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Telford & Wrekin
Co-operative Council

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Borough of Telford and Wrekin

Full Council

Tuesday 12 November 2024

6.00 pm

Council Chamber, Third Floor, Southwater One, Telford, TF3 4JG

Democratic Services: Jayne Clarke / Paige Starkey 01952 383205 / 380110

Media Enquiries: Corporate Communications 01952 382406

Committee Members: Councillors E Aston, S Bentley, K T Blundell, M Boylan, A J Burford, S P Burrell, E M Callear, L D Carter, C Chikandamina, G H Cook, E Davies, S Davies, P Davis, F Doran, N A Dugmore, A J Eade, A R H England, N A M England, S Handley, Z Hannington, C Healy, T L B Janke, A S Jhawar, J Jones, G C W Latham-Reynolds, L Lewis, G Luter, A D McClements, R Mehta, K Middleton, H Morgan, T J Nelson, R A Overton, L Parker, I Preece, S J Reynolds, S A W Reynolds, H Rhodes, R Sahota, P J Scott, S Syrda, G Thomas, P Thomas, J Thompson, W L Tomlinson, K T Tomlinson, K Tonks, R Tyrrell, J Urey, O Vickers, P Watling and D R W White

Agenda

Page

1.0 Prayers and Reflections

2.0 Apologies for Absence

3.0 Declarations of Interest

4.0 Minutes of the Previous Meeting

5 - 14

To confirm the minutes of the last meeting of the Council.

5.0 Leader's Report & Announcements

The Leader of the Council may give an oral report on matters of significance to the Borough, comment upon the Cabinet decisions or make any announcements.

6.0 Mayor's Announcements

15 - 16

To note the Mayoral Engagements undertaken since the previous Council meeting.

7.0 Councillor Questions On Notice

To answer questions received under Council Procedure Rule 6.2.

NB In accordance with the provisions of Council Procedure Rule 6.2.9 there will be a maximum of 30 minutes allowed for questions and answers. Any question not answered within the 30 minute time limit will receive a written reply within 5 working days.

8.0 Cabinet Decisions Made Since the Last Meeting of the Council

17 - 22

To receive the report on the Cabinet decisions made since publication of the last Council meeting agenda. Cabinet Members may speak on these decisions and Members may ask questions about key decisions of the relevant Cabinet Member for the purposes of clarification only. Members are asked to note the additional delegations to officers granted at those meetings.

9.0 2024/25 Financial Monitoring Report

23 - 44

10.0 Treasury Management 2023/24 Annual Report and 2024/25 Update

45 - 78

11.0 Recommendations from Boards and Committees

Licensing Committee - 24 October 2024

11.1 Review of Statement of Gambling Licensing Policy

79 - 106

RECOMMENDED – that the updated Statement of Gambling Licensing Policy, which was approved by Licensing Committee on 14 October 2024, with effect from 31 January 2025 be adopted.

12.0 Motions on Notice

12.1 Councillor Kelly Middleton will propose the following Motion:-

“This Council fully pledges to do all it can to support local pensioners including distributing £100 vouchers to 6,000 pensioners, continuing to lead the record sign up of Telford & Wrekin pensioners entitled to pension credit, providing increased support for our local Age UK and maintenance of travel and leisure discounts.

This Council fully recognises the £22 Billion black hole left by the previous Government and the new Governments attempts to restore stability to the nation's finances and welcomes the Government's decision to maintain the pension triple lock which will see an uplift of up to £470 in the state pension and the extension of the Household Support Fund.

This Council positively encourages the Government to continue to do it all can to support the most vulnerable pensioners including those just above the pension credit threshold."

The Motion will be seconded by Councillor Richard Overton.

