

E-mail: democraticservices@teignbridge.gov.uk

22 August 2025

AUDIT COMMITTEE

A meeting of the **Audit Committee** will be held on **Tuesday, 2nd September, 2025** in the **Council Chamber, Forde House, Brunel Road, Newton Abbot, TQ12 4XX** at **10.00 am**

PHIL SHEARS
Managing Director

Membership:

Councillors Morgan (Chair), Jackman, Nuttall, Purser, Radford, Ryan, Steemson (Vice-Chair) and Swain

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

A G E N D A

Part I

1. **Apologies for Absence**
2. **Minutes of the previous meeting** (Pages 3 - 6)
To approve and sign the minutes of the meeting held on 18 June.
3. **Declarations of Interest.**
4. **Public Questions (If any)**
5. **Members Questions (if any)**
Members of the Council may ask questions of the Chairman subject to procedural rules.

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

6. **External Audit Sector Update Report** (Pages 7 - 24)
7. **2025 Draft Final Accounts and Treasury Management** (Pages 25 - 42)
8. **Internal Audit Annual Report**
Report to follow.
9. **Annual Governance Statement**
Report to follow.
10. **Cyber Assessment Framework**
Report to follow.
11. **Financial Instructions and Contract Rules Waivers**
Report to follow.

Part II: Items suggested for discussion with the press and public excluded
NIL

12. **Local Government (Access to Information) Act 1985 -
Exclusion of Press and Public**

It is considered items will not need to be discussed in private session, but should this be necessary the meeting is recommended to consider the following:

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

13. **Governance Improvement Plan**
Report to follow.

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

AUDIT COMMITTEE**18 JUNE 2025****Present:**

Councillors Morgan (Chair), Nuttall, Purser, Radford, Ryan, Steemson (Vice-Chair) and Thorne

Apologies:

Councillors Jackman

Officers in Attendance:

Sue Heath, Audit Manager

Gordon Bryant, Head of Financial and Audit Services

Charlie Fisher, Democratic Services Team Leader

Alex Lessware, Economy and Delivery Manager

Christopher Morgan, Trainee Democratic Services Officer

Thomas Pearce, Project Manager

23. MINUTES OF THE PREVIOUS MEETING

It was proposed by Cllr Morgan and seconded by Cllr Steemson that the minutes of the previous meeting be agreed as a correct record and signed by the Chair.

Resolved

that the minutes of the previous meeting be agreed as a correct record and signed by the Chair.

24. DECLARATIONS OF INTEREST.

None.

25. PUBLIC QUESTIONS

None.

26. MEMBERS QUESTIONS

None.

27. EXTERNAL AUDIT PLAN

The Representative from Grant Thornton introduced the item to the Committee. She informed the Committee that there were 3 significant risks highlighted in the External Plan, which were the same 3 risks as previous years. Increased work had been carried out to determine materiality. A large portion of the Audit risk report for 2024-25 had been carried out. She considered that the statutory recommendations that had been brought to Full Council earlier in the year would need additional time to be implemented. A balance sheet had been provided to consider new assets and liabilities as part of the new CIPFA code. New processes that had been brought into the finance department required new considerations and challenges.

The Committee noted the External Audit Plan

28. RISK MANAGEMENT

The Project Manager introduced the item to the Committee.

He informed the Committee that the spending and collection of CIL funds was going well and that the S106 agreements were under the supervision of the legal team. The S106s would be logged in digital forms. He explained the process of reaching S106 agreements and how the money is spent. Highweek Scout Hut would be funded by a S106 agreement. There was not yet an understanding of what would happen to CIL following Local Government Reorganisation.

The Committee also heard that there had been difficulties in ensuring some developers started work in the building of houses following the receipt of permission. The current housing target was 720. There was a need to locate small sites that could be developed by smaller developers.

It was proposed by Cllr Morgan and seconded Cllr Purser that the report be noted. All were in favour.

29. INTERNAL AUDIT ASSURANCE RATINGS

The Audit Manager introduced the item to the Committee. The item involved updating the assurance ratings given in line with CIPFA's recommendations. These ratings were substantial assurance, reasonable assurance, limited assurance, and no assurance.

The Committee noted the Internal Audit Assurance Ratings.

30. INTERNAL AUDIT PLAN

The Audit Manager introduced the Internal Audit Plan to the Committee. The new Global Internal Audit Standards had taken effect in April and would shape the Audit Planning going forward. Senior management engagement had improved in the ongoing audits. The mandate for internal audit was also included

in the report. Most of the audits would be carried out by Devon Audit Partnership, including the Strata Audit which Strata requests itself. The Audit Scrutiny Committee would be renamed Audit and Governance Committee, which would sign off Accounts and the Annual Governance Statement. The Constitution Review Group would continue its work with CFGS and the Monitoring Officer. DAP would be providing a refresher audit training session in September which was recommended for Committee Members. The Committee considered how the External Auditors would respond in the case of fraud, following input from the representative from Grant Thornton. It was noted that fraud in the public and private sectors had different causes and victims by the nature of who their customers are.

The Committee asked to see comparisons of current departmental audit results and previous audit results to ensure that they were improving.

It was proposed by Cllr Morgan and seconded by Cllr Nuttall that the Internal Audit Plan and Charter be approved.

A vote was taken and the result was unanimously in favour.

Resolved

That the Internal Audit Plan and Charter be approved.

31. INTERNAL AUDIT PROGRESS REPORT

The Audit Manager introduced the item to the Committee. It was noted that there were 4 more Audits to write reports for. The Annual Audit Opinion would be completed soon, however some services had needed extra time to respond to the audit work and findings.

The Committee noted the Internal Audit Progress Report.

32. LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985 - EXCLUSION OF PRESS AND PUBLIC

Under Section 100A(4) of the Local Government Act 1972, the press and public were excluded from the meeting of item 12 on the grounds that it involved the disclosure of exempt information as defined in Paragraph 7 of Part 1 of Schedule 12A of the Act.

33. FINANCIAL INSTRUCTIONS WAIVER AND EXEMPTIONS

The Audit Manager introduced the item to the Committee. The Committee considered the Financial Instructions Waiver included in the part 2 report. One of these waivers related to the purchase of specialised equipment that could only be acquired through a single supplier.

The Committee noted the financial instructions waivers and exemptions.

The meeting commenced at 10.00 am and finished at 12.10 pm.

CLLR S MORGAN
Chair

Teignbridge District Council

Sector Update Report

September 2025

The Local Authority Backstop

In the autumn of 2024, the government amended the Accounts and Audit Regulations, introducing a series of dates by which local authorities had to publish final sets of audited financial statements. By the second of these dates, 28 February 2025, approximately 40% of local authorities had received an unqualified opinion on their financial statements for 2023/24. The remaining 60% of audits were disclaimed as auditors had not been able to conclude work by the deadline. We are pleased to report that Grant Thornton issued unqualified opinions on 65% of our audits, well ahead of the national average.

Below we set out more details of how we and colleagues across the sector are working with regulators to help rebuild assurance for stakeholders.

Regaining assurance – guidance from the NAO

A major challenge for auditors in regaining assurance, and returning to an unqualified audit opinion, is that without undertaking audit work in respect of old year transactions (e.g. years which were not subject to an audit) there will be uncertainty as whether reserves have been properly accounted for.

The National Audit Office (NAO) has published a new set of guidance for auditors, as part of its Local Audit Reset and Recovery Guidance (LARRIG) series. This sets out key considerations that may assist auditors in regaining assurance at previously backstopped audits.

