1 Site Location Plan - existing (this is the plan that outlines the site in a red line with any other owned land in blue line)

Required for all applications.

- must be up to date
- normally at a scale of 1:1250 (or 1:2500 if appropriate)
- showing the full site, all site boundaries, adjoining properties and, where possible, at least two named roads
- the properties shown should be numbered or named so that the exact location is clear
- the proposed site **must be clearly edged with a red line** to include all land necessary to carry out the proposed development (e.g., land required for access to the site from a public highway, visibility splays, landscaping, car parking and open areas around buildings)
- a blue line should be drawn around any other land owned by the applicant, close to or adjoining the application site

Please note that we cannot accept copies of land registry plans due to copyright issues. There are many companies that provide site location plans, or the Planning Portal has an [accredited supplier for planning maps](#).

2.2 Block Plan – must provide an existing block plan and a proposed block plan

Required for all applications showing

- at a scale of 1:500, 1:200 or 1:100 depending on the size of the site
- the proposed development
- all site boundaries, existing buildings, roads, tracks, footpaths and access arrangements on the site
- any buildings to be demolished
- all buildings, roads, tracks, footpaths and access arrangements on land adjoining

- the site
- f) all public rights of way crossing or adjoining the site
- g) existing and proposed parking provision
- h) the position of all trees on the site, including those on adjacent land that could influence or be affected by the development; with proposals for removal/retention/new planting indicated
- i) the position of all hedges on the site, including boundary hedges, other vegetation, ponds, watercourses, walls, banks & historic features with proposals for removal/retention indicated
- j) the extent and type of any hard surfacing
- k) boundary treatment including walls or fencing where this is proposed
- l) ground levels across the site and floor levels, existing and proposed including any retaining walls
- m) route line of all existing and proposed services

2.3 Elevation drawings – must provide both existing elevation drawing and proposed elevation drawing.

Required for all applications for new, altered, replacement or extended buildings.

- a) at a scale of 1:50 or 1:100
- b) showing all affected elevations in full
- c) showing proposed building materials, style and finish of the building and windows and doors
- d) showing any other buildings that are attached to the elevation and where possible the main features of that adjoining building (e.g., details of doors, windows on the same elevation of an adjoining terraced or semi-detached dwelling)
- e) label orientation of elevations e.g., north, south etc.
- f) for developments of more than one house, each house type to be on a separate pdf

2.4 Floor Plans – must provide both existing floor plan and proposed floor plan.

Required for all applications for new, altered, replacement or extended buildings.

- a) at a scale of 1:50 or 1:100
- b) explaining the proposal and usage in detail
- c) showing the entire floor area for any existing building as well as the proposed development
- d) showing new buildings in context with adjacent buildings
- e) showing any buildings or walls to be demolished
- g) for developments of more than one house, each house type to be on a separate pdf
- h) for developments of more than one house, provide a schedule of Gross Internal Area for each floor/house for CIL purposes

2.5 Existing and proposed site sections and finished floor and site levels

Required for all proposed new buildings or where there are variations in site levels.

Levels may be evident from floor plans and elevations, but particularly in the case of sloping sites it will be necessary to show how proposals relate to existing ground levels or where ground levels outside the extension would be modified

- a) at a scale of 1:50 or 1:100
- b) showing a cross section(s) through the proposed building(s)
- c) where the proposal involves a change in ground levels, showing both existing and finished levels fixed to a datum point off site and also show the proposals in relation to adjoining buildings

2.6 Roof plans – must provide both existing roof plan and proposed roof plan.

Required where there are new roofs or alterations to existing roofs

- a) at a scale of 1:50 or 1:100
- b) showing the shape of the roof and roofing materials

2.7 Street Scene Plans

Required where the proposal will significantly affect a road frontage, or where there are concerns regarding the height and appearance of new buildings.

- a) at a scale of 1:100 or 1:200
- b) illustrating the proposed development alongside neighbouring properties for a sufficient length of the street to judge the impact of the development

2.8 Specialist Plans

May be required to show specific details in a larger scale.

- a) at a scale of 1:5, 1:10 or 1:20
- b) where certain issues such as the detail of window joinery is required e.g., for Listed Buildings

2.9 Phasing Plans

Where there is a requirement for the planning permission, if granted, to expressly provide that the development be carried out in phases. Normally required for self-build applications of more than one dwelling. Plan must clearly identify the separate phases.

2.10 Photos of site and immediate environment

Required – up to date photographs showing the site and the immediate vicinity to assist in the understanding of the site and development when processing the application.

2.11 Advertisement Consent plans

Required for Advertisement Consent applications.

- a) at a scale of 1:20 or 1:50
- b) showing the size of the advertisement
- c) showing position on land or building in question, the height above ground level and the projection from any building
- d) showing the materials and colours to be used
- e) detailing of the method and colour of any illumination

2.12 Non-Material Amendment applications and Minor Material Applications (Variation of condition Section 73 applications)

These types of applications must include a plan/set of plans that are annotated to clearly identify the changes proposed to the original approved drawings.

2.13 Title Register and Title Plan

Required for all major applications.

3 Additional Information Required

3.1 Affordable Housing Statement

Required for:

- Major residential development
- Rural Exception site proposals
- Applications for 5 or more dwellings in a rural area

Guidance, Policy background and further information sources

An Affordable Housing Statement should set out how the scheme will comply with the Affordable Housing policy in the adopted Teignbridge Local Plan 2013 – 2033. Additional information on emerging policy in relation to Affordable Housing and Design and Layout is provided in the policies of the Teignbridge Local Plan 2020-2040 Update Part 1 – whilst this is

emerging guidance, if met it will ensure greater likelihood of support for proposals. Any departure from the adopted and emerging affordable housing guidance should be explained in the statement and cross-referenced to viability report if necessary. All measurements within the statement and plans must be in metric.

The Affordable Housing Statement may be included as a section in the Planning Statement but should in any event address the following:

Outline and Full applications (not Reserved Matters)

A statement of compliance setting out the proposals Affordable Housing Provision

Residential Allocations

Each application for development which is in an area of housing allocation must meet the affordable housing requirement set out in the allocation. If the application is part of a phased scheme the planning statement should clarify how the affordable housing contribution of each phase contributes to the overall agreed delivery of affordable housing. Applications for < 10 dwellings in an allocation area are not exempt from affordable housing (cf NPPF63) as the application forms part of a major development.

Development within Major Towns and settlements

The Teignbridge Local Plan 2013-2033 sets three tiers of affordable housing levels for the (1) Newton Abbot and Kingsteignton, (2) Dawlish and Teignmouth and (3) other areas. Development within the settlement limits of the Major Towns should meet those requirements.

A Draft Heads of Terms in relation to affordable housing should be submitted using the Teignbridge standard s106 template sets for the required form of obligation for affordable housing.

Housing Need

The affordable housing targets set out in the Council's planning policy are based on viability testing; the true scope of affordable housing need is much greater. The Housing Enabling service can provide up to date information on the Devon Home Choice identified need of home size and tenure splits for settlements in Teignbridge. The Teignbridge Housing Service can provide further information on the affordable housing need in an area including housing size and tenure requirements. The Council's preference will be for a 70/30 tenure split in favour of rented housing as this is where the level of demand is highest.

Full or Reserved Matters Applications

The Affordable Housing Statement should include / reference:

- **Accommodation Schedule** listing for all affordable homes the plot/unit number, the size specification (occupancy and GIA) having reference to the size requirements below.
- **Layout Plan** showing all affordable housing plots and details such as allocated parking spaces, sheds, etc. Consideration should be given outlining areas where inset maintenance agreements will be expected from Affordable Housing providers.
- **Floor Plans** – see following reference to dwelling size.
- **Flatted Development** - floor plans should highlight any common facilities and services (such as shared laundry areas)/

Fixtures and Fittings

- Some AHPs have standard packages of white goods which have implications for layouts of kitchens/utilities. Early engagement with AHPs and selection of delivery partner will enable identification of any potential issues.

Affordable Dwelling Size

- The draft revised Teignbridge Local Plan 2020-2040 expects all homes proposed to meet nationally escribed space standards (NDSS) with regard to gross internal floor areas and storage. This is emerging guidance but sets an expectation for homes in the district.
- Homes England has an expectation is that affordable homes should meet the NDSS, and many affordable housing providers have their own space standards which are increasingly geared toward NDSS. To ensure best value sale transfer agreement for affordable dwellings we recommend the NDSS is the basis for minimum accepted standard. Within TDC there are many examples of major market led developments achieving this space standard. Where this cannot be met for exceptional reasons, there can be some flexibility but in no case can a dwelling < 85% of NDSS be accepted as an affordable home.
- Where standard house types are being used, consider that AH tenants and landlords generally prefer additional floorspace/storage space to unnecessary ensuite facilities.
- Floorplans should **include reference furniture in the bedrooms** so that the effective occupancy (number of bed spaces/persons) can be judged; where reference furniture (beds, wardrobes, desks/tables) works effectively a slight reduction on NDSS may be considered by some AHPs.
- [Technical housing standards– nationally described space standard - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

3.2 Agricultural Appraisal

Required for:

- New agricultural dwelling
- Other building in countryside for farming purposes

Guidance, Policy background and further information sources:

Three years of accounts must be provided along with your justification for requiring an agricultural dwelling/building. This may best take the form of a professional Agricultural Appraisal.

This will be considered as part of the application process and where appropriate we will appoint an independent assessor to review the evidence regarding the need and viability. The results of the review will be displayed on the website. The applicant will be required to provide payment for the cost of this review in advance.

Agricultural development of:

- an agricultural building to house livestock (primarily beef and dairy cattle, pigs or poultry); and/or
- any new or expanded pit, tank or lagoon for storing slurry
- any anaerobic digester; and/or
- any combustion plant within 10km of SSSIs and Habitats sites should be accompanied by a [Simple Calculation of Atmospheric Impact Limits \(SCAIL\) assessment](#).

Teignbridge contacts:

Email planning@teignbridge.gov.uk

3.3 Air Quality Assessment

Required for:

Proposals which:

- Increase congestion (an increase in periods with stop start driving)
- Significant change in traffic volumes e.g., a change in the Annual Average Daily Traffic
- Alter traffic composition e.g., increase in HGVs
- Are in an AQMA
- Include new car parking 100 spaces outside AQMA or 50 spaces in AQMA
- Involve significant dust emissions
- May impact on nearby residents (e.g., construction)

Guidance, Policy background and further information sources

Application proposals that impact upon air quality or are potential pollutants must be supported by an air quality assessment indicating the change in air quality resulting from the proposed development and outlining appropriate mitigation measures as necessary. An Air Quality Assessment should be prepared by a suitably qualified expert.

Applications for dwellings or other vulnerable uses such as Residential Homes or Nurseries which fall within an Air Quality Management Area (AQMA) will require also require an Air Quality Assessment.

There are AQMAs within Newton Abbot, Kingsteignton and Teignmouth.

Development may result in the need for a Section 106 contribution as shown in the criteria set out in Appendix 4 of [Teignbridge District Council Air Quality Action Plan](#)

Further information:

[air-quality-planning-guidance.pdf \(iaqm.co.uk\)](#)

[Air Pollution Information System](#) - Provides advice on habitats, ecosystems and species.

[DEFRA Magic map](#) – Impact Risk Zones for Sites of Special Scientific Interest

Teignbridge contacts:

Website - [Air quality page](#)

Email - Environmental Health - envc@teignbridge.gov.uk

3.4 Arboricultural Survey and Tree Protection Plan**Required where:**

the answer to the Trees and/or Hedges questions on the application form is 'Yes'.

