

**Teignbridge District Council
Overview and Scrutiny
11 November 2025**

**Medium Term Financial Plan (MTFP) Review Group 2025
- Report**

Purpose of Report

To provide recommendations from the MTFP Review Group. The nature of the work of this group is that reports will be produced as the work progresses.

Recommendations

The Overview & Scrutiny Committee RECOMMENDS to Executive that:

1. All Service managers to prepare options for discretionary Fees and charges for their area of control to maximise income (at least 10%) from 1 April 2026 together with the implications. (increases to be greater than the 5% increase assumed in the MTFP).
2. 'Invest to save' schemes for Housing are accelerated to reduce the cost of providing temporary accommodation as soon as possible.
3. 'Invest to save' schemes in Leisure are supported. There are two options at Dawlish Leisure Centre: a) invest to generate additional income or b) to consider the economic viability of the Centre.
4. Approval of Council tax increases at the maximum allowed in 2026/27 (2.99% in 2025/26) is supported. At Band D that would equate to an additional £6 per annum (still to be confirmed precisely).
5. The Council removes the 50% Council Tax Discount that applied for a maximum period of 12 months for empty, uninhabitable properties that was agreed in January 2013 and in operation since 2013.
6. In order to continue to support the valued work across the District delivered through Voluntary sector Service Level Agreements e.g. Citizen's Advice, freezing all members allowances at the current value to be progressed for consideration by Full Council.

Financial Implications:

The recommendations highlighted above should realise:

1. Fees & Charges. As a ball-park figure, should it be possible to increase fees to this level and maintain levels of uptake, a sum of up to £500,000 could be

generated (£100,000 for each percentage generated over the assumed MTFP value).

2. Investing capital resources into purchasing suitable Housing accommodation could produce significant savings to the temporary accommodation budget as households are transferred out of 'overnight accommodation'.
3. Investing in Dawlish Leisure Centre should produce additional income to reduce the cost of running the Leisure service by at least £150,000 (subject to business cases). The current net cost to the authority to run the facility is approximately £400,000.
4. This level of increase realised £303,000 in 2025/26 so the equivalent sum for 2026/27 could be approximately £315,000.
5. Savings of approximately £6,000 per annum (average of last 3 years) for Teignbridge would be achieved plus a reduced administrative burden.
6. Members allowances. Freezing all members allowances at the current (2025/26) levels would realise savings of approximately £14,000.

Report Author

Cllr Bill Thorne, Chair of the MTFP Review Group and Kay Fice, Scrutiny Officer

Executive Member

Cllr John Parrott

Executive Member for Corporate Resources

Appendices

- A) Terms of Reference agreed for the Task Group
- B) Graphical representation of the budget figures
- C) Workstream Table with Time-frames

Background research

- Statutory/Discretionary costs/income statement
- Information from Council Tax and Business Rates officers
- Waste – Head of Service presentation
- Housing – Head of Service presentation
- Leisure – Cllr Martin Smith and Head of Service presentation
- CIL/S106 feedback from officers
- Revenue and Capital Budget
- Grants breakdown (to Voluntary bodies, swimming pools and Councillors Community Fund)

Introduction/Background The 2025 MTFP Task and Finish Review Group reconvened in July 2025 and was tasked with the following work:

- To review the TDC Medium Term Financial Strategy and Teignbridge District Council Financial Plan.
- To make recommendations for consideration by the Executive following an Overview of the 2025/2026 Council Budget.
- To make recommendations for consideration by the Executive in time to inform the preparation of the 2026/2027 Council Budget.

The following members are on the group (October 2025);

- Cllr Phil Bullivant
 - Cllr Sally Morgan
 - Cllr Suzanne Sanders
 - Cllr Martin Smith (Vice-Chair)
 - Cllr Robert Steemson
 - Cllr Jane Taylor
 - Cllr Bill Thorne (Chair)
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- Cllr Jack Major attended the meetings in September

They are supported by Kay Fice (Scrutiny Officer), Martin Flitcroft (Section 151 Chief Financial Officer) until mid October 25, Gordon Bryant (Head of Finance) and other officers and members of the Senior Leadership Team.