An audit approach to build back assurance

The LARRIG provides principles as well as indicative procedures which, with the application of professional judgement, enable the auditor to regain assurance in respect of opening balances. These include a framework for auditors to:

- Assess risk at an entity wide level
- Assess risk at a line item level including in respect of specific balances and reserves
- Determine a response to risk, including appropriate testing of prior year transactions.

Grant Funding for build back

The first priority at all audited bodies is to gain assurance regarding in year transactions and balances. This is the approach which we will adopt for 2024/25.

The Council has received grant funding of £42,388 under a Section 31 Grant Determination to support build-back. The government has set out its expectation that local authorities and audit firms work closely together to enable this build back to happen. We are currently piloting an approach at other local authorities which is intended to remove the disclaimer from future audit reports. We have begun discussions with the Chief Finance about how re-assurance can be best achieved at the council, including the appropriate timing of further audit work.

How you can support us

Timely preparation of draft accounts, high quality supporting working papers and sufficient resources are fundamental to the success of audit closedown and the regaining of assurance. We look for all local authorities to prioritise this and work with us to agree timescales for build back work.

Regaining assurance

Previous years' audits

Previous audits of the Authority's financial statements have been protracted and challenging. Significant Property, Plant & Equipment Valuation issues were identified during our 2020/21 audit, which meant that work was not concluded until May 2024. The council and audit team invested significant resource into discussing the issue and attempting to identify a resolution, however this ultimately led to a management imposed limitation of scope being required.

On 30 September 2024, the Accounts and Audit (Amendment) Regulations 2024 came into force. This legislation introduced a series of backstop dates for local authority audits, requiring audited financial statements to be published by certain dates. As a result of these backstop dates and the time taken to conclude the 2021/22 audit a disclaimer of opinion was issued for each of the 2021/22 and 2022/23 financial years on 18 November 2024. Despite efforts to conclude our work in 2023/24, we were unable to finalise work on the majority of areas, and subsequently a disclaimer of opinion was issued for the 2023/24 financial year on 25 February 2025 covering both opening and closing balances.

2024/25 and future years

The Authority is required to publish audited financial statements for the 2024/25 financial year by 27 February 2026. As a result of the disclaimer of opinion issued for the previous four financial years, we do not expect to be able to undertake sufficient work to support an unmodified audit opinion on the 2024/25 financial statements in advance of the backstop date.

A major challenge for auditors in regaining assurance, and returning to an unqualified audit opinion, is that without undertaking audit work in respect of old year transactions, where these were not subject to audit procedures, there will be uncertainty as whether reserves have been properly accounted for.

Regaining assurance (continued)

2024/25 and future years (continued)

The LARRIG provides principles as well as indicative procedures which, with the application of professional judgement, enable the auditor to regain assurance in respect of opening balances. These include a framework for auditors to:

- Assess risk at an entity wide level
- Assess risk at a line item level including in respect of specific balances and reserves
- Determine a response to risk, including appropriate testing of prior year transactions.

For many authorities a reasonable pathway exists through the application of the auditing standards to where the auditor may issue an opinion that is based upon sufficient appropriate audit evidence. The guidance is clear that the timeframe in which this may be achieved may vary depending on the circumstances of individual engagements. It is also clear that there may be authorities where it may not be possible to recover assurance solely through the application of the auditing standards.

The first priority at all audited bodies which have previously been backstopped is to gain assurance regarding in year transactions and closing balances for the current audit year. This is the approach which we will adopt over the coming months for your audit for 2024/25.

If we were to continue to complete planned work on in-year transactions and closing balances, with no issues arising, over the coming years we could regain assurance over many balances and transactions in the financial statements. The exception being the Authority's reserves balances. We set out on the next page a simplified illustration of how this assurance might build.

Timely preparation of draft accounts, sufficient resources to support the audit process and high quality supporting working papers are fundamental to the success of audit closedown and regaining assurance. We look for all local authorities to prioritise this in enabling the sector to return to balance. In addition, agreeing timescales for build back work will also be key.

Regaining assurance (continued)

R	No assurance
A	Partial assurance
G	Adequate assurance

The below is a simplified illustration of how assurance might build over the coming years' audits:

2024/25 audit process

	23/24	24/25	
CIES	R	A	No assurance over the opening 24/25 position
PPE	R	A	Assurance gained over valuations at 31/03/25
Pensions	R	A	Assurance gained over 2025 actuarial process
Other assets & liabilities	R	A	Elements may require >1 year to gain assurance
Reserves	R	R	No assurance over reserve balances at 31/03/24

2025/26 audit process

	24/25	25/26	
CIES	A	G	No assurance over the opening 24/25 position
PPE	A	A	Assurance gained over valuations at 31/03/26
Pensions	A	G	Triennial valuation of NPF completed and reported
Other assets & liabilities	A	G	Assurance over all material balances at 31/03/26
Reserves	R	R	No assurance over reserve balances at 31/03/24

2026/27 audit process

	25/26	26/27	
CIES	G	G	Assurance over transactions in both years
PPE	A	G	Assume rolling valuation programme complete
Pensions	G	G	Assurance over balances at both year-ends
Other assets & liabilities	G	G	Assurance over balances at both year-ends
Reserves	R	R	No assurance over reserve balances at 31/03/24

Reserves balances

The Authority is required to present its reserves balances in a prescribed manner, with distinct balances arising from statutory requirements and ringfences. These reserves are complex, and have no audit assurance for four years. In addition to this gap in assurance.

We will discuss with the Chief Finance Officer how re-assurance can be best achieved at your authority, including the appropriate timing of further audit work. Due to the additional risk factors discussed above, it may not be possible to fully recover assurance over these balances through audit procedures alone.

Webinar for Audit Committee members

We held a webinar for members of Audit Committees on 4th June 2025.

Delivered by Grant Thornton specialists and drawing on experience from across the sector, the webinar covered: How to prepare for devolution and reorganisation; and shared experiences from other reorganisations - with a focus on:

- Learning from the recent formation of eight new unitary councils between 2019 and 2023
- Progress by the eight new unitary councils in 2023/24
- How to successfully reorganise local government at the same time as implementing devolution
- Project management lessons learned for reorganisation
- Performance measurement lessons learned for reorganisation
- Governance lessons learned for reorganisation
- Other relevant findings from Auditors Annual Reports for 2023/24.

The recording of our webinar can be accessed here: [Audit committee webinar.](#)



Reorganisation update

March 2025:

Twenty-one two tier areas were invited by the Minister of State for Local Government and English Devolution to submit interim plans for reorganisation by 21 March 2025. Councils were asked to **“make every effort to work together to develop and jointly submit one proposal”** for each area. Finding the consensus necessary to achieve this has been a challenge though.

The Local Government Chronicle reports that the Minister received in reply at least 40 separate local government reorganisation (LGR) interim plan submissions; outlining across the replies at least 53 separate LGR options. From the replies, none of the 21 areas had agreed a final geography for new unitary councils.

May 2025:

Surrey was asked to submit its final proposal for reorganisation by 9 May 2025. Again though, consensus has not been achieved. The County Council put forward a final proposal for two unitaries on 30 April 2025; and one of the prominent Borough Councils put forward a final proposal for three unitaries a week or so later.

With so little consensus at this stage, moving to next steps may be difficult.



Expected next steps:

26 September 2025 - Deadline for areas in the Devolution Priority Programme to submit final proposals for reorganisation.