Guidance, Policy background and further information sources:

An arboriculturalist should undertake a survey and appraisal of trees on the application site and adjoining land and produce the following information, consistent with the standards set out in British Standard 5837:2012.

- Trees to be felled and trees to be retained should be clearly marked on a plan. An accompanying schedule should provide full information on the amenity value of each tree together with details of species, size, age and condition.
- A tree constraints plan should show root protection areas and the canopy spread of the tree(s) on the application site and adjoining land.
- As well as the trees, the survey must indicate key landscape features such as ponds, hedges and wildlife corridors that may be affected by the proposed development. Trees to be felled and trees to be retained should be clearly marked. For larger applications it will also be

appropriate to provide details of the landscape strategy for the site, including indications of new planting.

- An arboricultural method statement should be provided detailing the measures to be taken to protect the trees shown to be retained on the submitted drawings, accompanied by schedules of any necessary tree work and proposals for long-term maintenance.

If you are granted full planning permission, you will not need separate consent for tree works which are required to implement the planning permission.

However, works to protected trees or trees within a conservation area which are not required to implement the planning permission, will require separate consent.

Further Information

[Teignbridge District Council Trees and Development Supplementary Planning Document.](#)
[British Standard 5837:2012 Trees in relation to design, demolition and construction](#)
[Natural England standing advice on Ancient Woodland](#)

Teignbridge contacts:

Website – [Trees page](#)

Email designandheritage@teignbridge.gov.uk

3.5 Bin Storage

Required for:

All Applications for new residential development

Guidance, Policy background and further information sources:

Teignbridge District Council operates a recycling system of one wheeled bin for residual waste, two recycling boxes, a food waste caddy and a reusable sack for paper for a standard residential dwelling. The size and number of bins changes for flats, dependent upon the number of units.

Any new residential unit must have provision for off-street bin storage (shown on submitted plans).

Bin/box sizes (approximate)

Food Waste Caddy	- Capacity 23 litres, Width 260mm, Depth 320mm, Height 380mm
Recycling Boxes (x 2)	- Capacity 55 litres, Width 450mm, Depth 600mm, Height 370mm
Black Bin (residual waste)	- Capacity 180 litres, Width 470mm, Depth 770mm, Height 1110mm
Green Bin (garden waste)	- Capacity 240 litres, Width 585mm, Depth 740mm, Height 1110mm

Collections are made from the adopted highway and where there are private roads/access then a bin collection point for bins to be collected from on collection day must be provided no further than 10 metres from the adopted highway and clearly marked on the block plan.

For new roads/estates a swept path analysis must be provided so that we can ensure that the waste and recycling vehicles (which are a maximum of 2.3m wide by 9.2m long by 3.5m high) can safely travel and manoeuvre around the estate.

The Green Waste collection service is a voluntary paid for service but space for a bin needs to be allocated where there are gardens.

Not required for outline applications where layout is a reserved matter.

Commercial waste is not collected directly by the Council however you should contact environmental health at ehhealth@teignbridge.gov.uk for advice on bin requirements for hot food takeaways, restaurants etc.

Teignbridge contacts:

Email ts@teignbridge.gov.uk for advice on calculating number/size of bins for flats etc.

3.6 Biodiversity - Appropriate Assessments – within 10km of Exe Estuary SPA/Dawlish Warren SAC

Required for:

Dawlish Warren SAC or Exe Estuary SPA: -

- all development within, or adjacent to, the SAC or SPA
- all new dwellings and new tourist accommodation within 10km of SAC or SPA as shown on [10k Buffer Zone](#)
- developments that generate noise, light, increased recreational use or disturbance in or close to the SAC or SPA
- developments that generate surface water or other discharges that will flow into the Exe Estuary or Exminster Marshes
- development of land outside the SPA or SAC, but that provides supporting habitat for the species that form the special interest of the SPA or SAC (functionally linked land)

Guidance, Policy background and further information sources:

Where a development may affect the Dawlish Warren Special Area of Conservation (SAC) or the Exe Estuary Special Protection Area (SPA) either directly or indirectly, alone or in combination with other developments, the Council must undertake an Appropriate Assessment of the impacts under the [Conservation of Habitats and Species Regulations 2017](#)

The applicant/agent must submit evidence including:

- the type and extent of the impact(s), including up-to-date survey where appropriate.
- mitigation measures proposed and how they will be delivered and maintained.
- how the mitigation will fully offset the impacts on the SPA/SAC.
- on-going monitoring to prove the effectiveness of the mitigation, where appropriate.

It may be necessary to undertake wildlife or site-user surveys over an extended period prior to submission of any application. All wildlife surveys must be up to date and undertaken by suitably qualified and licensed ecological consultants. See our [Biodiversity and Development web page](#) for more information and contacts.

Information on lighting, noise, sewage/surface water discharge and any other potentially harmful matters may also be required. Your ecological consultant and subject-specific professionals should be involved in assessing possible impacts and proposing appropriate mitigation measures.

To mitigate impacts of surface water discharge a suitable Sustainable Urban Drainage scheme (SUDS) may be appropriate.

Residential/Tourist Units

All new dwellings and new tourist accommodation proposed within 10km of the Exe Estuary SPA/Dawlish Warren SAC must provide adequate mitigation for recreational impacts on the SPA/SAC.

To help mitigate recreational impacts, applicants must pay a Habitats Mitigation Contribution for each new house or holiday unit. This money will then be used to deliver mitigation for recreation impacts on the European sites.

Applicants/agents may either make a payment in advance under a section 111 agreement (which can be refunded if application refused, subject to terms and conditions) or sign a Unilateral Undertaking (and pay legal fee) agreeing to pay the relevant sum prior to commencement of works.

Contribution amounts (as at 1 April 2024 - index linked annually) are as follows:

- Dwellings within 10km of the Exe Estuary SPA AND Dawlish Warren SAC
 - Dwellings = £1157 per dwelling
 - Tourist accommodation - serviced = 56% of above amount per room
 - Tourist accommodation - self-catering = 52% of above amount per unit
 - Tourist accommodation - touring pitches = 32% of above amount per pitch
- Dwellings within 10km of the Exe Estuary SPA alone
 - Dwellings = £324 per dwelling
 - Tourist accommodation - serviced = 56% of above amount per room
 - Tourist accommodation - self-catering = 52% of above amount per unit
 - Tourist accommodation - touring pitches = 32% of above amount per pitch

In a few cases the standard mitigation may be insufficient. The Council will discuss bespoke mitigation with applicants where necessary.

Additionally, larger housing/tourist developments may need to provide a Suitable Alternative Greenspace to help attract additional recreation use away from the Exe/Warren. The council will be able to advise about SANG provision.

Other Development

A financial contribution may also be appropriate where a use may generate additional recreational pressure on the European-designated sites, for example, new tourism facilities. Mitigation will also be required for all other likely harmful impacts on the special interests of the designated sites or their functionally linked land.

Devon County Council (DCC) checklist

Please note that DCC have a checklist on their website re whether or not a wildlife report should be submitted with a planning application, but it does not cover our criteria and so a negative outcome on this checklist cannot be accepted as a reason not to submit a survey where this validation guide requires one.

Further information

[DEFRA Magic Map](#)

Teignbridge Contacts:

Website - [Biodiversity and Development web page](#)

Email - designandheritage@teignbridge.gov.uk

3.7 Biodiversity – Appropriate Assessments – Within South Hams SAC Zones

Required for:

Within a South Hams SAC Sustenance Zone or Landscape Connectivity Zone applications involving: -

- New build or change of use on, or adjacent to, greenfield sites, vegetated brownfield sites, woodland, hedges, rivers or streams.
- Loss of or changes to farmland, woodland or scrub
- Removal of hedges/trees
- Wind turbines
- Floodlighting
- Other external lighting

Guidance, Policy background and further information sources:

Where a development may affect the South Hams Special Area of Conservation (SAC) or the greater horseshoe bats that constitute the SAC's 'special interest', either directly or indirectly, alone or in-combination with other developments, the Council must undertake an Appropriate Assessment of the impacts under the [Conservation of Habitats and Species Regulations 2017](#)

The applicant/agent must submit evidence including:

- The use made of the area by greater horseshoe bats, with up-to-date survey evidence.
- the type and extent of the impact(s) from the development, including habitat loss (m²), flight path severance and increased lighting levels.
- mitigation measures proposed and how they will be delivered and maintained.
- how the mitigation will fully address the impacts on the SAC and greater horseshoe bats.
- on-going monitoring of the effectiveness of the mitigation.

Sites located within the South Hams Special Area of Conservation or one of the associated Greater Horseshoe Bats Sustenance Zones or the Landscape Connectivity Zone (which can be viewed on Ecology layers of the Devon County Council map viewer [South Hams SAC map](#)) may require comprehensive bat surveys, undertaken over an extended period prior to submission of the application. These surveys should comply with the latest Bat Conservation Trust's survey guidance.

The [South Hams SAC Planning Guidance](#) gives more detail on likely impacts on SAC bats, size and type of developments that might impact on them and possible mitigation measures. The guidance explains the difference between the Sustenance Zones and the Landscape Connectivity Zone.

All surveys must be up to date (less than 2 ½ years old at time of submission) and undertaken by suitably qualified and licensed ecological consultants (with licence number quoted in the report). See [Biodiversity and Development web page](#) for more information and contacts. Information on existing and proposed lighting levels, must also be provided in consultation with lighting and ecological consultants. In some cases, noise studies may also be required, again informed by consultants. Mitigation measures must be devised in consultation with ecological and subject-specific consultants.

Where a proposed development would be within or close to the South Hams Special Area of Conservation (SAC) it may affect the woodland habitat, which is part of the SAC's special interest, either directly or indirectly, alone or in-combination with other developments and the Council must undertake an Appropriate Assessment of the impacts on this habitat. The applicant/agent must submit evidence including:

- current habitat and species of the existing woodland habitat which will or may be affected by the proposal, whether within, close to or functionally linked to the SAC woodland habitat, with up-to-date survey evidence.
- the type and extent of the impact(s) from the development, including loss of or changes to habitat within the SAC and loss of or changes to nearby woodland or other functionally linked woodland habitat outside the SAC boundaries; and indirect impacts including increased lighting levels, changes to hydrology, pollution, increased recreational use, etc.
- mitigation measures proposed and how they will be delivered and maintained.
- how the mitigation will fully address the impacts on the SAC and its woodland habitat.
- on-going monitoring of the effectiveness of the mitigation.

Devon County Council (DCC) checklist

Please note that DCC have a checklist on their website re whether or not a wildlife report should be submitted with a planning application, but it does not cover our criteria and so a negative outcome on this checklist cannot be accepted as a reason not to submit a survey where this validation guide requires one.