1. Work of the group

The group have met on a regular basis since July 2025, to continue the work outlined in the Interim Report 2 considered by Overview & Scrutiny Committee in September 2024. The extent of the financial problem facing the Council is demonstrated in Appendix B and the aim of the group is to propose changes that would prevent a Section 114 notice being issued at the end of the financial year 2027/28 (based on the current forecasts, the budget deficit will then exceed the level of reserves).

The Workstream Table (Appendix C) has been reviewed following consideration of new ideas and the group are moving them forward as indicated and referenced in this report.

Information considered by the group in July 2025 demonstrated the extent of the budget gap with the aim of the group to make recommendations to prevent a Section 114 notice being served on the Council at the end of March 2028. Unless savings are achieved, over and above those identified in the Modern 25 Programme, by the 2028/29 financial year the forecast deficit exceeds reserves by £0.8m. Various scenarios were explored and it was clear that there were a number of funding uncertainties, particularly the loss of rates retention and pooling gain. The forecast is based on the best information available. The impact of the implementation of Local Government Reorganisation has not been taken into account as it is not known.

The group focussed on the service areas with the greatest level of net spend (Housing, Waste & Recycling and Leisure).

The Modern 25 Programme is an officer led programme implementing changes in operational activity that is anticipated to save £2.7m. Based on reports received by this group and across the council it is on target to achieve these savings but there is still more to do as additional pressures have arisen.

Funding for the provision of Public Toilets in Teignbridge by this Council by 1 April 2027 must cease to realise the saving which is part of Modern 25. Work with Towns & Parishes must continue at pace to ensure that these facilities are still accessible by the public after this date where appropriate. It is clear that the Council cannot continue to fund this discretionary area and alternative savings will need to be identified if these savings are not achieved.

The group would like to emphasise that no spending should take place without budget being available.

Further specific ideas on how to reduce the projected budget shortfall and delay or eliminate the need for a S114 notice are likely to be forthcoming in the coming months as the MTFP Review Group continue to receive and analyse data from various departments.

A) Fees and Charges (Workstream e incorporating d & f)

The group had considered information relating to Fees and Charges including that was available as part of budget setting. It was decided that they would recommend that all service managers work with finance colleagues with the aim of achieving the maximum increases in income by increasing Fees & Charges across their area of control. As a 'maximum' level would vary by service, for practical reasons this was stated as 10% (instead of the 5% required to meet the assumptions in the MTFP) and for them to report back on the implications if there were any areas where this was not possible e.g. Statutory Fees.

B) Other areas of work

CIL/S106 (part of Workstreams m & o) The Group received a report on CIL/S106 and encourage working with Towns & Parishes to help to fund Infrastructure Plans releasing capital spending where possible.

Housing (net service cost £2m)

It must be noted that although this is a statutory service, not everything that is delivered within the service is statutory.

The statutory areas include: Homelessness, providing temporary accommodation, disabled adaptations, social housing regulation, operating the Housing register, enforcing standards in private housing and enabling affordable housing. Although support for the Council is given to many of these areas in the form of grants and subsidy from Housing Benefits, there is still a large net cost overall. The non-statutory services include rough sleeper services and empty homes.

Of the above, providing temporary accommodation is the largest non-staffing cost (subsidy loss of more than £350,000 in 2023/24). 'Invest to save' schemes are being progressed to target acquisitions of suitable properties (most notably Harewood House) but the group would like to support the acceleration of this and other properties to reduce the cost of subsidy.

The service should consider all options to help to alleviate the high demand of social rented homes (particularly the pressure on one bedroomed) including reviewing the open market to make proposals for capital investments where appropriate.

Waste, recycling and cleansing (net service cost £7.1m)

The group supports officers to achieve changes by encouraging them to liaise with other authorities who have been successful in these areas, particularly with the following initiatives:

- 3 weekly black bin collections to continue to be researched to identify potential savings from introducing the system before Local Government Reorganisation (LGR) especially if any major delays appear over LGR timetable.
- Consider reducing the size of the black bins to encourage recycling and to evaluate the value of any potential cost savings.
- to support a necessary and significant income generating price rise to the discretionary domestic Green waste collection - in line with our fees and charges recommendation (10%).
- Maximise income from providing bins/containers for new estates and consider any extensions to the charging policy.
- To encourage the complete delivery of the Rationalisation of street cleaning where some cost savings have been made so far but the further phase should provide further savings.
- Proposals for additional charges to apply for waste collection for residential properties which are being used for commercial purposes e.g. Air B&B's should be developed.