28 November 2025 - Deadline for all other areas to submit final proposals for reorganisation.



Recommended reading:

For these challenging times, three sets of material from Grant Thornton may be useful:

September 2024 - [Learning from the new unitary councils](#)

March 2025 - [Navigating the future: The dual challenge of local Government reorganisation and devolution | Grant Thornton](#)

March 2025 - [Dual delivery - How can areas successfully reorganise local government and implement devolution at the same time?](#)

Challenges faced by local authorities in implementing IFRS 16 (1)

IFRS 16 is an international accounting standard that changes how leases are reported in financial statements. It requires organisations to bring most leases onto the balance sheet, recognising both a right-of-use asset (the value of the leased item) and a lease liability (the obligation to make future lease payments). This change improves transparency by more comprehensively reporting the extent of an organisation's leasing commitments on the balance sheet. It replaces the previous distinction between operating and finance leases for lessees under IAS 17.

In the UK public sector, IFRS 16 is adopted through the CIPFA Code of Practice on Local Authority Accounting. After several deferrals, it is now mandatory for local authorities from 1 April 2024, impacting the 2024/25 financial year.

As local authorities prepare their 2024/25 financial statements and apply IFRS16 for the first time, several areas are proving particularly challenging. These challenges are not just technical — they have implications for governance, transparency, and the accuracy of financial reporting. The Audit Committee plays a key role in providing oversight and assurance. The table below sets out some areas which can present difficulties, along with suggested questions for finance teams and Audit Committees to consider.

Area of difficulty	Description	Challenge questions to ask the Finance team
Completeness of lease records	<p>One of the most fundamental requirements of IFRS 16 is that all lease arrangements must be identified and recorded. This includes not only formal lease contracts but also informal or embedded leases that may be part of broader service agreements.</p> <p>Many authorities conducted a one-off review of leases as they prepared for the transition but without ongoing processes, there is a risk that new leases entered into during the year may not be captured.</p> <p>This could result in incomplete or inaccurate entries in the financial statements.</p>	<p>(a) How does the finance team ensure that all lease agreements, including those entered after the initial review, are identified and properly recorded?</p> <p>(b) What approach does the finance team take to work with other departments in identifying and reporting lease arrangements, especially those that might be informal or embedded in other contracts?</p> <p>(c) What processes or controls are in place to keep the lease register accurate and up to date throughout the year?</p>

Challenges faced by local authorities in implementing IFRS 16 (2)

Area of difficulty	Description	Challenge question to ask the Finance team
<p>Holdover leases (expired leases still in use)</p> <p>15</p>	<p>In some cases, a property lease agreement may have ended but the authority continues to occupy and use the premises. These are known as holdover leases.</p> <p>The challenge here is determining whether the continued use of the asset creates a new lease under IFRS 16. This depends on whether there are still enforceable rights and obligations between the authority and the landlord. Making this assessment often requires legal judgment and careful documentation.</p> <p>The most challenging aspect of holdover leases is determining the lease term. Management must consider whether there is an implied contract, the term of the arrangement, and whether there are any continuing enforceable rights or obligations, as well as any significant costs or penalties from terminating the arrangement.</p>	<p>(a) Have any holdover leases been identified, and how has the finance team assessed whether these should be treated as leases under IFRS 16?</p> <p>(b) Where there was uncertainty, has legal advice been sought, and are the assumptions and judgments clearly documented?</p> <p>(c) What approach has been taken to determine the lease term for agreements that are open-ended or automatically renew?</p>
<p>Peppercorn or nominal rent leases</p>	<p>Some leases involve little or no payment — for example, a community building leased for £1 per year. These are known as peppercorn leases.</p> <p>Even though the payments are minimal, IFRS 16 requires the authority to recognise a right-of-use asset on its balance sheet at fair value. This can be difficult, especially if there is no recent valuation or if the asset is unique.</p>	<p>(a) Have any lease arrangements been identified where the payments are nominal or zero? If so, how have these been assessed under IFRS 16?</p> <p>(b) What process has been followed to determine the fair value of the right-of-use assets in these cases?</p> <p>(c) Is there sufficient documentation and evidence to support the valuation approach taken?</p>

Challenges faced by local authorities in implementing IFRS 16 (3)

Area of difficulty	Description	Challenge question to ask the Finance team
Lease modelling and use of external advisors	<p>Some authorities have relied on external advisors to calculate the lease liabilities and right-of-use assets required under IFRS 16.</p> <p>While this can be helpful, it has created challenges where the advisors have not provided the underlying data or assumptions used in the calculations. Without this information, it becomes difficult for the finance team to explain or support the figures in the accounts.</p>	<p>(a) Have external advisors been involved in the lease accounting process, and if so, do they have access to the detailed inputs and assumptions used in the calculations?</p> <p>(b) Can the finance team fully explain and support the lease figures presented in the financial statements?</p> <p>(c) What documentation and internal checks are in place to ensure the accuracy and completeness of lease calculations and disclosures?</p>
Variable lease payments linked to indices or rates	<p>Some lease payments vary based on inflation or other financial indices. For example, a lease might include annual increases linked to the Consumer Prices Index (CPI).</p> <p>Under IFRS 16, the authority must estimate future payments based on known changes to these indices. This requires careful judgment and can affect the accuracy of the lease liability recorded.</p>	<p>(a) How has the finance team addressed lease arrangements that include variable payments?</p> <p>(b) Have known changes to inflation rates or other relevant indices been factored into the lease calculations, and how has this been documented?</p>
Group leases and consolidation	<p>In some cases, leases exist between a council and its wholly owned subsidiary, or arrangements between a police and crime commissioner and the chief constable may in some circumstances meet the definition of a lease.</p> <p>These leases must be included in the individual accounts and then adjusted on consolidation. This can be complicated, especially if different entities within the group use different accounting standards.</p>	<p>(a) How has the finance team identified and accounted for lease arrangements between group entities?</p> <p>(b) What steps have been taken to align accounting policies in preparing group accounts?</p> <p>(c) How are intra-group leases treated in the consolidated financial statements, and what documentation supports this treatment?</p>

Making decisions

With so much changing in local government, and across the UK economy, making good decisions has perhaps never been more important. Two recent major publications on decision-making for mayoral combined authorities and public sector mega-projects both include content that may be useful for strategic and complex decision-making at other levels of government.

Strategic decision-making:

The Institute for Government published advice in March 2025 on [“How the government can support better decision making in mayoral combined authorities”](#).

To enhance capacity and accountability for strategic decisions, councils need to:

- Provide good technical and administrative resource to ensure that the plans members are voting on are well designed.
- Consider utilising digital tools for community engagement.
- Embed participatory processes, including peer research projects, to inform and support policy making.



Complex decision-making:

The National Audit Office published a report in March 2025 on: [Lessons learned: Governance and decision-making on mega-projects](#)

To improve decision-making for the most complex projects, Councils need to:

- Adopt governance arrangements that reflect the main risks to delivery and to achieving value for money.
- Map out the decision pathway, setting out which decisions will need to be made when, and by whom.
- Ensure those charged with governance over complex projects have the skills, qualification and experience needed to make decisions on the projects.



Homelessness

In May 2025, a new report by the Institute for Government highlighted how local authority spending on homelessness has nearly trebled in real terms over the last 14 years, and yet the number of homeless people has continued to rise, now reaching record proportions:

Local authority spending on homelessness in real terms (2024/25 prices):

- 2010/11: £1.3 billion.
- 2024/25: £3.1 billion.