Further Information:

[Bat Conservation Trust Survey Guidelines](#)

Teignbridge Contacts:

Website – [South Hams Special Area of Conservation web page](#)

Email - designandheritage@teignbridge.gov.uk

3.8 Biodiversity – Bats and Birds Survey Reports

Required for:

Applications, including Listed Building Consent, involving:

- Works to buildings or structures known or suspected to support bats.
- Barn Conversions
- Demolition of buildings or parts of buildings
- Redevelopment of existing buildings that involves works to roofs, roof spaces, external timber cladding, hanging tiles or cellars.
- Works to underground structures other than drains/sewers
- Wind turbines or solar panels
- Floodlighting
- Illumination of and/or additional light spill onto a known or suspected bat roost or roost entrance
- Illumination of/light spill onto/removal of a hedge, tree line or woodland edge known or suspected to be used by bats when accessing their roosts.
- Illumination of and/or additional light spill onto a church, listed building or building with multiple pitched roofs
- Felling of, or works to, trees with holes, cavities, cracks or other bat roost potential.

unless:

- The house was built less than 15 years ago without specific bat provision incorporated.
- Works are to a flat roof.
- Works are to a greenhouse, glasshouse or glass/perspex/transparent polycarbonate-roofed conservatory.
- Works are to an out-building with single-skin roof and single-skin walls made of wood, metal, brick, concrete block or plastic”

Guidance, Policy background and further information sources:

All surveys must be up to date (less than 2 ½ years old at time of submission) and produced by a licensed bat consultant (with licence number quoted in the report). See [Bat and Bird Surveys web page](#) for more information and contacts.

A licenced bat consultant will be needed to undertake the survey(s) and produce the report unless they consider that a full report is not required (e.g. the building is of negligible roost suitability and no evidence of or potential for bats is found). In these cases a letter from the licenced bat consultant stating why a full report is not required, and including robust justification and photographic evidence to support the conclusion, may be submitted instead.

If your bat consultant considers that Emergence Surveys or other additional surveys are needed, these must be undertaken, and the results submitted with the application.

Bat and Bird Survey Reports must be carried out to current [Bat Conservation Trust Survey Guidelines](#) and include date of survey, methodology used, evidence found, assessment of impacts on protected species, mitigation/compensation for impacts, details on how these will be delivered and a scheme for monitoring effectiveness of mitigation/compensation. The necessary surveys may need to be undertaken over an extended period prior to submission of any application.

Where surveys can only be done at certain times of the year you must make sure that the report has been commissioned and received and submitted with your application. We will not hold on to invalid applications awaiting reports.

Sites within or affecting the South Hams Special Area of Conservation (see point 3.7 of this guide) may require comprehensive bat surveys, undertaken over an extended period.

Please note that DCC have a checklist on their website re whether or not a wildlife report should be submitted with a planning application, but it does not cover our criteria and so a negative outcome on this checklist cannot be accepted as a reason not to submit a survey where this validation guide requires one.

Further Information:

[Natural England Standing Advice for Bats](#)

Teignbridge Contacts:

Website - [Bat and Bird Surveys web page](#)

Email - designandheritage@teignbridge.gov.uk

3.9 Biodiversity - Ecological Reports

Required for:

Applications involving: -

- New builds or change of use on greenfield or vegetated brownfield sites.
- Developments adjacent to greenfield or vegetated brownfield sites
- Works to, or adjacent to, rivers and streams
- Loss of intertidal habitat
- Loss of trees, hedges or woodland
- Loss of ponds in the countryside
- Loss of heathland or species-rich grassland

Guidance, Policy background and further information sources:

Applications for development that has the potential to adversely affect biodiversity must be accompanied by an Ecological Report which must appraise the site itself and adjacent land. It must be produced by a suitably qualified and licensed ecological consultant and include:

- desk study
- phase 1 survey
- Natural England Biodiversity Metric calculations
- protected species surveys
- any additional habitat and species surveys advised by the ecologist.
- assessment of importance of biodiversity features
- assessment of impacts and losses quantified in m²/hectares
- suite of measures to fully avoid/mitigate/compensate for impacts and losses and to provide biodiversity net gain.
- details of how these will be delivered.
- details of biodiversity enhancements quantified in m²/hectares
- net gain that will be provided and
- a scheme for monitoring the effectiveness of mitigation/compensation

Surveys may need to be undertaken over an extended period and the results used to inform the design of the development/compensation. Many parts of Teignbridge provide habitat and breeding grounds for legally protected species. Applicants/agents need to comply with all relevant legislation relating to these protected species.

All surveys must be up to date (less than 2 ½ years old at time of submission) and produced by a suitably qualified and licensed professional ecological consultant (with licence number quoted in the report). See [Biodiversity and Development web page](#) for more information and contacts. If your professional ecological consultant considers that a full report is not required, a letter from them including reasons, robust justification and photographic evidence to support the conclusion, may be submitted instead.

Where surveys can only be done at certain times of the year you should make sure that the report has been commissioned and received and submitted with your application. We will not hold onto invalid applications awaiting reports.

Devon County Council (DCC) checklist

Please note that DCC have a checklist on their website re whether or not a wildlife report should be submitted with a planning application, but it does not cover our criteria and so a negative outcome on this checklist cannot be accepted as a reason not to submit a survey where this validation guide requires one.

Further Information

[Natural England Standing Advice for Protected Species](#)

Teignbridge Contacts:

Website - [Biodiversity and Development web page](#)

Email - designandheritage@teignbridge.gov.uk

3.10 Biodiversity Net Gain

Required for:

All applications in accordance with statement on the completed application form.

Guidance, Policy background and further information sources:

The application must be accompanied by the following information as set out in [Article 7 of The Town and Country Planning \(Development Management Procedure\) \(England\) Order 2015](#):

- (a) a statement as to whether the applicant believes that planning permission, if granted, would be subject to the biodiversity gain condition.
- (b) where the applicant believes that planning permission, if granted, would not be subject to the biodiversity gain condition, the reasons for that belief.
- (c) in cases where the applicant believes that planning permission, if granted, would be subject to the biodiversity gain condition—
 - (i) the pre-development biodiversity value(s), [either on the date of application or earlier proposed date \(as appropriate\)](#);
 - (ii) where the applicant proposes to use an earlier date, this proposed earlier date and the reasons for proposing that date.
 - (iii) [the completed metric calculation tool](#) (this will be either the Statutory Biodiversity Metric or Small Sites Metric) showing the calculations of the pre-development biodiversity value of the onsite habitat on the date of application (or proposed earlier date) including the publication date of the biodiversity metric used to calculate that value.
 - (iv) a statement whether activities have been carried out prior to the date of application (or earlier proposed date), that result in loss of onsite biodiversity value ([‘degradation’](#)), and where they have:
 - a. a statement to the effect that these activities have been carried out.
 - b. the date immediately before these activities were carried out.
 - c. the pre-development biodiversity value of the onsite habitat on this date.
 - d. the completed metric calculation tool showing the calculations, and
 - e. any available supporting evidence of this.
 - (v) a description of any [irreplaceable habitat](#) (as set out in [column 1 of the Schedule to the Biodiversity Gain Requirements \(Irreplaceable Habitat\) Regulations 2024](#)) on the land to which the application relates, that exists on the date of application, (or an earlier date); and
 - (vi) plan(s), drawn to an identified scale and showing the direction of North, showing onsite habitat existing on the date of application (or earlier proposed date), including any irreplaceable habitat (if applicable). This should include all onsite habitat included in the calculation of the biodiversity value of the onsite habitat within the submitted biodiversity metric.

The following information must also be provided.

- [Devon BNG Statement for Validation](#) checklist must be completed and submitted with your application (provided by Devon County Council working on behalf of all Devon Local Planning Authorities)
- Draft [Biodiversity Gain Plan](#) (BGP). Template on Gov.UK
- Draft [Habitat and Monitoring Plan](#) (HMMP) where significant onsite biodiversity net gain is proposed. Template on Natural England website
- Heads of Terms for any Biodiversity Net Gain Planning Obligations particularly where an off-site BNG site is proposed.
- The completed metric, required by point iii above, shall also include detail of how the 10% net gain will be achieved through on-site creation and enhancement and/or off-site creation and enhancement.
- If the submitted metric includes any “red boxes”/errors then an explanatory statement setting out the reasons why or how the shortfall will be satisfied shall be submitted

Teignbridge Contacts:
Website – To be added.
Email - planning@teignbridge.gov.uk

3.11 Carbon Reduction Plan

Required for:

All major applications for residential or commercial development.

Guidance, Policy background and further information sources:

Teignbridge District Council declared an [environment and climate change emergency](#) and plays a leading role in tackling climate change. All development proposals, both major and non-major, should seek to minimise their carbon footprint both during construction and in use.

For major applications a Carbon Reduction Plan is required in line with Policy EN3 of the Teignbridge Local Plan, showing how the overall emissions associated with the development will be limited in line with Policy S7 (Carbon Emissions Targets) of the Teignbridge Local Plan which seeks to reduce emissions from development. This must include a representative sample number of Standard Assessment Procedure (SAP) calculations, produced by a qualified Energy Assessor, to substantiate the commitments contained within the carbon reduction plan.

Policy S7 was amended following the Executive Council meeting on 8 October 2019, in accordance with the updated 2008 Climate Change Act, and now requires a 48% reduction in emissions by 2033.

Further information

[Teignbridge Local Plan S7 and EN5](#)

3.12 Community Infrastructure Levy

Required for:

- New residential units
- Residential extensions of more than 100m²
- Residential annexes
- Holiday lets (excluding hotels)
- Out of town retail development

Guidance, Policy background and further information sources:

Community Infrastructure Levy (CIL) is charged on residential and out of town retail development under the [Community Infrastructure Levy Regulations 2010](#). The levy is used to pay for improving and providing new infrastructure, including roads, education, recreation and public transport facilities.

A [CIL Additional Information form](#) must be completed and submitted with these applications.

Warning - If the application is approved, with a CIL liability, the applicant must ensure the correct forms are received by the council and the correct procedures are followed before any

development including demolition takes place or the full amount including surcharges could become immediately payable and any set offs/exemptions may be forfeit.

Further Information:

[CIL Guidance](#)

[CIL Forms](#)

Teignbridge Contacts:

Email - planning@teignbridge.gov.uk

Website - [CIL web page](#)

3.13 Compliance with outstanding conditions

Required for:

Where there are related applications

Guidance, Policy background and further information sources:

Where there are previous approvals with conditions that need to be discharged prior to submission of subsequent applications. Ensure that these have been complied with before submitting the new application.

3.14 Design and Access Statement

Required for:

- All major applications.
- All Listed Building Applications.

Required for the following applications * in a Conservation Area:

- One or more dwellings
- Increase in floor space of 100m² or more (any type of development)

*except for:

- Change of Use unless it involves development
- Engineering or Mining operations or Waste development
- Section 73 applications to vary or remove conditions

Guidance, Policy background and further information sources:

A Design and Access Statement is a concise report providing a framework for applicants to explain how the proposed development is a suitable response to the site and its setting and demonstrate that it can be adequately accessed by prospective users. They aid decision-making by enabling the council and third parties to better understand the analysis that has underpinned the design of a development proposal.

The level of detail in a Design and Access Statement should be proportionate to the complexity of the application but should not be long.

Design and Access Statement for a planning application must:

- Explain the design principles and concepts that have been applied to the development
- Demonstrate the steps taken to appraise the context (particular characteristics of the site and its wider setting) of the development and how the design of the development takes that context into account
- Explain the approach to access, and how relevant Local Plan policies have been taken into account

- Detail any consultation undertaken in relation to access issues and how the outcome of the consultation has informed the development
- Explain how any specific issues which might affect access to the development have been addressed

Design and Access Statement for Listed Building Consent must:

- Explain the design principles and concepts that have been applied to the works
- Explain the approach to access, including what alternative means of access have been considered, and how relevant Local Plan policies have been taken into account
- Detail any consultation undertaken in relation to access issues and how the outcome of the consultation has informed the development
- Explain how any specific issues which might affect access to the development have been addressed
- Explain how both the design and access elements take account of
 - The special architectural or historic importance of the building
 - The particular physical features of the building that justify its destination as a listed building
 - The building's setting

Access explanations are not required for listed building consent that only affects the interior of a building.