It is recognised that the areas above may be included in the service Business Plan which the Group will not be considering until the new year (2026).

It must be noted that although this is a statutory service, not everything that is delivered within the service is statutory.

Leisure (net service cost £1m)

Dawlish Leisure Centre requires investment to enable it to better serve the needs of residents in that area and the changes identified will generate additional revenue. Plans are at an advanced stage to enable this to happen, but the stark reality is that the Council must make this investment decision quickly or consider whether it is economically viable to continue to run it, recognising the associated loss of social and health benefits.

There could be incremental savings achieved at the swimming pools in Dawlish and Newton Abbot by reviewing the rates and times used by Groups as this impacts on the more favourable financial opportunities that could be available e.g. Aquafit and public lane swimming.

Green spaces (Green spaces and active leisure net service cost £1.1m)

Teignbridge must work with other organisations to reduce the maintenance costs for Teignbridge for public areas and other areas for savings will be explored.

Examples of areas of work that are will be progressed by the group and could be included in a future report(s):

- Further review of Statutory and Discretionary activities (Workstreams New i)
- Exploration of other savings ideas (in addition to Modern 25 Agenda) Workstreams g & h
- Reviewing service arrangements with Towns and Parish Councils
- Analysis of costs of services benchmarking included in Business Plans
- Review of Service Business Plans details (having regard to Workstreams g & h)

C) Council Tax Workstream reference a)

In line with the recommendation made for the 2025/26 Budget, it is recommended that Council tax increases at the maximum allowed for 2026/27. It is currently £5.87 (2.99%) in 2025/26.

D) Council Tax Support (Workstream New ii)

Proposed removal of the current 50% Discount that can be awarded for a maximum 12 month period when a property satisfies the commonly referred to 'uninhabitable' rules.

This element of Discretionary Council Tax Discount was considered last year but not changed. It has been reconsidered and is recommended for removal.

The proposal is to remove this discretionary discount for properties that are undergoing or require major/ significant repairs or structural changes/work to make the property capable of being lived in. The direct costs associated with the 50% discount are as follows:

Financial year	No of awards	Total	Teignbridge share 8%
		£	£
2025/26 (projected #)	120	79,756	6,380
2004/25	150	80,598	6,448
2023/24	153	63,712	5,097
# projected to 31 March 2026 and therefore subject to change			

Operating this particular discount requires a significant amount of customer contact and staff resource as owners apply online and have to provide photographic evidence and other supporting information and routinely challenge unfavourable

decisions. Most customers who apply for the discount are those who have chosen to renovate a property and do not qualify for the discount but believe that they are entitled to it.

Removing the 50% discount does not affect the opportunity to apply for a statutory exception to any long term empty premium and will continue to encourage empty homes to be brought back into use.

Owners can apply to the Valuation Office Agency to have derelict properties removed from the valuation list and reduce a liability to zero. Not all properties that would currently qualify for the discount would be eligible to be removed from the valuation list.

Discretionary 50% Discount position in neighbouring Authorities:

The following Councils do **not** offer the 50% discount

- North Devon, Torbay and Torridge

These Councils are considering **reducing or removing** the discount from 1 April 2026

- Mid Devon, South Hams, West Devon and East Devon

If the Council wishes to adopt this change, it will involve revoking a decision that was made by Full Council on 15 January 2013 introducing the discount that applied from 1 April 2013. If agreed, the decision will be required to be published in the local newspaper.

The MTFP Review Group agreed unanimously to recommend the removal of the 50% discount (max 12 month period) for uninhabitable properties.

During 2025/2026, a total of approximately £6,000 (8% share) for TDC will be allocated (and therefore 'saved' in future based on an average of the last 3 years). The Group noted other benefits as it has a relatively high administration burden for both Council staff and owners.

E) Non-Domestic Rates (Business Rates)

One of the changes made by members for 2025/26 following proposals from the MTFP Review Group was to limit awards of discretionary rate relief to two years and this has been successfully implemented. As a consequence, the majority of cases now receiving discretionary rate relief have awards set until 31/03/2027 (the end of the 2026/27 financial year).