12.2 Councillor Rachael Tyrrell will propose the following Motion:-

"Following the Government's 2024 Budget on 30th October and the £25 billion increase in Employer National Insurance contributions to 15% and reduction in the secondary threshold from £9,100 to £5,000 due to be implemented by April 2025; this Council confirms its commitment to support employers in Telford & Wrekin. Telford & Wrekin Council continues to recognise that this Borough is home to a high proportion of SMEs and start-ups and that this Council will support employers to ensure they continue to create quality employment opportunities within the Borough. This Council recognises that by creating a healthy economic environment for employers, this in turn supports households with quality employment and remuneration, and ultimately increasing household income creating a thriving local economy. This supports the Council's policy of "everyone benefits from a thriving economy". Combined with the increase in the National Living Wage and other measures associated with the Make Work Pay agenda, businesses are being asked to shoulder the brunt of the tax burden."

The Motion will be seconded by Councillor Nigel Dugmore.

12.3 Councillor Tim Nelson will propose the following Motion:-

"This Council calls on the Leader to write to the PM and Secretary of state, to reverse the damaging increase of the bus fare cap by 50%, from £2 to £3, translating to £480 pa for an average bus commuter. This Council has declared a Climate emergency and as part of Active Travel and Sustainable transport, bus travel plays a key role in the Councils emissions reduction objectives. This swinging increase will have a devastating effect on rural bus use, adversely affecting those least able to afford alternatives, and those relying on the service to get to work and healthcare appointments."

The Motion will be seconded by Councillor Rachael Tyrrell.

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Telford & Wrekin
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FULL COUNCIL

Minutes of a meeting of the Full Council held on Thursday 18 July 2024 at 6.00 pm in Council Chamber, Third Floor, Southwater One, Telford, TF3 4JG

Present: Councillors E Aston, S Bentley, K T Blundell, M Boylan, A J Burford, S P Burrell, E M Callear, L D Carter, C Chikandamina, G H Cook, E Davies, P Davis, F Doran, N A Dugmore, A R H England, N A M England, S Handley, Z Hannington, C Healy, T L B Janke, A S Jhawar, J Jones, L Lewis, G Luter, A D McClements, R Mehta, K Middleton, H Morgan, T J Nelson, R A Overton, I Preece, S J Reynolds, S A W Reynolds, H Rhodes, P J Scott, S Syrda, G Thomas, P Thomas, J Thompson, R Tyrrell, J Urey, O Vickers, P Watling and D R W White

In Attendance:

Apologies: Councillors S Davies, A J Eade, G C W Latham-Reynolds, G L Offland, L Parker, R Sahota, W L Tomlinson, K T Tomlinson, K Tonks and C R Turley

16 Prayers and Reflections

Ian Oliver of the Dawley Baptist Church said prayers.

17 Declarations of Interest

None.

18 Minutes of the Previous Meeting

RESOLVED – that the minutes of the Annual General Meeting held on 23 May 2024 be confirmed and signed by the Mayor.

19 Election of Leader of the Council

It was moved by Councillor H Rhodes, seconded by Councillor C Healy that Councillor L D Carter be elected as Leader of the Council until the conclusion of the 2026/27 municipal year.

RESOLVED – that Councillor L D Carter be elected as Leader of the Council until the conclusion of the 2026/27 municipal year.

20 Leader's Report & Announcements



The Leader thanked Councillor Rhodes and Councillor Healy for their support and noted Councillor Rhodes' exemplary service.

The Leader promised residents that he would be honest, determined and committed and would work hard to never fall below the standards that had been set.

The Leader thanked Shaun Davies MP for his commitment and dedication during his eight years as Leader and gave details of his achievements which included the pandemic, protecting services at the Princess Royal Hospital (PRH) and continuing to have the lowest Council Tax in the Midlands. He praised his positive outward vision, his efforts to secure investment into the borough and always putting residents first.

The Leader spoke about his journey into politics and the support he had received and he had been lucky to have met so many like-minded people on his journey.

The Leader took seriously his service in public office and would continue to do the right thing for residents and diligently pursue the best for the borough whilst enhancing opportunities, particularly in relation to education and he would invest in schools, skills hubs and stronger links with universities. He would continue to care and protect Adult Social Care and Children's Services, invest in public transport and cycleways and ensure continued access to green spaces and provide Green Flag parks.