Local authority median spend on homelessness as a % of all median spend:

18 2010/11: 18%.

- 2023/24: 54%.

Changes in the level of homelessness:

- 2010/11 to 2024/25: More than doubled.
- September 2024: 126,040 households living in temporary accommodation.



The Institute for Government (IFG) highlights that we need to focus not just on how much is spent, but also on what we spend it on. Local authorities often end up spending most of their budget, plus homelessness prevention grants and rough sleeper grants, on acute responses to homelessness. These are often exorbitantly expensive and come at the cost of underlying prevention work. IFG suggests also that individual local authorities work at too small a scale to tackle the extent of the homelessness problem – and that stronger place-based approaches are needed.

A recent report by the [Local Government Chronicle](#) looks at a similar issue through a different lens, suggesting that stronger investment in counter fraud would help slash some of the escalating spend on temporary accommodation.

Although they come at the issue of spend on homelessness from different angles, both reports indicate that challenging **how** the budget is spent, **and on what**, is more important than simply asking what the budget is.



Housing targets and housing enquiry

Figures from the [Office for Budget Responsibility](#) on 26th March 2025 indicate that changes to the planning system mean that housebuilding is at a 40-year high and that 1.3 million new homes will be built across the UK by the end of this decade.

Provisional figures from [Homes England](#) on 20th May 2025 suggest that the agency exceeded its overall targets for new housing starts and completions in 2024/25, for the second year running.

Nevertheless, the government continues to look at even more new ways of opening-up housebuilding and development activity. The UK parliament is now calling for evidence from anyone who can contribute to an enquiry around the effectiveness of the current system for developer contributions.

In 2022/23, some 44% of affordable housing was provided through Section 106 agreements. Parliament wants to consider whether:

- The current system is understandable and accessible to stakeholders;
- Local Planning Authorities are receiving the correct support from MHCLG to ensure they can efficiently and effectively collect and spend developer contributions;
- The Ministry of Housing, Communities and Local Government's (MHCLG's) oversight of the system is effective; and
- MHCLG can learn and apply lessons to the process.

A [National Audit Office](#) report on the Section 106 system is due out in the summer. In the meantime, the deadline for providing evidence to the enquiry is 16th June 2025.

If you want to contribute to the enquiry, please give your evidence here:

[Call for Evidence - Committees - UK Parliament](#)



Complaints data from the Local Government and Social Care Ombudsman



20 Local Government &
Social Care
OMBUDSMAN

Annual 2024/25 complaints statistics have just been published for each Council by LGSCO: [Your council's performance](#).

This is an earlier publication date for the statistics than in other years – because the Ombudsman is responding to requests that the timetable be made to fit better with Council complaint reporting cycles. LGSCO has also responded to Council requests by including absolute numbers in the data, so that the emphasis is shifted away from percentages (in upheld, satisfactory remedies and compliance) and better context is given.

A very clear traffic light rating system has been adopted – and both Councils and residents will be able to see immediately how well their area fares.

Complaints data is an important tool for judging where energy needs to be directed for risk and performance management. Context and proportion are important as well though for judging overall performance; and earlier data is generally more useful than later data. The improvements made this year to timing and presentation will help Councils and their members make the most of the valuable resource that LGSCO provides.

Climate change - new role for the Energy Ombudsman

The Energy Ombudsman took on a new role on 1 April 2025, as the official dispute resolution body for Great Britain's heat network customers.

The [Association for Decentralised Energy \(ADE\)](#) estimates that heat networks, are projected to unlock £100 billion in UK infrastructure investment by 2050, while at the same time cutting carbon emissions. The sector is poised to play a central role in the UK's net-zero transition.

ADE estimates that most consumers are happy with the experience they have of using heat networks. Nevertheless, having an official ombudsman role boosts the credibility of the industry.

As major providers in the field, Councils do need to be aware of the new dispute resolution arrangements. The Ombudsman invited providers to register with them in the run up to 1 April. Anyone who has not done so yet, should register now so that they can keep abreast with the changes ongoing.

Register here: [Join our Heat Network Supplier scheme | Energy Supplier Portal](#)



Climate change – new report on generating hope

Great British Energy recently announced £10 million of funding for a local government partnership to build clean energy power.

We know that each mayoral strategic authority in England will be invited to apply for a share of the funding, but there is little other detail available yet.

Localis have shared thoughts on how Great British Energy and the metro mayors can build clean power in every part of the country, starting with four simple steps:

- Provide robust data and measurement mechanisms for monitoring and evaluation.
- 2 Target quantifiable benefits to local communities.
- Develop financial instruments such as Community Municipal Investments and Green Bonds to help support local communities.
- Embed Green Public Procurement in their procurement of energy services and utilities.

For a full copy of the Localis Report, see:

“Generating Hope: Local Power in Partnership”



Audit Committee resources

The Audit Committee and organisational effectiveness in local authorities (CIPFA):

<https://www.cipfa.org/services/support-for-audit-committees/local-authority-audit-committees>

LGA Regional Audit Forums for Audit Committee Chairs

These are convened at least three times a year and are supported by the LGA. The forums provide an opportunity to share good practice, discuss common issues and offer training on key topics. Forums are organised by a lead authority in each region. Please email ami.beeton@local.gov.uk LGA Senior Adviser, for more information.

Global Internal Audit Standards

[Global Internal Audit Standards](#)

Code of Audit Practice for local auditors (NAO):

<https://www.nao.org.uk/code-audit-practice/>

Governance risk and resilience framework: material for those with a leadership responsibility on good governance (CfGS):

<https://www.cfgs.org.uk/material-for-those-with-a-leadership-responsibility-on-good-governance/>

The Three Lines of Defence Model (IAA)

<https://www.theiia.org/globalassets/documents/resources/the-iias-three-lines-model-an-update-of-the-three-lines-of-defense-july-2020/three-lines-model-updated-english.pdf>

Risk Management Guidance / The Orange Book (UK Government):

<https://www.gov.uk/government/publications/orange-book>

CIPFA Guidance and Codes

The following all have a charge, so do make enquiries to determine if copies are available within your organisation.

Audit Committees: Practical Guidance For Local Authorities And Police

<https://www.cipfa.org/policy-and-guidance/publications/a/audit-committees-practical-guidance-for-local-authorities-and-police-2022-edition>

Delivering Good Governance in Local Government

<https://www.cipfa.org/policy-and-guidance/publications/d/delivering-good-governance-in-local-government-framework-2016-edition>

Financial Management Code

<https://www.cipfa.org/fmcode>

Implementing Global Internal Audit Standards

[Global Internal Audit Standards in the UK Public Sector](#)

Prudential Code

<https://www.cipfa.org/policy-and-guidance/publications/t/the-prudential-code-for-capital-finance-in-local-authorities-2021-edition>

Treasury Management Code

<https://www.cipfa.org/policy-and-guidance/publications/t/treasury-management-in-the-public-services-code-of-practice-and-crosssectoral-guidance-notes-2021-edition>



© 2025 Grant Thornton UK LLP. All rights reserved.

© 2024 Grant Thornton. All rights reserved. which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, either context requires. Grant Thornton UK LLP is a member firm of Grant Thornton International, Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is the separate legal entity. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are jointly and severally liable for loss occasioned to any person acting or refraining from acting as a result of any material in this publication.