Update

- The April 2025 changes to Retail Hospitality and Leisure Relief (RHL) reducing from 75% to 40% and the increased National Insurance payments for Employers, were justification for not supporting further reductions earlier in the year. The Administration also did not want to make changes that conflicted with their manifesto. In August 2025, the BBC Business News reported that of all jobs lost in the UK since the last budget, 53% were from the Retail Hospitality and Leisure sector. Locally there is evidence that

businesses/organisations are struggling with increased costs, impacting on trading and affecting their ability to pay rates charges.

- RHL is due to be replaced in April 2026 by a complete overhaul creating additional new rating multipliers for the Retail Hospitality Leisure sector. It is not known whether the new multipliers will even be as favourable as the current 40% Relief. The new multipliers should be announced in the 26 November 2025 Budget. At that point we are likely to be still awaiting the new Legislative Regulations which will determine eligibility. Preparation for the new multipliers requires all billing authorities to review their entire caseload so that potential eligibility is known ahead of billing in March 2026. This has a huge impact on officer resources.
- 1 April 2026 is a National Revaluation date for Business Rates, with the Valuation Office Agency revaluing and uprating rateable values nationally. This requires additional preparatory work by council officers and is magnified and complicated by the introduction of the new multipliers mentioned above. The National Revaluation brings a new Transitional Protection Scheme with it.
- The combination of the as yet unknown new multipliers and the national revaluation (with a yet to be announced transitional protection scheme) would make the forecasting the impact of future changes almost impossible at this time.
- Modern 25 Process Mapping is scheduled for the Business Rates Team from 22 Sept until close of business in December and creates further pressure on staff resources during this time period.

For the reasons outlined above, in particular the uncertainty around national changes, the known demands on staff resources and the challenging position faced by local businesses and organisations, the MTFP Review Group recommend that this area is not considered for review at this time.

F) Third sector grants and Councillors Community Fund (Workstream P & J)

The Council awards Grants to Voluntary bodies totalling £129,660 e.g. Citizen's Advice, CVS and Community Transport organisations which supports residents in a variety of areas in the most cost-effective way. Members are supportive of this continuing.

The group considered whether reductions on the Councillors Community Fund budget of £47,000 should be proposed to help to protect the funding for the grants above but did not reach a consensus.

As the services delivered by the voluntary sector were considered to be of such value to the community, another area for consideration would be to freeze members allowances at the current (2025/26) value. This concept was introduced by the group as a way that members could take some of the strain of the cuts that are likely to be imposed going forward. This would realise a saving of approximately £14,000 p.a. and it should be proposed for further consideration.

Conclusion

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

The work of the group will continue to explore further the areas identified in the Workstream document (Appendix C) and highlighted earlier in this report as the group seek to identify ways to close the budget gap.

The Group will meet regularly from January 2026 to explore savings opportunities when the 2026/27 budget figures are known and the service business plans are available.

Further reports will be presented to Overview and Scrutiny Committee as appropriate.

MTFP - (Medium Term Financial Plan) Terms of Reference (TOR)

Name of T&F Group

MTFP (Medium Term Financial Plan) Review Group (from July 2025)

Decision making body to whom it will report

Overview & Scrutiny

Scope

It is likely to have a number of strands and needs to influence both the 2026/27 and 2027/28 Budget

Aims of the review

- To review the TDC Medium Term Financial Strategy and Teignbridge District Council Financial Plan.
- To make recommendations for consideration by the Executive following an Overview of the 2025/2026 Council Budget.
- To make recommendations for consideration by the Executive in time to inform the preparation of the 2026/2027 Council Budget

Group Membership

Membership of Group

Cllr Phil Bullivant
Cllr Sally Morgan
Cllr Suzanne Sanders
Cllr Martin Smith (Vice-Chair)
Cllr Robert Steemson
Cllr Jane Taylor
Cllr Bill Thorne (Chair)

Lead Officer(s)

Possible lines of enquiry the Review Group could explore to determine the:

Background/history and Current position

Background Documents.