The Leader confirmed that green waste collections without additional charges and free car parking would continue and he would look to continue to have the lowest Council Tax in the Midlands. He would continue to invest into front line services via partnership working and continue to lead the campaign to protect the services at PRH.

The Leader would strive to find the common ground and have difficult and honest conversations in order to deliver what was best for local residents, but this would not be without its challenges. He thanked Members for allowing him the privilege of becoming leader and he would try every day to be the best reflection of the borough.

21 Mayor's Announcements

The Mayor asked Members to note the engagements undertaken since the last Council meeting in May 2024.

The Mayor congratulated Shaun Davies and Mark Pritchard on their election as Members of Parliament for the Telford and The Wrekin constituencies following the election on 4 July and wished them well.



In the short space of time since the Mayor had been elected, he had been very fortunate to attend a number of engagements both at home and outside the borough and he had enjoyed meeting local residents, event organisers and businesses and looked forward to meeting many more.

The Mayor had attended the VIP Crucial Crew Day, which he had been lucky enough to attend last year as Deputy Mayor. The event was very informative and it was good to learn about all the new scenarios that were being brought to the sessions this year.

The Mayor thanked everyone for their kind messages and looked forward to seeing what was to come over the next year.

22 Councillor Questions On Notice

The following questions were asked under Council Procedure Rule 6.2.2:-

- (a) Councillor P J Scott asked the following question of Councillor C Healy, Cabinet Member: Climate Action, The Environment, Heritage & Visitor Economy

"Newport Canal is a Telford and Wrekin Council owned asset that is highly regarded in the area by all residents and visitors. The water quality and general health of the waterway is vital to all flora and fauna. Can the Cabinet Member for Climate Action, The Environment and Heritage and Visitor Economy confirm what the council are doing to keep our canal healthy now and in the long term?"

Councillor C Healy responded that Newport Canal was an important highly valued Site of Special Scientific Interest (SSSI). Natural England monitored consents and assents and the council undertook daily maintenance together with scheduled grass cutting and hedge maintenance along the tow path. A special contractor was due to undertake weed control in late summer following permission from Natural England and this would be communicated to the local angling clubs and Members. A water environment grant had been granted by the Environment Agency and this had enabled Shropshire Wildlife Trust to undertake work to manage some of the wildlife species during 2019-2021 but this had not been required during the last couple of years. The canal was a dynamic environment and work would continue with the Environment Agency and Severn Trent.

Councillor P J Scott asked a supplementary question. "A while ago it was suggested that the canal, Victoria Park and Norbroom Park would become green flagged was that still happening".



Councillor C Healy responded that an application for the Victoria Park and the Canal would be submitted next year, but this currently did not include Norbroom Park at this stage as this created too big an area in terms of the green flag award.

- (b) Councillor R Tyrrell asked the following question of Councillor R A Overton, Cabinet Member: Homes & Enforcement and Customer Services

“Please can the cabinet member confirm this Council continues to prioritise the health, wellbeing and comfort of its residents, and the quiet enjoyment of their properties.”

Councillor R A Overton responded that the council were on the side of residents and were working with the regulator, Environment Agency and the site operator to put a robust action plan in place and would hold the operators to account to ensure the actions were delivered. The council had been quick to organise a well-attended session for residents with the Environment Agency and site operators and air quality monitoring equipment had recently been installed in proximity to the landfill site with results to be provided to residents via a website. They were working hard to bring the matter to a close.

Councillor R Tyrrell noted the excellent efforts of the agencies working together alongside officers and asked a supplementary question as to “why had there been separate briefings to Members who weren’t part of the administration despite the request for a joint update, why was this not a joint update and how did this reconcile the principle of behaving with integrity and openness”.

Councillor R A Overton responded that two briefing sessions had been held, one in consultation with Ward Members of the wards only slightly affected by the Potters Landfill site and a further session for those Councillors whose wards were fully affected and they were held separately as they required different information.

- (c) Councillor S Bentley asked the following question of Councillor L D Carter, Leader

“Can the new Leader reaffirm the commitment his predecessor made that there will not be green bin charges in T&W until at least 2027 and that the collections will continue as at present every other week, dates only changing with Bank hols etc?”