Teignbridge District Council

Audit

2 September 2025

Part i

2024/25 DRAFT FINAL ACCOUNTS & TREASURY MANAGEMENT

Purpose of Report

To introduce Members to the draft final accounts for 2024/25. Update on the latest treasury management lending list and draft results for 2024/25.

Recommendation(s)

The Audit Committee note:

- (1) That the draft statement of accounts for 2024/25 have been published**
- (2) The current authorised lending list at appendix 1**
- (3) The draft treasury management results for 2024/25 at appendix 2**

Financial Implications

The financial implications are contained throughout the report. The main implication is that the accounts have been closed and general reserves are higher than the original budgeted level anticipated at 31 March 2025 – being £2.5 million rather than £2.4 million. See section 3.

Martin Flitcroft – Chief Finance Officer

Email: martin.flitcroft@teignbridge.gov.uk

Legal Implications

See section 7 – 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 – Chief Finance Officer

Email: martin.flitcroft@teignbridge.gov.uk

Risk Assessment

Major risks are summarised in section 6. 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 – Chief Finance Officer

Email: martin.flitcroft@teignbridge.gov.uk

Environmental/ Climate Change Implications

The revenue budget supports the funding of a Climate Change Officer and associated budget – see section 9.

David Eaton – Head of Neighbourhoods
Email: david.eaton@teignbridge.gov.uk

Report Author

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

Executive Member

Councillor John Parrott – Executive Member for Corporate Resources

Appendices/Background Papers

Appendix 1 – Treasury management lending list
Appendix 2 – Draft Treasury management results 2024/25

1. PURPOSE

- To introduce Members to the draft statement of accounts for 2024/25
- To report the latest treasury management lending list as shown in Appendix 1
- To report on the draft financial results of the treasury management function for the year ended 31 March 2025 as shown in Appendix 2

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 regulations set a date by which we should publish the statement of accounts which for 2024/25 is 30 June 2025. We published on 4 July 2025 – slightly later than the prescribed date due to significant challenges to produce the accounts including availability of resources, implementation of a new accounting standard, delays in receipt of asset valuations from external providers and liaising with the auditors on a prior year adjustment and working through the amendments required to determine changes to opening balances etc. Production of the accounts is also a challenge due to having to produce group accounts to incorporate our share of the Strata transactions on a line by line basis throughout the

document. The accounts for 2024/25 have to be approved by 27 February 2026 as part of the back stop arrangements to clear the audit back log.

- 2.2** The audit of the statement of accounts for 2023/24 was not fully completed so we received an audit opinion on those accounts to reflect that position and to reflect the disagreement in relation to a transaction in the accounts from 2021/22 in relation to SANGS. We have been working with Grant Thornton to establish a resolution to the difference of opinion and have found some guidance from CIPFA which we believe facilitates the changes we have now made in the 2024/25 accounts. These proposed changes have been communicated to Grant Thornton and they have advised that they will commence their audit of the 2024/25 accounts in the Autumn.
- 2.3** The availability of the accounts and records for inspection by interested persons has been advertised on the website www.teignbridge.gov.uk/statementofaccounts see Draft Statement of Accounts 2024/25. This also advises that the external auditor will be accessible to receive in writing any objections to the accounts from 7 July 2025 to 15 August 2025.
- 2.4** An updated treasury management statement and authorised lending list was approved at the 2025 February budget meeting. This was based on the latest edition of the treasury management code published by the Chartered Institute of Public Finance & Accountancy (CIPFA). The statement is detailed in section 4 below and is shown for information at Appendix 1.

3 DRAFT STATEMENT OF ACCOUNTS 2024/25

- 3.1** The draft statement of accounts has been certified by Martin Flitcroft as the responsible finance officer and is available on the website. www.teignbridge.gov.uk/statementofaccounts see public inspection notice Audit of Accounts 31 March 2025 in the downloads section. The final version will be brought to the next appropriate meeting of Audit Committee Members with further explanation for consideration and recommendation to Council once we know that the audit has been completed.
- 3.2** A brief explanation and overview of the figures is given in the narrative statement on pages 8 to 21. Capital expenditure and details of property, plant and equipment are given in the balance sheet on page 33 and relevant notes 14 to 16 and 23 from page 67. Reserves are shown on the balance sheet and analysed on page 33. The draft closing general reserves at 31 March 2025 of £2.500 million are an improvement on the original budget of £100,000 but in line with the February 2025 probable budget proposals to increase general reserves to £2.5 million.
- 3.3** An analysis of the variations to **original budget** is contained within the narrative statement. These have arisen mainly because of the increase in income from leisure memberships and other leisure income, however others have reduced e.g. planning application fees. Interest received on

investment income was significantly higher due to the increased interest rates. Savings were made in expenditure in many areas including staffing, water, gas, electricity, rates and fuel. Some costs have risen including bed and breakfast costs, audit fees, insurance and other miscellaneous costs. Further Government grants were received to assist with new burdens.

The summary of net expenditure to the original budget set for 2024/25 is detailed below and reconciled to the detail in the narrative statement on page 13 of the draft 2024/25 statement of accounts. Whilst the net expenditure is shown at a higher figure than the original budget this is due to previous carry forward funds being used to finance these spends rather than a budget pressure itself and further expenditures e.g. election expenses funded by grant.

The analysis of the (under) / overspends and income variations are analysed below.

Rates payable (£0.220) million
Staffing costs (£0.803) million
Audit fees £0.207 million
Fuel / travel costs (£0.255) million
Leisure membership income (£0.480) million
Interest received (£0.716) million
Contractors / Strata costs £0.528 million
Planning application income £0.140 million
Bed & breakfast costs £0.343 million
Miscellaneous cost £0.228 million
Purchase/maintenance of equipment £0.082 million
Repairs and maintenance £0.190 million
Electric/gas (£0.143) million
Other fees £0.192 million
Building cleaning £0.048 million
External support/ consultants £0.420 million
Legal fees £0.032 million
Insurance £0.211 million
Subscriptions (£0.094) million
Fees and charges (£0.361) million
Car park income (£0.232) million
Building control income £0.200 million
Recycling credits £0.033 million
Revenue contributions to capital outlay £0.914 million
Member/staff training/recruitment £0.114 million
Furniture & fittings £0.064 million
Printing/postage/stationery/advertising £0.249 million
Local Plan £0.076 million
Improvements £0.050 million
Other election costs £0.189 million
Bad debts £0.368 million

The total adverse (favourable) variance above totals £1.574 million adverse but as mentioned above mainly funded through programmed reserves.

The Modern 25 agenda contributed to new and continuing savings to balance the books to include reduction in grants paid, increases in income for concessions & other income, increased CIL income allocation to revenue, using grants received to fund substantive posts, new charges for pest control etc.

The **probable budget** approved in February 2025 assumed a £314,670 use of the earmarked funding reserve for 2024/25. The actual use of the funding reserve was £306,000 - a favourable difference of £8,670. Savings were made to ensure this reserve usage was minimised and the invest to save reserve could be topped up by £100,000 to £500,000 as recommended by the recent Peer review.

The **savings compared to probable budget** included salaries, gas, electricity, water, fuel, repairs & maintenance, equipment purchases & maintenance, use of contractors/consultants/external support and increased income from interest received and leisure membership fees. These savings were mainly offset by additional costs for audit fees, insurance, revenue contributions to capital, reduction in other income and sales.