TDC Budget
TDC Financial Plan
Capital Programme
Statutory Services Key Development Plans/Needs
TDC Commercial Strategy
TDC Annual Governance Statement
TDC Assets and Estates Strategy and Policies
CIPFA Guidance

Gordon Bryant & Martin Flitcroft plus other members of SLT as appropriate

Grant Thornton Audit Opinion
Financial Benchmarking Data from Local Government Inform
Departmental Budgets

Draft review plan (not in priority order)

- 1. To review and consider all revenue and capital budgets across all departments of the Council.**
- 2. To review and consider the savings being delivered through the M25 project.**
- 3. To review all statutory services that the Council has a duty to deliver and the level of effectiveness and efficiency with which they are being delivered**
- 4. To review all discretionary services and projects and the effectiveness of the services and projects being delivered**
- 5. To review and consider in the light of a projected budget gap of circa £3.8m in the financial year 2026/2027 how the council will resolve the issue.**
- 6. To review how the Council approaches finding savings (over and above Modern 25) to achieve a balanced budget by 2027/28.**
- 7. To review and consider the Council strategy and policies on all fees and charges**
- 8. To review the council strategy corporate aims and objectives to ensure that the strategy is financially viable.**

Other Task & Finish/Review Groups

To contribute to the work of other Review Groups by providing financial advice e.g.

- To review and consider the Council policies on the management of assets and estates that operates on a commercial basis, including asset disposal**

- To review and consider the Council strategy and policies on assets and estates that operates for community benefit and all associated fees and charges

Time limit for work and to whom report should be submitted

Specific details to be determined. There are likely to be a series of recommendations at different stages. Interim report 1 to O&S1&2 12 December 2023 and Interim Report 2 September 2024 to O&S

Meeting dates

To be discussed/agreed at the first meeting.
Meetings reconvene from 10 July 2025

Possible witnesses/consultees/interested parties

Suggested Consultees (not an exhaustive list):-

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

Resources

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

- Council Officers – Scrutiny Officer & Democratic Services Team Leader
- Council Officers – e.g. Service managers, finance support