Councillor L D Carter responded that he understood the concerns following the announcement by Shropshire Council that they were introducing a £56 per year recycling charge for green waste. He gave a cast iron guarantee that the council would do the right thing and continue free green waste collections and that they would always commit to this and collections would remain at the current frequency.

Councillor S Bentley asked a supplementary question that as rural areas had large gardens and more than one green bin, would there be any change to the number of bins to each property.

Councillor L D Carter responded that everything would remain the same particularly in relation to household recycling centres to be open every day, free car parking on council car parks, libraries and community centres open and free swimming for the under 25s and this would be accomplished by investing wisely.

(d) Councillor N A Dugmore asked the following question of R A Overton, Cabinet Member: Homes & Enforcement and Customer Services

“Due to the holiday period and many Parish Councils not meeting until September can the consultation period for the Community Governance Review be extended to allow for an informed response to the proposals by both Parish Councillors and residents?”

Councillor R A Overton responded that he understood the position and that the holiday period was fast approaching. Some Parish and Town Councils were holding extraordinary meetings prior to the summer break and other were holding meetings the first week back in September. Due to the legal timetable and final publication of the Community Governance Review (CGR) the timetable was unable to be moved. The council would ask at the Boundary Review Committee meeting that the final response date be moved until 4 September 2024. The second round of consultations would take place in order that key stakeholders and residents could contribute as it had been requested that responses were received from as many people as possible and there had been a disappointing number of responses from the first round of consultation. This would be raised at the Boundary Review Committee being held on 19 July 2024.

Councillor N A Dugmore asked a supplementary question as to “why had the Boundary Review Meeting due to be held on 2 May 2024 been cancelled without it being replaced which meant the public consultation was delayed there was then a tight timescale”.



Councillor R A Overton responded that the meeting timetable had been pushed back due to the general election and that he would provide a written response.

23 Cabinet Decisions Made Since the Last Meeting of the Council

Members received the report on the Cabinet decisions made since the last meeting of the Council.

Better Homes for All

Councillor T J Nelson asked for clarification on how and what method the council would and could undertake to guarantee objectivity and fairness in relation to NuPlace complaints and issues when investigating itself. Social housing landlords could be investigated by Homes England and the council who could issue punishments and fines. As NuPlace was a private landlord, how could the council be objective and fair in this case.

Councillor R A Overton responded that the council took all complaints seriously and they had received complaints which had been dealt with. The council was on the side of the residents and where NuPlace was seen to be failing they would continue to give the tenants the best service possible.

24 Recommendations from Cabinet

(a) 2024/25 Financial Monitoring Report

The Cabinet Member: Finance and Governance presented the 2024/25 Financial Monitoring Report which provided an update on the revenue budget and progress relating to the capital programme. The report gave details of some changes to the capital programme which required formal approval.

RESOLVED – that the changes to the capital programme and all associated changes to the Medium Term Financial Strategy, including Treasury and Prudential Indicator be approved.

(b) 2023/24 Financial Outturn Report

The Cabinet Member: Finance and Governance presented the 2023/24 Financial Outturn Report which set out the final position for the year in relation to the revenue budget, capital programme and income collection. The report sought the necessary approval to comply with financial regulations.

RESOLVED – that:



- a) **the revenue outturn position for 2023/24, which remains subject to audit by the Council's external auditors, and related virements be approved;**
- b) **the transfers to reserves, and associated approval to the relevant members of the Senior Management Team (as determined by the Chief Executive) after consultation with the relevant Cabinet Member to spend the reserves be approved;**
- c) **the capital outturn position and related supplementary estimates, re-phasing and virements be approved;**
- d) **delegated authority be granted to the Interim Director: Finance & HR to make any changes required, in consultation with the Cabinet Member for Finance, Customer Services and Governance; and**
- e) **the performance against income targets be noted.**

25 CSE Inquiry

In accordance with the provisions of s100B(4) of the Local Government Act 1972, by reason of special circumstances, namely the report of the Independent Chair of the Independent Inquiry – Telford Child Sexual Exploitation published on 16 July 2024, the Chair of the meeting was of the opinion that this item should be considered as a matter of urgency.