4. TREASURY MANAGEMENT AUTHORISED LENDING LIST (Appendix 1)

- 4.1** The authorised treasury management lending list was approved at the 2025 February budget meeting. Officers continue to monitor all ratings to ensure they meet the Council's lending criteria.
- 4.2** The lending list has been updated for the latest ratings and is included at appendix 1. Close Brothers Ltd and Leeds Building Society have moved from Tier 2 to Tier 3.

5. TREASURY MANAGEMENT RESULTS 2024/25 (Appendix 2)

- The financial results of the treasury management function are reported to Council in accordance with the Chartered Institute of Public Finance and Accountancy 'Treasury Management Code 2021'. Teignbridge's lending has been carried out in accordance with its defined strategy and with adherence to its restricted list of approved investment institutions. There was no long term borrowing in 2024/25. Current forecasts do not anticipate long-term external borrowing during 2025/26 or 2026/27, however this is dependent on the rate of progress of capital schemes.
- The Council's treasury team continue to use internal borrowing in order to minimise interest costs. As at the end of 2024/25, the capital financing requirement (CFR) (underlying need to borrow) was £35.353 million. Following the implementation of IFRS16 from 1 April 2024 the CFR has been inflated by the leases we have for a number of transactions but principally in

relation to the refuse vehicles. By using existing balances to fund this internally during 2024/25 rather than borrowing externally, the Council saved around £195,950 over the year. This is based on the cost of borrowing 50% of CFR at the PWLB's 2024/25 average 10-year certainty rate and 50% at the 2024/25 average 25-year certainty rate (less potential interest earned at the average rate of 4.96%). Any borrowing which is undertaken will be in line with the Council's prudential indicators and treasury management strategy which were approved at the February 2025 Council budget meeting.

- The average funds available for investment increased in 2024/25 by £0.55 million to £40.26 million, from £39.71 million in 2023/24. This is mainly due to an increase in capital grants unapplied.
- Net interest earned has increased from £1,936,259 in 2023/24 to £1,995,833 in 2024/25. The average rate achieved was 4.88% in 2023/24 and 4.96% in 2024/25. The Bank of England's base rate decreased three times during the year, from 5.25% as at 1 April 2024 to 4.50% by March 2025.
- Following a cut to 4.25% in May 2025, the Bank of England Monetary Policy Committee (MPC) cut base rate to 4.00% at the August 2025 meeting. The bank reaffirmed that "a gradual and careful approach to the further withdrawal of monetary policy restraint remains appropriate". Future rate reductions will depend on the course which inflation takes. The Council's treasury management advisers forecast that bank rate will have reduced to 3.75% by the end of March 2026 and fallen further to 3.5% by the end of 2026-27.
- Following the withdrawal of LIBOR rates, the benchmark being used is now the compounded 12-month SONIA (Sterling Overnight Index Average), which represents the actual rates at which banks lend to one another. For 2024/25, this rate was 5.07%. In 2024/25 this was 5.02%. The slightly lower Teignbridge average is reflective of the need to keep a proportion of investments liquid in order to manage day to day cash-flow.
- Full details of draft treasury management results and prudential indicators are shown in Appendix 1.

6. RISKS

The major risks to be aware of are around future funding and the adequacy of reserves going forward. General reserves are maintained at a value higher than originally budgeted and earmarked reserves have been increased to help deal with future forecast funding changes and potential reductions in income. Further clarity is required on the level of Government support. These risks may impact 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 could qualify the accounts.

7. MAIN IMPLICATIONS

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

7.1 Legal

The Financial Accounts for 2024/25 need to be produced and audited in accordance with the Accounts & Audit Regulations 2015.

Monitoring and reporting of the treasury management results is required by the CIPFA Treasury Management Code.

7.2 Resources

The report notes that general reserves have been increased to a level higher than originally budgeted at 31 March 2025 and interest earned in 2024/25 from treasury management has increased from that obtained in 2023/24.

8. GROUPS CONSULTED

The draft accounts have been advertised as available for inspection and are available on the website. We await the commencement of the audit work required by the external auditors.

9. ENVIRONMENTAL/CLIMATE CHANGE IMPACT

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

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

10.00 a.m. on 9 September 2025

This page is intentionally left blank

TEIGNBRIDGE DISTRICT COUNCIL TREASURY MANAGEMENT:
AUTHORISED LENDING LIST FROM 02 SEPTEMBER 2025

The current authorised lending list has been updated to take account of changes in ratings and banks and is shown below for approval. The list applies both to investments made direct with counterparties and those placed via agency or custody arrangements with third parties such as treasury advisors or financial management companies. The use of such arrangements provides access to a wider range of counterparties (all of which must be included on the list below and assessed on the same security criteria).

Specified Investments

Type of Lender	Details	
1. Current Banker	Lloyds Bank	£3,000,000 limit
2. Local Authorities	All	No limit
3. UK Debt Management Office Deposit Facility (UK government AA-/Aa3/AA rated) no limit.		
4. UK Treasury Bills (UK government AA-/Aa3/AA rated) no limit.		
5. Top UK-registered Banks and Building Societies, subject to satisfactory ratings. Updated below to reflect information provided by treasury advisors.		

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

6. Money market funds, subject to maintenance of AAAmf rating.		
CCLA Public Sector Deposit Fund	AAAmf	£3,000,000 limit
Abrdn Liquidity Fund	AAAmf	£3,000,000 limit
Blackrock Liquidity Fund	AAAmf	£3,000,000 limit
LGIM Liquidity Fund	AAAmf	£3,000,000 limit
Morgan Stanley Liquidity Fund	AAAmf	£3,000,000 limit
7. Non-specified: CCLA Property and Diversified Income Funds - £2,000,000 limit		

TEIGNBRIDGE DISTRICT COUNCIL TREASURY MANAGEMENT:
AUTHORISED LENDING LIST FROM 02 SEPTEMBER 2025

Bank regulations force banks to maintain “capital buffers”, classifying their deposits according to duration. Instant access accounts and short deposits are not attractive to banks as they cannot be counted towards those buffers. For this reason, interest rates on most “call” accounts remain lower than fixed deposits.

Other Non-specified investments

These will be considered on a case-by case basis, using the decision-making framework laid out in the Commercial Strategy and the requirements of the Prudential Code and Statutory Guidance on Investments and Minimum Revenue Provision.

Investments which may be considered include

- Renewable energy/social impact investments

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

- Lending in instances where doing so would protect the local economy

Teignbridge District Council Treasury Management Year End Review 2024-25

Teignbridge District Council has adopted CIPFA's *Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes 2021 Edition*. One of the requirements is the provision of a year-end report of treasury management activities.

Activities Undertaken: Daily lending and borrowing from 1 April 2024 to 31 March 2025:

Fixed lending

Shaded rows indicate start or end dates falling into other years. Interest shown relates to those days in 2024-25.