SLT/CMT Officer comments if any

The work of the group will help to inform budget decisions

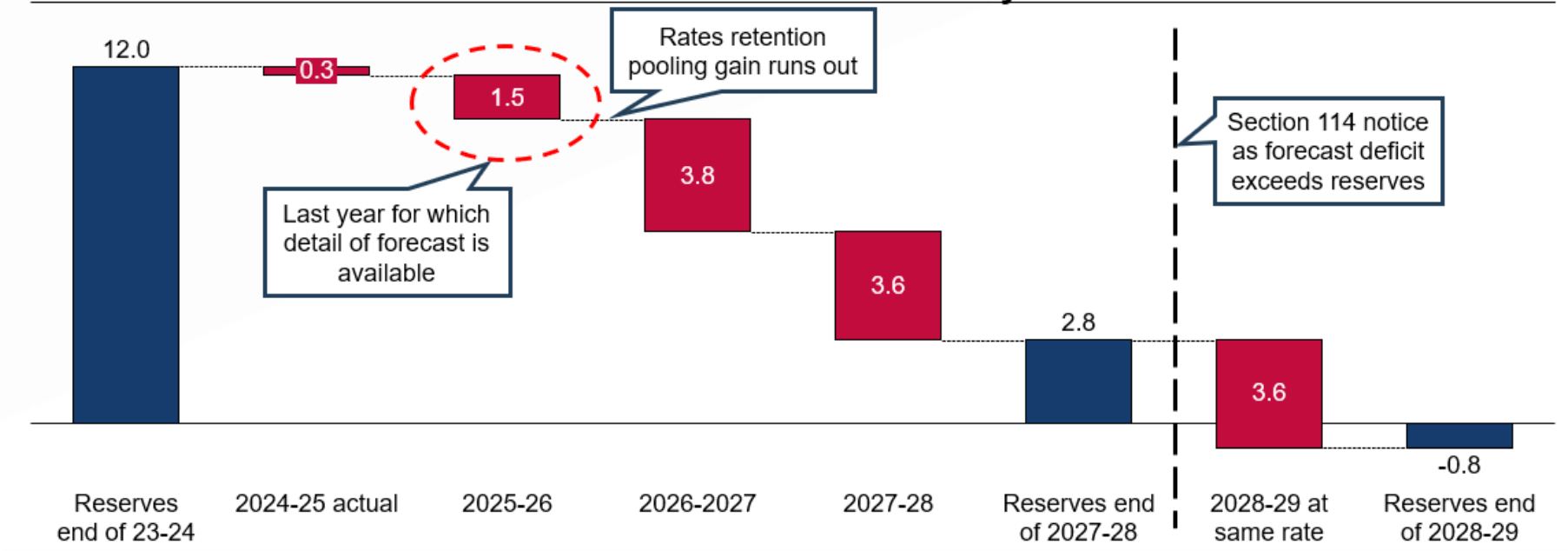
Point of contact

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

Revenue Budget: Baseline and Size Of Task

The task is to prevent a section 114 notice having to be issued in 2028

Earmarked reserves and revenue budget surplus / (deficit) (£m):
2024 to 2029 forecast as of July 2025



APPENDIX C

MTFP Review Group – WORKSTREAMS :

Updated for meeting held on **3 September 2025**

Colour coded lines can be considered together. The list is not prioritised, other than time-frames.

	Ref	Workstream	Suggested Time-frame for developing savings plans			Notes
(	d	Exploring commercial investment opportunities including charging policy	July - Sept			Can be given further consideration. Service managers to be invited to attend MTFP Review meetings
(	e	Maximising income from existing fees and charges. MTFP assumes 5% increase p.a.	July - Sept			
(	f	Exploring new opportunities for setting fees and charges	July - Sept			
	p	Councillors' community fund budget	July - Sept			Can be revisited again as a last resort
	j	Reviewing support for third sector grants and support	July - Sept			
	NEW i)	Review of Statutory/Discretionary	July - Sept			To be considered
	NEW ii)	Council Tax Support + Business rates	July - Sept			To be considered
	g	Reviewing the savings options from the Ignite work		Review every 6 MONTHS		Refer to Modern 25 List

	h	Investing in our IT provision to deliver more automation and efficiencies		Oct – Dec	12 TO 24 MONTHS	Refer to Modern 25 List
	Ref	Workstream	Suggested Time-frame for developing savings plans			Notes
	k	Identifying other voluntary grants and future support				Hold until after Assets review
	m & o	Periodic review of the capital programme and alignment to strategic priorities (including T100) Determining adequate borrowing limits including headroom for the capital programme through approval of the appropriate treasury management indicators e.g. maximum spend borrowing limits in future		Oct - March		After review of corporate plan. Report due end of the Summer
	n	Agreement to provide a revenue contribution to capital – currently £500k per annum		Oct - Nov		Could consider again
	t	Considering new funding models to deliver services e.g. Leisure Centres to a Trust		Post LGR realistically		Longer term – say 2-5 years
	NEW iii)	Identify potential service areas that may be of interest to Town and Parish councils e.g. Grounds Maintenance		July - November		Linked with Assets Group and Service managers

Record of completed actions

Ref	Workstream	Suggested Time-frame for developing savings plans			Notes
a	Approval of Council tax increases at the maximum allowed – historically £5 or 1.99% (now increased to £5.54 (2.99%) for 2023/24)	OCT-DEC 23			Built into 2024/25 & 2025/26 Budget
i	Review our policy for earmarked reserves and funding budget gaps	OCT-DEC 23			Built into 2024/25 Budget
l	Reviewing quick wins and budgets no longer required	OCT-DEC 23			Built into 2024/25 Budget

q	Further payments to reduce the pension fund deficit	OCT-DEC 23			Built into 2024/25 Budget
r	Minimum level of general reserves – currently suggested at £2.3 million	OCT-DEC 23			Built into 2024/25 Budget
s	Limit use of earmarked reserves to bridge budget gaps	OCT-DEC 23			Built into 2024/25 Budget

Record of actions being delivered by different Task & Finish Groups

Ref	Workstream	Suggested Time-frame for developing savings plans			Notes
b	Agreement of our asset strategy and determining best use of our assets – disposal/transfer/re-use and re-model				Linked with Estates Review Group
c	Pursuit of maximum/best value asset disposal proceeds				Linked with Estates Review Group

O&S PROPOSALS:

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

IMPORTANT TO NOTE:

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