The Leader informed Members that following the conclusion of the CSE Inquiry two years ago, and publication of the report making 47 recommendations, the council was tasked with setting up an independent governance structure which involved key partners such as the Police, West Mercia Police and Crime Commissioner and health partners to deliver against the 47 recommendations. As part of this work, the Council chose to include the views and expertise of three lived experience consultees.

The Independent Chair, Tom Crowther KC, was invited back to Telford, earlier than expected, in March 2024 to consider how work to meet the recommendations of his original report had progressed. The Independent Chair issued his final report on 16 July 2024 but the Leader acknowledged that this did not represent the end of the council's work and the report also made that clear.

The report was positive and commended the Council on its approach which was now an admirable role that others could learn from. There were now bold initiatives to protect children against CSE. Alongside its key stakeholders there had been a dedicated approach to implementing change which was



testament to the tenacity and guidance of the lived experience consultees who held the council to account and supported and shaped the delivery of improvements.

The Leader thanked everyone involved with the CSE inquiry.

During the debate, some Members congratulated the council on the report and the work of the officers involved. Good progress had been made and it was hoped children would now have the confidence to come forward too, so that the criminals could be tackled and be put behind bars. Other Members asked if the annual CSE report could be brought to Full Council more often and thanked Tom Crowther KC, together with the three lived experience consultees in bringing this inquiry to a positive conclusion. It was asked that the council put on record a tribute to the dedication and courage of the lived experience consultees who had been invaluable in ensuring the thoroughness of the inquiry. In order to continue to keep children safe it was important to continue the fight against CSE to prevent it happening again.

RESOLVED – that

- a) **the outcome of the review undertaken by the Independent Chair of the Inquiry into CSE in Telford be noted;**
- b) **the work of officers in progressing the recommendations contained within the report of the Independent Inquiry into CSE in Telford published on 12 July 2022 be endorsed;**
- c) **to continue working with partners and the lived experience consultees through the independently-chaired Strategic Implementation Group to ensure that continuous improvement in relation to CSE is undertaken inclusive of those with lived experience be agreed;**
- d) **the commitment, made through the budget-setting process and via Cabinet, to maintaining funding for the CATE team as set out in recommendation 7 of the Inquiry's report published on 12 July 2022 be reaffirmed;**
- e) **officers to take steps through the budget-setting process for 2025/26 to ensure funding for Children's Safeguarding and for The Holly Project; and**
- f) **sincere thanks and gratitude to the three independent lived experience consultees, Holly Archer, Scarlett Jones and Joanne Phillips for their commitment in supporting the Council to fulfil its recommendations be given.**



The meeting ended at 7.03 pm

Chairman:

Date: Thursday 14 November 2024

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Agenda Item 6

MAYORAL ENGAGEMENTS July 2024 – November 2024

JULY	19	DM	Opening of British Wildlife Conservation Woodland Walk at Exotic Zoo, Telford
	26	M	Bournville House Olympic Bingo, Lightmoor Tai Chi Empowerment Celebration Event, Telford
	27	M	Citizenship Ceremony, Wellington
	31	M	Visit to Shropshire Army Cadet Force Annual Camp, Telford
AUGUST	02	M	TAARC Community Garden Opening, Hadley
	06	DM	Mayor of Shrewsbury Afternoon Tea, Shrewsbury
	11	M&M	Opening of My Little Play Place, St Georges
	13	M&M	'A Better Tomorrow' 10 year anniversary party, Woodside
	17	M	Annual Musical Gospel Event, Telford
	22	M	Opening of Little Pioneers Nursery, Apley
	23	M	Telford Balloon Fiesta Night Glow, Telford
	25	M	Telford Carnival Balloon Fiesta Parade, Telford
SEPTEMBER	01	M	New Superintendent Minister of Telford Methodist Circuit
	07	M	Suicide Prevention Event, Telford
		M	Horsehay Horticultural Society Flower, Vegetable and Craft Show, Horsehay
	08	M	Globetrotters return to Telford, Ironbridge
	11	M	King's Coronation Medal Presentation, Dawley
	12	M	Willow Restaurant Opening Night, Telford
	14	M	Shropshire MHS Back to the 90s Disco, Shrewsbury Mid Autumn Festival, Bridgnorth
		DM	
	15	M	Telford Athletic Club Telford Games, Oakengates
	16	M	Severn Trent Education Events, Overdale
	17	M	Opening of SYA Youth Provision HQ, Shrewsbury
	20	DM	Make a Difference Awards 2024
M&M		A Magical event in a Magical place, Shrewsbury	