Teignbridge Contacts:

Email - planning@teignbridge.gov.uk

New Section - Designing out Crime statement

Required for:

All Major developments

- Educational Buildings
- New neighbourhood community facilities
- Premises where the intended occupants are particularly vulnerable and require higher standards of security to ensure their personal safety, i.e. care homes, drug rehabilitation centres etc.
- ATM/ cash machines

Guidance, Policy background and further information sources:

The statement should detail how Crime Prevention Through Environmental Design principles are to be incorporated into the development. This includes:

- Access and Movement - places with quality connections and well-defined routes, that provide convenient movement without compromising security
- Structure – encouraging 'active frontages' and limiting access to private space
- Surveillance – encouraging overlooking of public spaces by those who will take action should a crime be committed
- Ownership – clearly defining where public space ends and private space begins and encouraging people to take ownership of their environment
- Physical Protection – ensuring buildings include appropriate physical measures to prevent crime
- Activity – ensuring the level of human activity is appropriate to the location to reduce the risk of crime and increase perceptions of public safety
- Management and Maintenance – discouraging disorder by creating places that are well looked after with minimum cost implications.

3.15 Environmental Impact Assessment

Required for:

Development falling within Schedule 1 or 2 of the Town and Country Planning (Environmental Impact Assessment) Regulations 2017 (the EIA Regs)

Guidance, Policy background and further information sources:

An Environmental Statement (and non-technical summary) must be provided for any development that falls within Schedule 1 of the [Town and Country Planning \(Environmental Impact Assessment\) Regulations 2017](#) and for some Schedule 2 projects. The Environmental Statement must be prepared by persons who, in the opinion of the council, have sufficient expertise to ensure the completeness and quality of the statement. The Environmental Statement must be accompanied by a statement setting out how the requirement for sufficient expertise has been met.

Applicants/agents can seek a 'screening opinion' from the Council as to whether an Environmental Impact Assessment (EIA) is required. This is best done at the pre-application stage.

- If an EIA is required, the Council can then carry out a 'scoping opinion' to identify the matters that the EIA will need to address. The Environmental Statement must then be submitted with the application
- If an EIA is not required there is no further action needed

If a screening opinion is not sought before an application falling within Schedule 1 or 2 of the EIA Regs is submitted, it will still be validated and the Planning Case Officer will undertake a screening opinion during the first couple of weeks of the planning process. If the application requires an EIA the planning application process ('clock') will stop until the Environmental Statement is provided.

In cases where an EIA is not required environmental information may still need to be provided. See other sections of this document.

Teignbridge Contacts:

Email - planning@teignbridge.gov.uk

3.16 Fire Statement

Required for:

Development of a building 18m or 7 storeys high which consists of 2 or more dwellings or educational accommodation.

Guidance, Policy background and further information sources:

In accordance with Article 9A of Development Management Procedure Order 2015 any development resulting in a building which is 18m high or 7 storeys high and consists of 2 or more dwellings or educational accommodation must submit a Fire Statement with details as per the DMPO 2015.

- Not required for Outline or S73 Variation applications.

Teignbridge Contacts:

Email - planning@teignbridge.gov.uk

3.17 Flood Risk Assessment/Surface Water Management

Required for:

- All development within Flood Zones 2 or 3
- All Major Development (regardless of whether or not in a Flood Zone)
- Development less than 1 ha in flood zone 1, including a change of use in development type to a more vulnerable class (for example from commercial to residential)
- Development in a critical drainage area
- Development within 20 metres of the top of the bank of a main river or includes the control of any river or stream.

Guidance, Policy background and further information sources:

Use the [Flood map](#) to identify if a site is in a flood zone. The FRA should be produced using the [Environment Agency advice on FRA](#) and the [Flood risk assessment advice](#) in the Planning Practice Guidance.

Critical Drainage Area information and maps are available on the Devon County Council Website [Planning and development - Flood Risk Management \(devon.gov.uk\)](#). They are also available spatially on the [My Neighbourhood Map](#)

The FRA should include evidence regarding the availability of any alternative sites at a lower risk of flooding to help the LPA determine whether the flood risk Sequential Test can be satisfied. The FRA must also provide sufficient information to demonstrate whether the proposal will be safe of its lifetime, not increase flood risks elsewhere and (where possible) reduce flood risks overall. Within each Flood Zone, new development should be directed to sites at the lowest probability of flooding from all sources.

The FRA should identify and assess the risks of all forms of flooding to and from the development and demonstrate how these flood risks will be managed, taking climate change into account. The FRA should identify opportunities to reduce the probability and consequences of flooding. The FRA should include the design of surface water management systems including Sustainable Drainage Systems (SuDs). The FRA should also address the requirement for safe access to and from the development in areas at risk of flooding and include a map showing access and egress with projected depths along the full course of these routes.

Note – Levels on plans submitted with applications in Flood Zones 2 and 3 should be shown in mAOD.

Contacts:

Environment Agency cost-recovered pre-application advice for zones 2 and 3 from

SPDC@environment-agency.gov.uk

[Devon County Council as Lead Local Flood Authority](#)

Teignbridge District Council – Planning@teignbridge.gov.uk

Surface Water Management

Required for:

- All new developments
- Any new developments where surface water is to be managed by soakaway must provide results of infiltration tests.

Guidance, Policy background and further information sources:

Surface Water Management - All new developments must have an effective and robust surface water system which should not increase flood risk to adjacent properties or land and where possible should make improvements to reduce the risk of flooding.

Applicants must demonstrate how surface water from the development will be disposed of in a manner that does not increase flood risk elsewhere, in accordance with Sustainable Drainage Systems (SuDS) principles. SuDS systems should be designed in accordance with local and national standards.

Critical Drainage Areas (Ashburton, Bovey Tracey, Dawlish Warren, Newton Abbot and Holbeam) specify particular requirements for surface water management, such as discharging surface water at a rate no higher than the equivalent 1 in 10 year return period.

If surface water is to be managed by infiltration, then groundwater will need to be monitored to ensure it will not impact on infiltration features.

Major developments must be accompanied by a Surface Water Management Plan.

Devon County Council, as the Lead Local Flood Authority, is the statutory consultee for major developments with surface water implications.

Developments in catchment for water sensitive SSSIs may be required to provide further detail. This should be discussed prior to application.

Further Information:

[Government advice on flood risk management](#)
[Section 10 of Devon County Council SuDS Guidance](#)

Teignbridge Contacts:

Email - planning@teignbridge.gov.uk

Foul Drainage Assessment (FDA)

Required for:

All development involving a non-mains drainage system.

Guidance, Policy background and further information sources:

Foul Drainage Assessment (FDA)

NPPG para 20 sets out that, foul drainage should discharge into a public sewer unless cost/practicality makes this unfeasible. Only then should non-mains sewage disposal solutions be considered.

A FDA should be submitted with all development involving a non-mains drainage system including justification as to why connection to the mains sewerage system is not feasible and sufficient information to demonstrate that the proposed system will be viable and not detrimental to the environment such as:

- Full details of proposed flows
- A plan showing location of proposed treatment plant and soakaway field/discharge point
- Percolation test results to demonstrate viability of any soakaway.

The Environment Agency have an [FDA Form](#) online.

Contacts:

Environment Agency cost-recovered pre-application advice for major applications from SPDC@environment-agency.gov.uk

Teignbridge District Council for non-major applications from planning@teignbridge.gov.uk

3.18 Green Infrastructure

Required for:

All Major Applications and any application that has a significant impact on Green Infrastructure corridors (as defined on page 25 of the Teignbridge Green Infrastructure Strategy 2014)

Guidance, Policy background and further information sources:

The [Teignbridge Green Infrastructure Strategy 2014](#) is the key document for Green Infrastructure (GI) in Teignbridge and is supported by the [Devon County Council GI Strategy](#). A list of typical GI assets can be found in the [Landscape Institute's Position Statement](#) (page 4).

Proposals should not harm the integrity of the strategic and local GI network or diminish the value of existing key GI assets. Where appropriate, the value of existing GI assets shall be enhanced, new assets created, and connectivity improved between individual assets. Particular emphasis should be placed on delivering high quality assets that provide multiple functions and benefits.

A Green Infrastructure Context Plan is required to identify the key GI opportunities for the development site and how they relate to the surrounding area and the GI network. This plan presents the evidence base for the Green Infrastructure Masterplan and is informed by an evaluation of the existing and potential assets and their potential roles and benefits.

A Green Infrastructure Masterplan is required to identify and define green infrastructure provision within the proposed development site and how these proposed GI site assets connect to the wider GI network.

A Green Infrastructure Statement is required to explain how the proposal contributes to achieving the Teign Green Network local vision and themes. It should include how the proposed GI influenced the design of the proposed development and how it delivers GI benefits.

Teignbridge Contacts: Email – forwardplanning@teignbridge.gov.uk

3.19 Ground Conditions / Instability

Required for:

- Applications in areas of land instability
- Applications within 200 metres of cliffs, chines or steep embankments

Guidance, Policy background and further information sources:

Where any instability is suspected or may occur in coastal areas or due to steep slopes, mining activities etc. a Land Stability Report must be undertaken for development and should be produced by a suitably qualified geotechnical, civil or structural engineer. A Land Stability Report is not only for coastal sites, it will also be required for inland areas of unstable land.

The report may assess local geology, the history of landslides, consider ground investigation, soil testing, slope stability analysis and reporting depending upon the level of assessment needed.

Further information

[Government guidance on land stability](#)

Teignbridge Contacts:

Email - planning@teignbridge.gov.uk

3.20 Heritage Statement (including Historical, archaeological features and Scheduled Monuments)

Required for:

Proposals that

- Affect a Listed Building
- Located in or adjacent to a Conservation Area
- Affect a Scheduled Ancient Monument
- Affect the district's heritage assets - including sites likely to contain archaeological remains
- Affect Registered Parks & Gardens

Guidance, Policy background and further information sources:

A Heritage Statement, including a Description or Statement of Significance is required for all development affecting heritage assets. A heritage asset is defined as 'a building, monument, site, place, area or landscape identified as having a degree of significance meriting consideration in planning decisions, because of its heritage interest. Heritage asset includes designated heritage assets and assets identified by the local planning authority (including local listing).' It should give a description of the heritage asset affected and the contribution of the setting to that significance.

- The scope and level of detail should be proportionate to the importance of the heritage asset and will vary according to the particular extent of the works involved and the circumstances of each application.
- Information gained from the [historic environment record](#), together with the impact of the proposal should be set out to explain the design concept in conjunction with the Design and Access Statement.
- It should detail the sources that have been considered and the expertise that has been consulted.
- It should contain photos, phasing plans etc to help understand the impact of the changes proposed.

A Heritage Statement must be provided for each of the following:

For Listed Building Consent, it should outline the historic importance of the building and include a schedule of works, an analysis of the significance of archaeology, history and character of the building/structure, the principles of and justification for the proposed works and their impact on the historic fabric, the special character of the listed building or structure, its setting and the setting of any adjacent listed buildings. A listing includes the entire building,

both inside and out, as well as curtilage structures, even if they are not mentioned in the statutory list description. It is not sufficient to submit the statutory list description. A structural survey may also be required.