Borrower	Rate (%)	Amount	Start date	End date	Days in year	Interest (£)
Nationwide	4.630	1,000,000	15/05/2023	13/05/2024	42	5,327.67
Lloyds	5.300	1,000,000	22/09/2023	20/09/2024	172	24,975.34
Blackpool Council	5.550	3,000,000	15/01/2024	19/04/2024	18	8,210.96
West Berkshire Council	5.630	1,000,000	15/01/2024	17/06/2024	77	11,876.99
Debt Management Office	5.180	3,000,000	15/01/2024	19/04/2024	18	7,663.56
Santander	5.300	1,000,000	16/01/2024	15/01/2025	289	41,964.38
Debt Management Office	5.180	3,000,000	01/02/2024	19/04/2024	18	7,663.56
Debt Management Office	5.180	1,000,000	09/02/2024	19/04/2024	18	2,554.52
Debt Management Office	5.190	500,000	15/02/2024	08/04/2024	7	497.67
Debt Management Office	5.190	1,500,000	15/02/2024	22/04/2024	21	4,479.04
Debt Management Office	5.190	1,000,000	15/02/2024	23/04/2024	22	3,128.22
Debt Management Office	5.190	1,500,000	15/02/2024	26/04/2024	25	5,332.19
Debt Management Office	5.190	1,000,000	01/03/2024	19/04/2024	18	2,559.45
Debt Management Office	5.190	2,500,000	01/03/2024	26/04/2024	25	8,886.99
Debt Management Office	5.190	1,000,000	05/03/2024	30/04/2024	29	4,123.56
Debt Management Office	5.185	500,000	21/03/2024	30/04/2024	29	2,059.79

Appendix 2

Borrower	Rate (%)	Amount	Start date	End date	Days in year	Interest (£)
Debt Management Office	5.185	500,000	25/03/2024	30/04/2024	29	2,059.79
Lloyds	5.290	500,000	27/03/2024	30/04/2024	29	2,101.51
Debt Management Office	5.175	5,000,000	02/04/2024	28/05/2024	56	39,698.63
Debt Management Office	5.190	1,000,000	04/04/2024	05/04/2024	1	142.19
Debt Management Office	5.190	1,000,000	15/04/2024	03/05/2024	18	2,559.45
Debt Management Office	5.190	4,000,000	15/04/2024	20/05/2024	35	19,906.85
Debt Management Office	5.190	1,500,000	15/04/2024	23/05/2024	38	8,104.93
Debt Management Office	5.190	1,000,000	16/04/2024	17/04/2024	1	142.19
Debt Management Office	5.190	1,000,000	17/04/2024	19/04/2024	2	284.38
Debt Management Office	5.195	1,000,000	19/04/2024	28/05/2024	39	5,550.82
Debt Management Office	5.190	1,000,000	25/04/2024	28/05/2024	33	4,692.33
Debt Management Office	5.190	1,000,000	30/04/2024	28/05/2024	28	3,981.37
Debt Management Office	5.195	2,500,000	01/05/2024	28/05/2024	27	9,607.19
Debt Management Office	5.200	2,500,000	01/05/2024	19/06/2024	49	17,452.05
Debt Management Office	5.190	2,000,000	03/05/2024	03/07/2024	61	17,347.40
Debt Management Office	5.185	1,000,000	07/05/2024	21/06/2024	45	6,392.47
Debt Management Office	5.165	1,000,000	08/05/2024	22/07/2024	75	10,613.01
Debt Management Office	5.175	1,000,000	13/05/2024	03/07/2024	51	7,230.82
Debt Management Office	5.190	3,000,000	15/05/2024	16/05/2024	1	426.58
Debt Management Office	5.190	3,000,000	15/05/2024	03/06/2024	19	8,104.93
Debt Management Office	5.175	2,000,000	15/05/2024	03/07/2024	49	13,894.52
Debt Management Office	5.180	3,000,000	16/05/2024	03/07/2024	48	20,436.16
Cheshire East Council	5.150	3,000,000	03/06/2024	17/03/2025	287	121,483.56
Aberdeen City Council	5.150	3,000,000	17/06/2024	17/03/2025	273	115,557.53

Appendix 2

Borrower	Rate (%)	Amount	Start date	End date	Days in year	Interest (£)
Blackpool Council	5.250	3,000,000	17/06/2024	18/10/2024	123	53,075.34
Debt Management Office	5.180	1,000,000	20/05/2024	03/07/2024	44	6,244.38
Debt Management Office	5.200	1,500,000	30/05/2024	03/07/2024	34	7,265.75
Debt Management Office	5.205	1,000,000	31/05/2024	23/07/2024	53	7,557.95
Debt Management Office	5.200	1,000,000	03/06/2024	22/07/2024	49	6,980.82
Debt Management Office	5.210	4,000,000	03/06/2024	08/08/2024	66	37,683.29
Debt Management Office	5.190	1,000,000	04/06/2024	03/07/2024	29	4,123.56
Debt Management Office	5.190	1,000,000	20/06/2024	08/08/2024	49	6,967.40
Debt Management Office	5.190	1,000,000	28/06/2024	01/07/2024	3	426.58
Debt Management Office	5.185	5,500,000	01/07/2024	08/08/2024	38	29,689.45
Debt Management Office	5.030	1,000,000	05/07/2024	03/01/2025	182	25,081.10
Debt Management Office	5.150	1,000,000	10/07/2024	12/08/2024	33	4,656.16
Debt Management Office	5.030	1,000,000	11/07/2024	03/01/2025	176	24,254.25
Debt Management Office	5.120	7,000,000	15/07/2024	13/09/2024	60	58,915.07
Debt Management Office	5.140	1,000,000	23/07/2024	19/08/2024	27	3,802.19
Debt Management Office	5.070	1,000,000	30/07/2024	19/08/2024	20	2,778.08
Debt Management Office	5.030	2,000,000	01/08/2024	23/08/2024	22	6,063.56
Debt Management Office	4.945	3,000,000	01/08/2024	13/09/2024	43	17,476.85
Debt Management Office	4.920	1,000,000	05/08/2024	13/09/2024	39	5,256.99
Debt Management Office	4.760	8,000,000	15/08/2024	07/02/2025	176	183,618.63
Debt Management Office	4.940	1,000,000	23/08/2024	09/09/2024	17	2,300.82
Debt Management Office	4.930	1,000,000	28/08/2024	19/09/2024	22	2,971.51
Debt Management Office	4.940	1,000,000	02/09/2024	19/09/2024	17	2,300.82
Debt Management Office	4.940	1,000,000	02/09/2024	23/09/2024	21	2,842.19

Appendix 2

Borrower	Rate (%)	Amount	Start date	End date	Days in year	Interest (£)
Debt Management Office	4.935	2,000,000	02/09/2024	27/09/2024	25	6,760.27
Debt Management Office	4.930	1,000,000	02/09/2024	07/10/2024	35	4,727.40
Debt Management Office	4.925	1,000,000	02/09/2024	18/10/2024	46	6,206.85
Debt Management Office	4.930	500,000	13/09/2024	27/09/2024	14	945.48
Debt Management Office	4.900	1,000,000	16/09/2024	23/09/2024	7	939.73
Debt Management Office	4.890	4,500,000	16/09/2024	18/10/2024	32	19,292.05
London Borough of Waltham Forest	4.850	3,000,000	16/09/2024	16/05/2025	242	78,530.14
Blackpool Council	4.900	3,000,000	18/10/2024	19/05/2025	213	66,452.05
Debt Management Office	4.890	1,000,000	17/09/2024	18/10/2024	31	4,153.15
Lloyds	4.950	1,000,000	20/09/2024	18/10/2024	28	3,797.26
Debt Management Office	4.940	4,000,000	01/10/2024	18/10/2024	17	9,203.29
Debt Management Office	4.940	1,000,000	01/10/2024	21/10/2024	20	2,706.85
Debt Management Office	4.940	1,000,000	14/10/2024	21/10/2024	7	947.40
Debt Management Office	4.865	6,000,000	15/10/2024	25/11/2024	41	32,788.77
Debt Management Office	4.940	1,000,000	15/10/2024	23/10/2024	8	1,082.74
Debt Management Office	4.940	1,000,000	15/10/2024	25/10/2024	10	1,353.42
Lloyds	4.860	1,000,000	18/10/2024	19/11/2024	32	4,260.82
Debt Management Office	4.940	1,000,000	29/10/2024	04/11/2024	6	812.05
Debt Management Office	4.805	1,000,000	01/11/2024	19/11/2024	18	2,369.59
Debt Management Office	4.790	4,000,000	01/11/2024	25/11/2024	24	12,598.36
Falkirk Council	5.050	3,000,000	15/11/2024	03/01/2025	49	20,338.36
Debt Management Office	4.765	1,000,000	04/11/2024	22/11/2024	18	2,349.86
Debt Management Office	4.745	500,000	05/11/2024	18/11/2024	13	845.00
Debt Management Office	4.700	500,000	15/11/2024	25/11/2024	10	643.84