	22	M	RAF Battle of Britain Commemoration Church Service, St Georges
	23	M	RAF Museum Autumn Reception, Codsall
	25	M	Telford Film Studio Opening, Telford
		M	Citizenship Ceremony, Wellington
	26	M	Newdale Assembly, Telford
	27	M&M	Ironbridge Gorge Museum Trust Fundraising Afternoon Tea
		M	RAF Shawbury Annual Reception, Shawbury
		M	Telford Street Pastors 13 th Anniversary Celebration, Telford
	30	M	Licensing and Installation of The Reverend Andy Ackroyd as Vicar of Madeley, Madeley
OCTOBER	01	M	Official Opening of YMCA, Wellington
	03	M	Buddy System Launch, Telford
	10	DM	Wellington Shropshire U3a 10 th Birthday, Wellington
		M	Official Opening of The Quad, Telford
	11	M	YSS Showcase, Telford
	12	DM	Black History Month & Nigerian Independence Day Celebration, Randlay
	23	DM	Citizenship Ceremony, Wellington
	29	DM	Silver Threads Open Day, Donnington
	30	DM	Opening of Community Pavilion Hub at the Halfway House, Wrekin



Borough of Telford and Wrekin

Full Council

Tuesday 12 November 2024

Cabinet Decisions Made Since the Last Meeting of the Council

Cabinet Member:	Cllr Zona Hannington - Cabinet Member: Finance & Governance
Lead Director:	Anthea Lowe - Director: Policy & Governance
Service Area:	Policy & Governance
Report Author:	Jayne Clarke - Senior Democracy Officer (Democracy)
Officer Contact Details:	Tel: 01952 383205 Email: jayne.clarke@telford.gov.uk
Wards Affected:	All Wards
Key Decision:	Not Key Decision
Forward Plan:	Not Applicable
Report considered by:	Full Council – 12 November 2024

1.0 Recommendations for decision/noting:

1.1 None. For information only.

2.0 Purpose of Report

2.1 This report sets out those matters determined by the Cabinet at its meeting on 19 September 2024 and 7 November 2024.

3.0 Background

3.1 The report sets out those matters determined by the Cabinet since the Full Council meeting on 18 July 2024 for the information of Full Council.

4.0 Summary of main proposals

4.1 This report is for the information of Members.

5.0 Alternative Options

5.1 Not applicable.

6.0 Key Risks

6.1 Key risks are described in each individual report presented at Cabinet. Copies of these reports have been circulated to all Members of the Council previously.

7.0 Council Priorities

7.1 The relevant Council Priorities for each Cabinet decision are described in the relevant report.

8.0 Financial Implications

8.1 As described in each report considered by Cabinet. Copies of all reports have been previously circulated to all Members of the Council.

9.0 Legal and HR Implications

9.1 Legal implications are described in each individual report presented at Cabinet. Copies of these reports have been circulated to all Members of the Council previously.

10.0 Ward Implications

10.1 Implications for individual wards are set out in the reports previously considered by Cabinet.

11.0 Health, Social and Economic Implications

11.1 These implications are considered with every report presented to Cabinet and make up a section of each individual report. These reports have already been circulated to all Councillors

12.0 Equality and Diversity Implications

12.1 As described in each report considered by Cabinet. Copies of all reports have been previously circulated to all Members of the Council.