Where the proposal includes total or substantial demolition of a listed building the statement should include:

- Condition of the building and cost of repair/maintenance in relation to the importance of the building and the value derived from continued use
- Efforts made to retain the building in use including open marketing at a realistic price
- Merits of alternative proposals for the site

For substantial or total demolition in a Conservation Area Consent, where a building or structure is positively contributing towards the character of a conservation area. It should include:

- a structural survey outlining the condition of the building
- a written analysis of
 - the character and appearance of the building/structure
 - the contribution it makes to the conservation area
 - the principles of, and justification for, the proposed demolition
 - the impact of the demolition on the special character of the area.

For applications either related to, or impacting on, the setting of heritage assets, depending on the scale of the application, it should include:

- plans showing historic assets that may exist on, or adjacent to, the application site including listed buildings and structures, historic parks and gardens, historic battlefields and scheduled monuments
- an analysis of the significance of archaeology, history and character of the building/structure
- the principles of, and justification for, the proposed works and their impact on the special character and setting of the heritage asset

If previously unidentified heritage assets are found that are considered to be of architectural, artistic, archaeological or historic Interest and their significance will need to be judged.

Information on the heritage assets must be sought from the [historic environment record](#) and the effects of proposals on identified assets will need to be considered.

For **applications within or adjacent to a Conservation Area** it should include an assessment of the impact of the development on the character, appearance or setting of the area. [Conservation Area Appraisals](#) have been prepared by the Council for each of the conservation areas.

New development will need to demonstrate that it preserves those aspects of its setting that either enhances or makes a positive contribution towards the character or appearance of the conservation area.

For **applications involving the disturbance of ground on sites that are known to have or are considered likely to have archaeological interest** an applicant may need to commission an assessment of existing archaeological information as well as more intrusive archaeological investigations and submit the results as part of the Heritage Statement to allow

the importance of the archaeological site to be understood along with the impact of the development upon it, and enable an informed and reasonable planning decision to be made. Such information on the recording of archaeological remains should be made publicly available, particularly where a heritage asset is to be lost. This normally involves adding the information to the [historic environment record](#) and the appropriate museum or other repository.

Further Information

[Government guidance on conserving and enhancing the historic environment](#)
[Section 128 of National Planning Policy Framework](#)

Devon County Council Historic Environment Team can advise as to the requirement and scope of any heritage statement or archaeological interest of the site.

Email: archaeol@devon.gov.uk

Teignbridge Contacts:

Email - designandheritage@teignbridge.gov.uk

Website - [Listed buildings web page](#)

3.21 Land Contamination Assessment

Required for:

On all applications where the answer to any of the 'Existing Use' questions on the application form is 'yes'

Or if the proposal is likely to pose a risk to controlled waters.

Guidance, Policy background and further information sources

A Land Contamination Assessment, completed by a competent person, must be submitted with all applications where contamination is known or suspected and also for any particularly vulnerable use. This is required to determine the existence or otherwise of contamination, its nature and the risks it may pose and whether these can be satisfactorily reduced to an acceptable level.

'Particularly vulnerable use' includes dwellings, schools, nurseries, allotments and playing fields among others. Residential extensions and conservatories are excluded unless there is a known contamination issue.

However, to ease the burden on small developers, the Council will **not** normally require an assessment: -

- For residential extensions or small residential schemes on sites which are within a residential curtilage where there is no reason to suspect nearby contamination or
- Where there is a current approval or where a contaminated land report has already been submitted as part of a previous application or
- Where the application is clearly not a risk e.g., minor change with no ground disturbance

If the proposed development is situated within 250 metres of a former landfill site there will be a requirement for specific consideration of issues with ground gas.

Further guidance under the Environmental Protection Act 1990 Part 2A is in the [DEFRA Contaminated Land Statutory Guidance](#)

Teignbridge Contacts:

Email – Environmental Health envc@teignbridge.gov.uk

Website - [Contaminated land web page](#) for general information and Technical Advice notes 1 and 2

Environment Agency cost-recovered pre-application advice if the proposal is likely to pose a risk to controlled waters from SPDC@environment-agency.gov.uk

3.22 Landscape & Visual Assessment/Landscape Proposals

Required for:

- All Applications likely to have a significant landscape or visual impact
- All Applications with potential to adversely affect Areas of Great Landscape Value (AGLV), Undeveloped Coast (CPA) & Registered Historic Parks & Gardens

Guidance, Policy background and further information sources

Landscape should be considered at the inception of development schemes. This should take the form of an assessment and an analysis of the site and context, helping to:

- Inform an understanding of the character of the site and the site context
- Identify the key characteristics of an area to which development proposals need to respond
- Influence design decisions that would help minimise adverse effects on the landscape and visual amenity and help to create a distinctive identity

An assessment of the landscape impacts of the proposals should include its impact on landscape character and visual impact, including wider impact from public viewpoints and residential amenity. Visual impact should take account of the distance from the development, magnitude of impact, sensitivity of viewers (e.g., a notable public viewpoint) and seasonal effects of screening vegetation.

Site survey & analysis plans should include topography (contours/spot heights), existing features such as trees, hedges and other vegetation, ponds and watercourses, structures & earthworks, roads, tracks & paths, historic features and service information. Analysis should include conditions & value of site features, views and viewpoints, soils & ground conditions and microclimate.

The scope and detail of landscape assessment and design will vary and should be proportionate to the scale and impact of the development. Whilst major developments will require a full Landscape and Visual Impact Assessment, a Landscape & Visual Appraisal or Technical Note with photographs may be adequate for smaller proposals.

Images and photomontages should follow [Visualisation of Development](#) guidance.

Landscape proposal plans should indicate the location of existing and proposed trees, hedges and other vegetation to be retained/removed and of other site features identified in the survey such as boundary fences and walls along with existing and proposed levels where appropriate. Detailed proposals for hard and soft landscape works should include proposed earthworks (excavation/re-grading), water features, heights and materials for hard boundaries and surfaced areas and planting and maintenance schedules and specifications. These should include species mixes, numbers/percentages, planting distances, method, size/type of plant, cultivation, protection (e.g., stock fencing/guards) and maintenance (e.g., weeding, pruning, mulching and watering). All new planting should be covered by a 5 year establishment maintenance period. Any plant which fails to establish successfully during this period should be replaced.

Hard and soft landscaping and building design should be complementary. The design should allow sufficient space for the long-term retention of existing mature trees and hedgerows and for the planting of trees and hedges of appropriate size, allowing for their long term growth.

A Planting Strategy should accompany larger schemes: to describe the strategic purposes of different aspects of the planting, such as responding to the natural and cultural landscape context, define spatial massing and containment, create identity, screening, unity, variety and stimulation.

A Long-term Landscape/Ecological Management Plan (LEMP) will be required for larger schemes/major applications where the long-term character of vegetation is key to the suitability of development proposals.

A Heritage Statement will be required where proposals are likely to have impacts on Registered Parks and Gardens or its setting.
Further information.

Teignbridge [Landscape web page](#) has links to the following useful documents:

- Teignbridge District Landscape Character Assessment
- Devon County Landscape Character Assessment
- National Character Area Profiles
- Teignbridge Landscape Design Planning Advice Note
- Solar Photovoltaic Development in the landscape SPD
- Sensitivity to Onshore Wind Energy Developments

[Native hedgerows and Devon banks](#)

Teignbridge Contacts:

Email - designandheritage@teignbridge.gov.uk

Website - [landscape web page](#)

3.23 Lighting assessment

Required for:

Applications involving significant external lighting.

Guidance, Policy background and further information sources

All proposals involving the provision of publicly accessible developments, in the vicinity of residential property, a Listed Building, a Conservation Area, Local Wildlife Sites, sites of biodiversity value, green link or watercourse, where external lighting would be provided or made necessary by the development.

Lighting assessment should include the following as relevant: • hours of operation; • an isolux contour map showing light spillage to 1 lux; • light levels; • column heights; layout plan with beam orientation, • a schedule of equipment • a description of the measures such as hoods and cowls that have been provided to avoid glare; • impact on nearby dwellings or roads and use of planting to mitigate effect.

Institute of Lighting Engineers guidance on reducing obtrusive lighting.

<https://theilp.org.uk/publication/guidance-note-1-for-the-reduction-of-obtrusive-light-2021/>

Teignbridge Contacts:

Email - planning@teignbridge.gov.uk

3.24 Manufacturer's details

Required for:

Applications for

- wind turbines
- solar panels
- microgeneration
- extraction devices
- etc.

Guidance, Policy background and further information sources

Manufacturer's specification of device and model type.

Teignbridge Contacts:

Email - planning@teignbridge.gov.uk

3.25 Mineral Resource Assessment

Required for:

Applications located within a Mineral Safeguarding Area (MSA) or Mineral Consultation Area (MCA)

Guidance, Policy background and further information sources

For development within an MCA, Policy M2 of the Devon Minerals Plan seeks to safeguard mineral resources but does allow for non-mineral development where the applicant can demonstrate that the mineral resource is not of current or potential economic or heritage value.

The need for an MRA will be identified by DCC through pre-application consultation or on consultation following submission of a planning application.

More information:

[DCC Mineral Safeguarding SPD](#)

Contacts:

Devon County Council

3.26 Noise impact assessment

Required for:

Applications for

- Potentially noise generating developments near sensitive locations
- Noise sensitive applications near existing noise generating uses

Guidance, Policy background and further information sources

The following developments should include a noise impact assessment / noise mitigation scheme for the impact of noise on nearby residential uses:

- (i) change of use to restaurants, cafes, takeaways or drinking establishments
- (ii) conversion of buildings to residential use
- (iii) new residential development sited on classified roads
- (iv) new residential development nearby to licensed premises
- (v) new commercial development within Use Classes B2 or B8 adjacent to existing residential development
- (vi) any application for an entertainment and licensed premise

Other developments (including day nurseries, sports facilities, smoking areas, places of worship) can generate noise and may warrant a noise impact assessment / noise mitigation scheme, this will be determined on a site-to-site basis.

If the development includes a delivery or service yard the noise assessment should include how the noise from deliveries will be controlled.

Noise Impact Assessments should be based on physical measurement surveys rather than predictive modelling. It will normally be necessary to confirm the noise emissions of proposed new plant and equipment, either from reliable manufacturers' data or by undertaking measurements of existing facilities elsewhere, rather than relying on assumed noise emissions. A Noise Impact Assessment should be prepared by a suitably qualified acoustician. The Institute of Acoustics have a [find-a-specialist service](#)

Guidance on the production of the assessment can be found at [Institute of Acoustics ProPG: Planning & Noise – New Residential Development](#)

For commercial kitchens a noise assessment should be completed and submitted with the application demonstrating the potential impact of the proposal and the mitigation that will be used. Guidance can be found in the [Control of Odour and Noise from Commercial Kitchen Exhaust Systems](#).

Teignbridge Contacts:

Email – Environmental Health envc@teignbridge.gov.uk

3.27 Planning Statement

Required for:

- All Major applications
- Applications with economic impact

Guidance, Policy background and further information sources

A planning statement should identify the context and need for a proposed development and include:

- An assessment of how the proposed development accords with relevant national, regional and local planning policies
- Details of consultations with the local planning authority and wider community/statutory consultees undertaken prior to submission
- A separate statement on community involvement where appropriate
- Any regeneration benefits from the proposed development, including:
 - details of any new jobs that might be created or supported
 - the relative floorspace totals for each proposed use (where known)
 - any community benefits
 - reference to any regeneration strategies that might lie behind or be supported by the proposal

Teignbridge Contacts:

Email - planning@teignbridge.gov.uk

3.28 Retail and Leisure Development

Required for:

All retail and leisure development

Guidance, Policy background and further information sources

Any applications which represent a departure from the local plan will require an Impact Assessment covering:

- a) impact of the proposal on existing, committed and planned investment in a centre or centres in the catchment area of the proposal
- b) impact of the proposal on town centre vitality and viability
- c) availability of alternative sites for the development
- d) accessibility of site and connections to the town centre

The level and type of evidence and analysis required to address the key considerations should be proportionate to the scale and nature of the proposal.