Appendix 2

Borrower	Rate (%)	Amount	Start date	End date	Days in year	Interest (£)
Debt Management Office	4.710	2,000,000	15/11/2024	19/12/2024	34	8,774.79
Debt Management Office	4.705	1,250,000	15/11/2024	30/12/2024	45	7,250.86
Debt Management Office	4.705	1,000,000	15/11/2024	03/01/2025	49	6,316.30
Debt Management Office	4.700	1,000,000	02/12/2024	19/12/2024	17	2,189.04
Debt Management Office	4.700	3,200,000	02/12/2024	03/01/2025	32	13,185.75
South Lanarkshire Council	5.000	3,000,000	16/12/2024	07/02/2025	53	21,780.82
Debt Management Office	4.700	1,500,000	16/12/2024	03/01/2025	18	3,476.71
Debt Management Office	4.695	1,900,000	16/12/2024	20/01/2025	35	8,553.90
Debt Management Office	4.690	1,500,000	16/12/2024	27/01/2025	42	8,095.07
Debt Management Office	4.710	1,000,000	02/01/2025	23/01/2025	21	2,709.86
Debt Management Office	4.695	500,000	02/01/2025	10/02/2025	39	2,508.29
Debt Management Office	4.675	2,500,000	02/01/2025	19/02/2025	48	15,369.86
Debt Management Office	4.670	1,500,000	02/01/2025	21/02/2025	50	9,595.89
Debt Management Office	4.665	1,500,000	02/01/2025	24/02/2025	53	10,160.75
Debt Management Office	4.700	1,500,000	15/01/2025	17/01/2025	2	386.30
Debt Management Office	4.580	1,000,000	15/01/2025	17/03/2025	61	7,654.25
Debt Management Office	4.580	2,500,000	15/01/2025	19/03/2025	63	19,763.01
Debt Management Office	4.575	1,000,000	15/01/2025	21/03/2025	65	8,147.26
Debt Management Office	4.575	1,500,000	15/01/2025	24/03/2025	68	12,784.93
Debt Management Office	4.550	1,000,000	17/01/2025	17/04/2025	90	9,224.66
Debt Management Office	4.535	2,000,000	22/01/2025	28/03/2025	65	16,152.05
Debt Management Office	4.470	1,000,000	03/02/2025	23/04/2025	79	6,980.55
Debt Management Office	4.470	1,500,000	03/02/2025	17/04/2025	73	10,470.82
Debt Management Office	4.485	500,000	03/02/2025	10/03/2025	35	2,150.34

Appendix 2

Borrower	Rate (%)	Amount	Start date	End date	Days in year	Interest (£)
Debt Management Office	4.475	500,000	03/02/2025	28/03/2025	53	3,248.97
Debt Management Office	4.450	2,300,000	12/02/2025	25/04/2025	72	13,459.73
Debt Management Office	4.460	4,000,000	17/02/2025	17/04/2025	59	21,016.99
Debt Management Office	4.410	500,000	17/02/2025	02/07/2025	135	2,597.67
Debt Management Office	4.445	1,000,000	24/02/2025	19/05/2025	84	4,384.11
Debt Management Office	4.450	2,000,000	28/02/2025	03/03/2025	3	731.51
Debt Management Office	4.460	4,000,000	03/03/2025	17/04/2025	45	14,174.25
Debt Management Office	4.455	1,000,000	03/03/2025	28/03/2025	25	3,051.37
Debt Management Office	4.46	700,000	03/03/2025	25/04/2025	53	2,480.49
Debt Management Office	4.45	1,200,000	17/03/2025	28/03/2025	11	1,609.32
Debt Management Office	4.45	1,000,000	25/03/2025	17/04/2025	23	853.42

Sub-total fixed lending

£1,646,801.91

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

Bank	Account terms	Interest Earned £
Santander UK plc	2.56% - 3.31%	1,552.26
Public Sector Deposit Fund	4.4731% - 5.2610%	147,852.16
Lloyds Call account	4.34% - 5.4%	61,300.51
Aberdeen Standard	4.5236% - 5.2398%	137,737.38
Lloyds plc deposit/current account	0.01% - 1.75%	588.48
Sub-total call accounts and money market funds		£349,030.77
Grand total all lending		£1,995,832.70

Temporary Borrowing 1 April 2024 to 31 March 2025:

Lender	Terms %	Amount lent £	Dates	Days lent in year	Interest paid in year £
Lloyds Bank	Base + 1%	Variable	Overdraft agreement	1	0.45

Appendix 2

Teignbridge District Council Interim Performance Report for the Period 1 April 2024 to 31 March 2025

	Apr-Mar 2023-24	Apr-Mar 2024-25
(i) Short Term Funds Invested		
Interest received and receivable for the period	£1,936,259	£1,995,833
Maximum period of investment on any one loan made in the period (loans roll into 2023-24)	333 days	287 days
“Fixed” investment rates in period.	4.05% - 5.63%	4.63% - 5.25%
(ii) Short Term Funds Borrowed		
Interest paid and payable for the period	£0	£0
Number of new “fixed” loans borrowed in the period	0	0
Maximum period of borrowing on any one “fixed” loan borrowed in the period.	0	0
“Fixed” borrowing rates.	n/a	n/a
(iii) Average Net Interest Rate Earned	4.88%	4.96%
(iv) Average Short Term Net Lending	£39,713,330	£40,256,673

Regular Monitoring

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

Total net interest received in 2024-25 was £1,995,833. This compares to £1,936,259 in 2023-24. This increase was due to slightly higher average interest rate achieved and a slight increase in funds available (attributable to an increase in capital grants unapplied). Average interest rates increased from 4.88% in 2023-24 to 4.96% in 2024-25. Base rate decreased as follows during the year, as lowering interest rates is the main measure employed by the Bank of England (BOE) to encourage growth in the economy:

Rate as at	01/04/24	5.25%
	01/08/24	5.00%
	07/11/24	4.75%
	06/02/25	4.50%

The compounded 12-month SONIA (Sterling Overnight Index Average) rate as at 31 March 2025 was %. 5.02%. The Teignbridge average is slightly lower because for a proportion of investments, the Council uses flexible call accounts and shorter-term investments to manage day-to-day cash flow needs. The interest rates for these investments are generally lower than for longer-term, fixed investments.

Treasury Management Indicators

These are part of the Prudential Indicators, as agreed at Full Council on 27 February 2024. They are available on request or on the Teignbridge website agenda for that meeting.

This page is intentionally left blank