Further guidance

[Teignbridge Local Plan](#)

Teignbridge Contacts:

Email - planning@teignbridge.gov.uk

3.29 Section 106 Agreements – section removed.**3.30 Self Build Dwellings****Required for:**

All residential applications that include self-build

Guidance, Policy background and further information sources

The online application form does not currently include an option to record self-build. Therefore proposals that include self-build must use the [Residential Dwelling Units Supplementary Information Template](#) which does include self-build. This is available as a download whilst completing the online application process.

3.31 Sport Facilities**Required for:**

All applications that involve loss or change of sports facilities.

Guidance, Policy background and further information sources

Where applications will result in a loss of playing fields or loss or change of other facilities Sports England will be consulted and require:

- Plans showing extent of playing field area lost
- Justification for chosen location and alternatives considered
- Any changes in provision of sports facilities
- How replacement facilities will equal or better quality will be achieved and maintained

Further information:

www.sportengland.org

3.32 Statement of Community Involvement**Required for:**

Major applications

Guidance, Policy background and further information sources

Applicants are strongly encouraged to:

- seek pre-application advice from the council and from statutory consultees
- write and regularly review a Consultation Strategy for the proposal, in consultation with the Council, taking into account the [Statement of Community Involvement](#), adopted by the Council in June 2019
- Consult the local community in accordance with the Consultation Strategy
- Consider the consultation responses received and submit a document explaining how it has influenced the planning application.

Teignbridge Contacts:

Email - planning@teignbridge.gov.uk

3.33 Structural Survey

Required for:

Conversion of existing buildings

Guidance, Policy background and further information sources

A Structural Survey, carried out by a qualified structural engineer, may be required in support of an application if the proposal involves conversion of an existing building, for example barn conversions.

Teignbridge Contacts:

Email - planning@teignbridge.gov.uk

3.34 Telecommunications Development

Required for:

Telecommunications applications

Guidance, Policy background and further information sources

Planning applications for mast and antenna development by mobile phone network operators in England should be accompanied by a range of supplementary information including the area of search, details of any consultation undertaken, details of the proposed structure, and technical justification and information about the proposed development along with evidence that all relevant Mast-Sharing and Site-Sharing opportunities have been investigated.

Planning applications should also be accompanied by a signed declaration that the equipment and installation has been designed to be in full compliance with the requirements of the radio frequency (RF) public exposure guidelines of the International Commission on Non-Ionizing Radiation Protection (ICNIRP).

Teignbridge Contacts:

Email - planning@teignbridge.gov.uk

3.35 Transport Assessment/Travel Plan or Transport Statement

Required for:

- Schemes with significant transport implications.

- The thresholds are set out in Appendix B of [Guidance on Transport Assessment \(March 2007\)](#)
- Development of land resulting in a material increase or significant change of traffic using existing rail infrastructure (particularly level crossings) or require rail improvements.

Guidance, Policy background and further information sources

A Transport Assessment (TA) is required. The coverage and detail of the TA should reflect the scale of the development and the extent of the transport implications of the proposal. For major proposals, the TA should illustrate accessibility to the site by all modes of transport, and the likely modal split of journeys to and from the site. It should also give details of proposed measures to improve access by public transport, walking and cycling, to reduce the need for parking associated with the proposal, and to mitigate transport impacts.

A Travel Plan (TP) is also required outlining the way in which the transport implications of the new development will be managed in order to ensure the minimum environmental, social and economic impacts.

For schemes with relatively small transport impacts, a Transport Statement can be submitted instead of the TA/TP outlining the transport aspects of the application, assessing the existing and proposed conditions but without the detailed analysis of impact on the wider network.

The Transport Assessment or Transport Statement must include Annual Average Daily Traffic flow (AADT) as well as peaks.

Where an application affects/alters the use of a level crossing the developer will be required to submit data regarding pedestrian and/or vehicular trips over the level crossing to ascertain what level of mitigation is required as a result of the development.

Where a Transport Assessment is required The [Active Travel England \(ATE\) Planning Application Assessment Toolkit](#) should also be completed and submitted.

Information to be submitted should be agreed in advance as part of pre-application discussions.

Further guidance

[Travel Plans, Transport Assessments and Statements - GOV.UK \(www.gov.uk\)](#)

Teignbridge Contacts:

Email - planning@teignbridge.gov.uk

3.36 Vacant Building Credit

Required for:

5 or more dwellings where vacant buildings to be demolished and vacant building credit for Affordable Housing is being claimed.

Guidance, Policy background and further information sources

Vacant Building Credit (VBC) was introduced with the aim of stimulating the re-development of brownfield sites. It offers a financial credit based of the existing gross internal floor area of the vacant building to the development site. It does not apply to a building that has been deemed

abandoned. VBC Policy is set out in NPPF (paragraph 63) and Planning Practice Guidance (paragraph 028 Reference ID:23b-028-20190315).

To apply for Vacant Building Credit a statement must be submitted as part of the planning application which provides:

- Evidence that any referenced building is a 'Vacant Building'. A 'Vacant Building' is a building that has not been in use for three years.
- Evidence a building on site is not an 'Abandoned Building' or vacated solely for the purpose of redevelopment. The council will take into account all of the following:
 - The physical condition of the building
 - The length of time that the building has not been used
 - Whether it had been used for any other purpose
 - Evidence of the owner's intentions

Layout Plans showing the footprint and Gross Internal Floor Area (GIFA) of the existing building are required along with floor plans of the proposed development showing GIFA.

The NPPF specifically excludes 'land that is or was last occupied by agricultural or forestry buildings' and buildings in residential use cannot be used for VBC for the purposes of affordable housing.

Further information

[Vacant Building Credit Advice Note](#)

Teignbridge Contacts:

Email - planning@teignbridge.gov.uk

3.37 Ventilation and Extraction Details Required for:

All applications for:

- Restaurant and Cafes
- Drinking Establishments
- Hot Food Take-Away
- Applications within Use Class E that produce odorous emissions

Guidance, Policy background and further information sources

Details of the position and design of ventilation and extraction equipment, including height of flues from external roofs, odour abatement techniques and acoustic noise characteristics, will be required to accompany all applications for the Use Classes:

Applications for the use of premises for the following purposes:

- Restaurant and Cafes
- Drinking Establishments
- Hot Food Take-Away

May also be required for Use Class E (general business), B2 (general industrial) and other commercial developments that will cause odorous emissions for example brewing, rendering, paint spraying, leisure uses etc. where substantial ventilation or extraction equipment is proposed to be installed.

This information (excluding odour abatement techniques unless specifically required) will also

be required for significant retail, business, industrial or leisure or other similar developments where substantial ventilation or extraction equipment is proposed to be installed.

Any ventilation or extraction systems should be marked on the relevant elevation drawings.

For commercial kitchens a noise and fume assessment should be completed and submitted with the application demonstrating the potential impact of the proposal and the mitigation that will be used. Guidance can be found in the [Control of Odour and Noise from Commercial Kitchen Exhaust Systems](#).

Teignbridge Contacts:

Email – Environmental Health envc@teignbridge.gov.uk

3.38 Viability Assessment

Required for:

Major Residential applications not meeting Affordable Housing targets.

Guidance, Policy background and further information sources

If an application does not offer the appropriate level of affordable housing as set out in the adopted [local plan](#) a viability assessment is required to show that provision of the required level of affordable housing would make the development not viable. This assessment itself will be subject to a separate appraisal by an assessor approved by the Council and paid for by the developer and will be published on the website in line with guidance as set out in the Planning Practice Guidance for [Viability and decision taking](#)

Teignbridge Contacts:

Email - planning@teignbridge.gov.uk

3.39 Waste Audit Statement/Waste Management plan

Required for:

Major applications and those involving extensive excavation.

Guidance, Policy background and further information sources

Required to detail the proposal for dealing with waste produced during construction and resulting from the development.

Major development proposals to be accompanied by a Waste Audit Statement. This is to minimise waste production and support sustainable waste management throughout the demolition, construction and operational phases of the development.

Further guidance from Devon County Council:

- [Policy W4 of the Devon Waste Plan](#)
- [Waste Management and Infrastructure Supplementary Planning Document](#)

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Householder Planning Application Validation Guide **(see separate guide for all other types of planning application)**

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GENERAL INFORMATION

This validation guide sets out the information required to validate a householder planning application. It includes both national and local validation requirements.

Pre-Application Advice

We offer a paid pre-application advice service www.teignbridge.gov.uk/planningadvice

Submitting an application

Applications can be submitted online at www.teignbridge.gov.uk/planningapply

What is Validation?

Validation is the process of checking that all relevant documentation has been provided. The onus is on the applicant/agent to provide the specific information required to validate your application at the outset. Without this the application will be invalid which will delay the statutory start date. This guide should be read together with the relevant guidance notes for each type of application, available to view on the Planning Portal when you submit your application online. Some of the requirements are National Requirements and some are Local Requirements which have been adopted by the Council. For simplicity, no differentiation is made in this document between the two types of requirement.

What happens if my application is invalid?

We will email you and advise you that you did not submit the correct documentation for a valid application. We will hold the application open for 21 days and ask you to submit the necessary documentation within the 21 day period. If we do not receive the information within this timeframe we will close our file and take no further action on the application. Your application fee will be returned after deduction of an administration charge. If you wish to continue after this stage you will need to start again and resubmit a new application with all the correct documentation/information.

Validation disputes

If you disagree with our reasons for invalidating a planning application and negotiation with us has failed, you may send a notice to us setting out your reasons for refusing to supply the information under Section 12 of the Development Management Procedure Order 2015. You must have submitted all the other information needed to validate the application together with the fee. We will then either agree and validate the application or disagree and issue a Non Validation Notice against which you may then appeal under Section 78 of the Town and Country Planning Act 1990.

Diversity

Our Diversity Policy promotes inclusion for all sectors of the community and applications/supporting information, along with any representations received from the public, will be checked for any inappropriate comments. Only planning related matters can be considered, and any comments regarding disability, race or ethnicity, religion or belief, sexual

orientation or gender reassignment or that are defamatory, prejudiced or otherwise likely to cause offence to the subject of the comments or any other reader will be removed. Any comments that are considered to constitute hate incidents or hate crimes may be passed to the police

Data Protection

All applications and supporting documentation will be published on the website. Private telephone numbers, private email addresses and signatures will be removed prior to publication. We are committed to ensuring that your privacy is protected by adhering to the EU General Data Protection Regulation (GDPR). Any personal information provided will be used by us solely for the purpose of processing your application and contacting you regarding this. The data will be processed in accordance with our full [privacy policy](#).

1. APPLICATION FORM – Required for all applications

- 1.1. All applications must be submitted on the appropriate Householder application form with the exception of development relating to a flat which must be submitted using a full planning application form.
- 1.2. Ownership certificate A, B, C or D on the application form must be completed stating the ownership of the application site. This also incorporates the Agricultural Land Declaration.
 - complete Certificate A if you own all of the land (freehold or leasehold of more than 7 years) and do not have agricultural tenants.
 - or**
 - complete Certificate B, C or D if you do not own all the land or if you have agricultural tenants on the land. This includes situations where the development overhangs the boundary with the adjoining property/land.
 - Certificate B – Complete this if you know who the owners/agricultural tenants are. State the names and addresses of these people on the application form. You also need to serve 21 days' notice on them, before you submit the application
 - Certificate C – This is a combination of the circumstances described in Certificates B and D and should be completed accordingly.
 - Certificate D – Complete this if you do not know any of the owners. Specify the steps you have taken to find the owners e.g. land registry search. You must advertise the application in a local newspaper at least 21 days before submission.
- 1.3. The application form must be signed and dated and all questions on the form must be answered fully and accurately.
- 1.4. The correct full fee must be submitted with the application. [Schedule of fees and fee calculator](#)

2 PLANS REQUIRED

All plans must:

- be to a recognised metric scale (e.g. 1:50 etc) which is marked clearly on the plan.
- include a scale bar so that the scale can be checked for accuracy
- be clearly marked with the direction of North;
- have the size of the plan (A3, A2 etc) marked on the plan.
- have a unique drawing number shown on the plan
- have an appropriate description/title marked on the plan
- belong to you as copyrighted plans cannot be accepted
- be submitted as a single PDF of one page (not packaged together), correctly orientated for on-screen display
- be of a quality and resolution that will be clear to view by the public when uploaded onto the website.

2.1 Site Location Plan - existing (this is the plan that outlines the site in a red line with any other owned land in blue line)

Required for all applications.

- a) Must be up to date
- b) normally at a scale of 1:1250 (or 1:2500 if appropriate)
- c) showing the full site, all site boundaries, adjoining properties and, where possible, at least two named roads
- d) the properties shown should be numbered or named so that the exact location is clear
- e) the proposed site **must be clearly edged with a red line** to include all land necessary to carry out the proposed development - normally to the boundary. Ordinarily we would expect the red-line for a householder application to include the house and all of its garden (including access to the edge of any adjacent highway), but to exclude any adjacent agricultural land for which change of use to residential has never been secured. Any other land within your ownership or control should be edged with a blue line.

Please note that we cannot accept copies of land registry plans due to copyright issues. There are many companies that provide site location plans or the Planning Portal has an [accredited supplier for planning maps](#).

2.2 Block Plan – must provide an existing block plan and a proposed block plan

Required for all applications showing

- a) at a scale of 1:500, 1:200 or 1:100 depending on the size of the site
- b) the proposed development
- c) all site boundaries, existing buildings, roads, tracks, footpaths and access arrangements on the site
- d) any buildings to be demolished
- e) all buildings, roads, tracks, footpaths and access arrangements on land adjoining the site
- f) all public rights of way crossing or adjoining the site
- g) existing and proposed parking provision
- h) the position of all trees on the site, including those on adjacent land that could influence or be affected by the development; with proposals for removal/retention/new planting indicated
- i) the position of all hedges on the site, including boundary hedges, other vegetation, ponds, watercourses, walls, banks & historic features with proposals for removal/retention indicated

- j) the extent and type of any hard surfacing
- k) boundary treatment including walls or fencing where this is proposed
- l) ground levels across the site and floor levels, existing and proposed including any retaining walls
- m) route line of all existing and proposed services

2.3 Elevation drawings – must provide both existing elevation drawing and proposed elevation drawing

Required for all applications for new, altered, replacement or extended buildings.

- a) at a scale of 1:50 or 1:100
- b) showing all affected elevations in full.
- c) Showing proposed building materials, style and finish of the building and windows and doors
- d) showing any other buildings that are attached to the elevation and where possible the main features of that adjoining building (e.g. details of doors, windows on the same elevation of an adjoining terraced or semi-detached dwelling).
- e) label orientation of elevations e.g. north, south etc.

2.4 Floor Plans – must provide both existing floor plan and proposed floor plan

Required for all applications for new, altered, replacement or extended buildings.

- a) At a scale of 1:50 or 1:100
- b) explaining the proposal and usage in detail
- c) showing the entire floor area for any existing building as well as the proposed development.
- d) showing new buildings in context with adjacent buildings.
- e) showing any buildings or walls to be demolished

2.5 Existing and proposed site sections and finished floor and site levels

Required for all proposed new buildings or where there are variations in site levels.

Levels may be evident from floor plans and elevations, but particularly in the case of sloping sites it will be necessary to show how proposals relate to existing ground levels or where ground levels outside the extension would be modified.

- a) at a scale of 1:50 or 1:100
- b) showing a cross section(s) through the proposed building(s).
- c) where the proposal involves a change in ground levels, showing both existing and finished levels fixed to a datum point off site and also show the proposals in relation to adjoining buildings.

2.6 Roof plans – must provide both existing roof plan and proposed roof plan

Required where there are new roofs or alterations to existing roofs.

- a) at a scale of 1:50 or 1:100.
- b) showing the shape of the roof and roofing materials.

2.7 Specialist Plans

May be required to show specific details in a larger scale

- a) at a scale of 1:5, 1:10 or 1:20
- b) where certain issues such as the detail of window joinery is required e.g. for Listed Buildings

2.8 Photos of site and immediate environment

Required – up to date photographs showing the site and the immediate vicinity to assist in the understanding of the site and development when processing the application

2.9 Non Material Amendment applications

These types of applications must include a plan/set of plans that are annotated to clearly identify the changes proposed to the original approved drawings

3 ADDITIONAL INFORMATION REQUIRED

3.1 Arboricultural Survey and Tree Protection Plan

Required for:

Applications where the answer to the Trees and/or Hedges questions on the application form is 'Yes'

Guidance, Policy background and further information sources:

Trees to be felled and trees to be retained should be clearly marked on a tree constraints plan which also shows the proposed development. This should show root protection areas and the canopy spread of the trees. The species of the trees should also be marked. This could all be included in the Block Plan.

Further Information:

[Teignbridge District Council Trees and Development Supplementary Planning Document.](#)

3.2 Biodiversity – Bats and Birds Survey Reports

Required for:

Applications, including Listed Building Consent, involving:

- Works to buildings or structures known or suspected to support bats
- Demolition of buildings or parts of buildings
- Works to pitched roofs including:
 - Replacing tiles, slates, or other roof covering
 - Loft conversions
 - Roof raising
 - New windows or other accesses into roofs
- Extensions joining into existing roofs, including at gable ends or eaves
- Solar panels
- Works involving removal/replacement of external timber cladding or hanging tiles
- Works to cellars or other underground structures other than drains/sewers
- Wind turbines
- Felling of, or works to, trees with holes, cavities, cracks or other bat roost potential

Unless:

- The house was built less than 15 years ago without specific bat provision incorporated
- Works are to a flat roof
- Works are to a greenhouse, glasshouse or glass/perspex/transparent polycarbonate-roofed conservatory
- Works are to an out-building with single-skin roof and single-skin walls made of wood, metal, brick, concrete block or plastic?"

Guidance, Policy background and further information sources:

All Surveys must be up-to-date (less than 2 ½ years old at time of submission) and produced by a licensed bat consultant (with licence number quoted in the report). See [Bat and Bird Surveys web page](#) for more information and contacts.

A licenced bat consultant will be needed to undertake the survey(s) and produce the report unless they consider that a full report is not required (e.g. the building is of negligible roost suitability and no evidence of or potential for bats is found). In these cases a letter from the licenced bat consultant stating why a full report is not required, and including robust justification and photographic evidence to support the conclusion, may be submitted instead.

If your bat consultant considers that Emergence Surveys or other additional surveys are needed, these must be undertaken and the results submitted with the application.

Bat and Bird Survey Reports must be carried out to current [Bat Conservation Trust Survey Guidelines](#) and include date of survey, methodology used, evidence found, assessment of impacts on protected species, mitigation/compensation for impacts, details on how these will be delivered and a scheme for monitoring effectiveness of mitigation/compensation. The necessary surveys may need to be undertaken over an extended period prior to submission of any application.

Where surveys can only be done at certain times of the year you must make sure that the report has been commissioned and received and submitted with your application. We will not hold on to invalid applications awaiting reports.

Please note that DCC have a checklist on their website re whether or not a wildlife report should be submitted with a planning application, but it does not cover our criteria and so a negative outcome on this checklist cannot be accepted as a reason not to submit a survey where this validation guide requires one.

Further Information:

[Natural England Standing Advice for Bats](#)

Teignbridge Contacts:

Website - [Bat and Bird Surveys web page](#)

Email - designandheritage@teignbridge.gov.uk

3.3 Community Infrastructure Levy

Required for:

Any extension over 100m² or any residential annex

Guidance, Policy background and further information sources:

Community Infrastructure Levy (CIL) is charged on residential and out of town retail development under the [Community Infrastructure Levy Regulations 2010](#). The levy is used to pay for improving and providing new infrastructure, including roads, education, recreation and public transport facilities.

A [CIL Additional Information form](#) must be completed and submitted with these applications.

Warning - If the application is approved, with a CIL liability, the applicant must ensure the correct forms are received by the council and the correct procedures are followed before any development including demolition takes place or the full amount including surcharges could become immediately payable and any set offs/exemptions may be forfeit.

Further Information:

[CIL Guidance](#)

[CIL Forms](#)

[CIL web page](#)

3.4 Design and Access Statement

Required for:

All Listed Building Applications.

Guidance, Policy background and further information sources:

Design and Access Statement for Listed Building Consent must:

- explain the design principles and concepts that have been applied to the works
- explain the approach to access, including what alternative means of access have been considered, and how relevant Local Plan policies have been taken into account;
- Detail any consultation undertaken in relation to access issues and how the outcome of the consultation has informed the development
- Explain how any specific issues which might affect access to the development have been addressed.
- Explain how both the design and access elements take account of:
 - The special architectural or historic importance of the building;
 - The particular physical features of the building that justify its destination as a listed building;
 - The building's setting.

Access explanations are not required for listed building consent that only affects the interior of a building.

3.5 Flood Risk Assessment and Surface Water Management

Required for:

- Development in a critical drainage area.
- Development in Flood Zones 2 and 3.

Guidance, Policy background and further information sources

A Flood Risk Assessment (FRA) addressing the issue of flood risk to property and people will be required. The assessment should:

- Identify and assess the risks of all forms of flooding from the development.
- Demonstrate how the flood risks will be managed taking into account climate change.
- Identify opportunities to reduce the probability and consequences of flooding.
- Use and detail Sustainable Drainage Systems (SuDS).

Surface Water Management.

All developments must have an effective and robust surface water system which should not increase flood risk to adjacent properties or land and where possible should make improvements to reduce the risk of flooding.

Applicants must demonstrate how surface water from the development will be disposed of in a manner that does not increase flood risk elsewhere, in accordance with Sustainable Drainage Systems (SuDS) principles. SuDS systems should be designed in accordance with local and national standards.

Further information:

The [Environment Agency Flood Map](#) shows the flood zones

Critical Drainage Area information and maps are available on the Devon County Council Website [Planning and development - Flood Risk Management \(devon.gov.uk\)](#).

They are also available spatially on the [My Neighbourhood Map](#)

3.5 Heritage Statement

Required for:

Listed Building Applications
Dwellings within or adjacent to a [Conservation Area](#)
Dwellings close to a Heritage Asset i.e.

- [Listed buildings](#)
- Scheduled Ancient Monument
- Registered Park or Garden

Site of Archaeological importance

Guidance, Policy background and further information sources:

A Heritage Statement is required for all development affecting Heritage assets (e.g. Listed Buildings, Conservation Areas, Scheduled Monuments, Registered Parks and Gardens, sites of Archaeological Importance)

- It should give a description of the heritage asset and the effect of the development upon the setting of the heritage asset.
- The scope and level of detail should be proportionate to the importance of the heritage asset and will vary according to the extent of the works involved and the circumstances of each application
- It should list the sources of information used and any experts consulted. Useful information can be obtained from the [historic environment record](#) maintained by the Historic Environment Team at Devon County Council and from our [Conservation Area Appraisals](#)

For Listed Building Consent (application for works to a listed building) it should contain a schedule of works to be done, the historic importance of the building and the effect on its setting. Depending on the scale of the works you may also need a structured survey and archaeological assessment.

Where the proposal includes total or substantial demolition of a listed building the statement should include:

- Condition of the building and cost of repair/maintenance in relation to the importance of building and the value derived from continued use
- Efforts made to retain the building in use including open marketing at a realistic price
- Merits of alternative proposals for the site

For planning applications for total or partial demolition in a conservation area it should include a written analysis of the character and appearance of the building/structure, the contribution it makes to the conservation area and a statement on its structural condition. It must also give justification for the proposed demolition including the effect the demolition will have on the special character of the area.

For planning applications affecting (close to) a Listed Building, Scheduled Monument or Registered Park & Gardens it should justify the proposed works and their impact on the setting of the heritage asset. English Heritage should be consulted with regard to any development affecting a Grade I or Grade II* Listed Building, Park or Garden or Scheduled Monument.

For planning applications within or adjacent to a Conservation Area it should include an

assessment of the impact of the works on the character and appearance of the area as described in the [Conservation Area Appraisals](#)

For planning applications involving the disturbance of ground on sites that are known to have or are considered likely to have archaeological remains an applicant may need to commission an assessment of archaeological information and, if required, intrusive archaeological investigations to allow the significance of the archaeology and the impact of the development on it to be understood. The results of this work will need to be included in a Heritage Statement submitted with the planning application. The results should also be added to the [historic environment record](#) at Devon County Council. Areas of archaeological potential tend to be located around known archaeological sites recorded on the Historic Environment Record, Scheduled Monuments and within [Conservation Areas](#).

Further Information

[Government guidance on conserving and enhancing the historic environment Section 128 of National Planning Policy Framework](#)

3.21 Manufacturer's details

Required for:

Applications for wind turbines, solar panels, microgeneration, extraction devices etc.

Guidance, Policy background and further information sources:

Manufacturer's specification of device and model type

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TEIGNBRIDGE DISTRICT COUNCIL

Planning Committee Report

Chairman: Cllr Colin Parker

23 SEPTEMBER 2024

Report Title	Planning Application Validation Guides
Purpose of Report	To inform Members of the recent consultation relating to the Validation Guides which have been updated in accordance with the requirement to review and republish the local list of validation requirements every two years.
Recommendation(s)	The Committee is asked to note the consultation and recommend that Full Council adopt the revised Validation Guides
Report Author	Ian Perry. Interim Head of Development Management
Executive Member	Cllr G Taylor
Appendices	<ol style="list-style-type: none">1. Validation Consultation Responses2. Validation Guide3. Validation Guide - Householder
Background Papers	None

PURPOSE

- 1.1. Under The Town and Country Planning (Development Management Procedure) (England) Order 2015 (Regulation 11) Local Planning Authorities (LPA) are required to review and re-publish their local list validation requirements every two years.
- 1.2. Between these formal reviews, the guides are living documents that are updated in response to legislation and policy changes.
- 1.3. Local list validation requirements must be:
 - reasonable, having regard in particular to the nature and scale of the proposed development; and,
 - about a matter which it is reasonable to think will be a material consideration in the determination of the application.

These statutory tests are set out in section 62 (4A) of the Town and Country Planning Act 1990 (inserted by the Growth and Infrastructure Act) and article 11(3)(c) of the Town and Country Planning (Development Management Procedure) (England) (Order) 2015.

- 1.4. The Teignbridge District Council Validation Guides include both the national list of validation requirements and the local list of validation requirements and set out the information to be submitted to the council for the different types, nature and sizes of planning application. There are two guides, a main guide and a simplified version for householder applications.
- 1.5. Provided the required information is submitted an application will be considered valid. The quality of the information is assessed during the course of the application and further detail sought if necessary.
- 1.6. Legislation does not stipulate how the local lists should be reviewed and re-published but the National Planning Practice Guidance (NPPG) recommends a three step process:
 - Step 1 - Review the existing local list to identify the drivers for each item on the list. These drivers should be statutory requirements, policies in the National Planning Policy Framework or Development Plan, or published guidance that explains how adopted policy should be implemented.
 - Step 2 - Where the LPA considers that changes are necessary, the proposals should be issued to the local community, including applicants and agents, for consultation.
 - Step 3 – Consultation responses should be taken into account when preparing the final revised list. The revised list should be published on the LPA’s website.
- 1.7. In accordance with Step 1 a review of the local list of validation requirements was undertaken and revisions of the Validation Guides made to reflect changes in legislation and policy, both for Teignbridge District Council and our Statutory Consultees.
- 1.8. As changes from the previous guides were required, in accordance with Step 2, an 8 week consultation was launched on the Teignbridge District Council website and comments were invited from agents via the Registered Agents Newsletter, from District Councillors via the Members’ Newsletter, from Town and Parish Councils via email, and from all statutory consultees via email. Reminders were also sent out towards the end of the consultation period.
- 1.9. All responses received have been reproduced in the attached document and, following full consideration of the issues raised, the responses have been answered and amendments made to the validation guides where appropriate.
- 1.10. The final versions of the validation guide and simplified householder validation guide are attached.

IMPLICATIONS

2.1 Financial

There are no immediate resource implications arising from this report. It is a statutory requirement and part of the normal planning process.

2.2 Legal

This is a standard procedure to review and republish the local lists in line with statutory requirements and accordingly there are no legal issues arising from the review.

2.3 Risks

Where a local list is out of date the council can no longer require the submission of local list information prior to validation and the information has to be sought during the life of the application with the application being refused for lack of information if it is not provided. This is more time consuming for case officers and puts time pressures on decision making which can either result in more refused applications and then additional appeals, or requests for extension of time for determination which can negatively impact upon performance if these are not agreed.

This is the current situation the department are working within and the adoption of the revised validation guides will enable the local list requirements to be sought prior to validation making the application process smoother and quicker and reducing the risk of poor determination performance.

2.4 Environmental/Climate Change Impact

The policy on carbon reduction plans is a local list requirement and therefore the adoption of the revised validation guides will ensure that applications which do not meet the validation criteria are not made valid until they submit a carbon reduction plan.

CONCLUSION

- 3.1 Members are requested to resolve to note the review and consultation that has taken place and support the re-publishing of the local lists by recommending to Full Council that they are adopted.

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Teignbridge District Council
Full Council
29 October 2024
Part i

Constitution Amendment to Delegate authority to Head of Assets to waive car parking fees and charges.

Purpose of Report

To seek authority for the Head of Assets to waive car parking fees and charges.

Recommendation

The Council RESOLVES :

1. To grant delegated authority to the Head of Assets "To approve requests for concessionary car parking on the proviso that such shall be for no more than £100 per day and shall not be for a period in excess of five consecutive days per concession".
2. That the Constitution be amended accordingly and as appropriate.

Financial Implications

The opportunity cost to the Council is capped by the wording such that there are sufficient restrictions to prevent material loss. See also 3.1.

Martin Flitcroft
Director Corporate
Email: martin.flitcroft@teignbridge.gov.uk

Legal Implications

There are no Legal Implications arising out of this report.

Paul Woodhead
Head of Legal Services and Monitoring Officer
Email: paul.woodhead@teignbridge.gov.uk

Risk Assessment

The intention of the delegated authority is to enable charitable organisations to temporarily use the Council's car parks without having to pay. Provided this is adhered to there is limited risk to the Council. Conversely there is reputational risk of not being able to grant such uses which provide social value. The risk of such requests scaling up to have a material impact is considered minimal and should be appropriately monitored by the Head of Assets.

There is also risk of such request preventing full use of the car parks and the Head of Assets should be mindful of peak usage in granting any such requests. Other

considerations should be made on a case-by-case basis having due regard to operational car park requirements, including Health and Safety matters.

Thomas E Phillips
Head of Assets
Email: tom.phillips@teignbridge.gov.uk

Environmental / Climate Change Implications

By helping to enable charitable community uses on Council car parks this may result in reduced journey times / necessity to travel for certain provisions such as health scans.

Report Author to comment on the Environmental/Climate Change Implications
William Elliott, Climate Change Officer
Email: william.elliott@teignbridge.gov.uk

Report Author

Thomas E Phillips
Email: tom.phillips@teignbridge.gov.uk

Executive Member

Councillor Palethorpe Deputy Leader
Executive Member for Assets, Parking, Economic Development,
FHSF and Communication

Appendices/Background Papers

1. Introduction/Background

1.1 Requests for officers to waive car parking fees is a common occurrence.

1.2 At present the Council's constitution has Section 6 Schedule 5 Place and Community Services as the only reference to parking dispensations:

5C1 "To approve requests for concessionary car parking at Christmas subject to prior consultation with the Leader and Deputy Leader"

1.3 In instances where waiving car parking fee is deemed socially desirable to offer, for example NHS Breast Screening mobile units, it is not possible to grant such requests under the current constitution wording.

2. Proposed Amended Wording

2.1 It is proposed that additional wording is included within Section 6 Schedule 5 of the Constitution, as follows:

Head of Assets is authorised to approve requests for concessionary car parking on the proviso that such shall be for no more than £100 per day and shall not be for a period in excess of 5 consecutive days per concession.

3. Implications, Risk Management and Climate Change Impact

3.1 Financial

The delegated authority has financials caps meaning the impact of the change will not have a material financial impact

3.2 Risks

- 3.2.1 The intention of the delegated authority is to enable charitable organisations to temporarily use the Council's car parks without having to pay.
- 3.2.2 Provided this is adhered to there is limited risk to the Council.
- 3.2.3 Conversely there is reputational risk of not being able to grant such uses which provide social value.
- 3.2.4 The risk of such requests scaling up to have a material impact is considered minimal and should be appropriately monitored by the Head of Assets.
- 3.2.5 There is also risk of such request preventing full use of the car parks and the Head of Assets should be mindful of peak usage in granting any such requests.
- 3.2.6 Other considerations should be made on a case-by-case basis having due regard to operational car park requirements, including Health and Safety matters.

3.3 Environmental/Climate Change Impact

- 3.3.1 By helping enable these facilities to be offered, particularly in remote areas, it is hoped that there will be a reduction in journeys made or a meaningful decrease in the length of journeys taken.

4. Alternative Options

4.1 Do Nothing - not changing the constitution is an option, however, there is a wider public benefit in helping facilitate certain uses of our car parks.

4.2 Such offers would not cost the Council considerably and are deemed worthwhile compared to the negative publicity of being perceived to not support good causes.

5. Conclusion

5.1 Enabling the Head of Assets to waive parking charges will allow quick decision making to permit charitable, not for profit and volunteer uses of our car parks.

5.2 It is recommended that a change in constitution is approved to enable a Council that can approve matters that come at a small opportunity cost to the Council but of significant benefit to the Community.