13.0 Climate Change and Environmental Implications

13.1 The climate change and environmental implications of reports are described in each individual report.

14.0 Background Papers

None.

15.0 Appendices

- A Cabinet Decisions Made Since the Last Meeting of the Council

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Appendix A

Cabinet Business

Matters that have been determined by Cabinet are listed below:

	2.1	<u>19 September 2024</u>
K	2.1.1	Vision 2032 – Annual Review
NK	2.1.2	Telford & Wrekin Becoming Carbon Neutral – Update Report
NK	2.1.3	Progress on the Council’s Equality, Diversity and Inclusion Strategy and Action Plan
NK	2.1.4	Representation on Outside Bodies
	2.2	<u>7 November 2024</u>
K	2.2.1	Telford & Wrekin Council Plan
K C	2.2.2	2024/25 Financial Monitoring Report
K	2.2.3	All Age Carers Strategy 2024-2029
K	2.2.4	Telford & Wrekin Digital Strategy 2024
NK	2.2.5	Ofsted Action Plan
NK	2.2.6	Report of the Communities Scrutiny Committee – Election Review Working Group Report

<u>Key</u>
K = Key Decisions
NK = Non-Key Decisions
E = Exempt Items
PE = Part Exempt Item
C = Council
PC = Part Recommendation to Council

Delegation of Powers Granted by the Cabinet

REPORT HEADING	DELEGATION GRANTED TO	DETAIL OF DELEGATION GRANTED
Representation on Outside Bodies	Monitoring Officer, in consultation with Cabinet Member: Finance, Governance & Customer Services	To consider which bodies to nominate to and which Councillor is nominated
2024/25 Financial Monitoring Report	Chief Executive, in consultation with the Leader or the Cabinet Member with responsibility for Finance	To approve bids from the Invest to Save/Capacity Fund
All Age Carers Strategy	Director of Adult Social Care, in consultation with the Cabinet Member: Adult Social Care and Health Systems	To implement a five-year action plan



Telford & Wrekin
Co-operative Council

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Borough of Telford and Wrekin

Cabinet

7 November 2024

2024/25 Financial Monitoring Report

Cabinet Member:	Cllr Zona Hannington - Cabinet Member: Finance, Governance & Customer Services
Lead Director:	Michelle Brockway - Interim Director: Finance, People and IDT
Service Area:	Finance, People and IDT
Report Author:	Pauline Harris – Finance Manager
Officer Contact Details:	Tel: 01952 383701 Email: pauline.harris@telford.gov.uk
Wards Affected:	All Wards
Key Decision:	Key Decision
Forward Plan:	Yes – 30 October 2024
Report considered by:	SMT – 24 September 2024 Business Briefing – 3 October 2024 Cabinet – 7 November 2024

1.0 Recommendations for Decision/Noting

It is recommended that Cabinet:

- 1.1 Notes the 2024/25 revenue budget position; and that Full Council approve the use of £0.216m Special Fund balances for additional lighting works to be undertaken in the Special fund areas;
- 1.2 Notes the position in relation to capital spend; and recommends that Full Council approve the changes to the capital programme detailed in Appendix C and all associated changes to the Medium Term Financial Strategy, including Treasury and Prudential Indicators;
- 1.3 Notes the collection rates for NNDR, council tax and sales ledger;

- 1.4 Notes the current position in relation to Treasury & Prudential Indicators; and
- 1.5 Authority to approve bids from the Invest to Save/Capacity Fund is delegated to the Chief Executive after consultation with the Leader or the Cabinet Member with responsibility for Finance

2.0 Purpose of Report

- 2.1 To provide Cabinet with the latest financial monitoring position for the year relating to: the revenue budget, capital programme and income collection.

3.0 Background

- 3.1 The Medium Term Financial Strategy (MTFS) 2024/25 to 2027/28 was approved at Full Council on 29 February 2024, which included the 2024/25 revenue budget and medium term capital programme. Since the MTFS was approved, the economic climate has continued to be challenging with costs pressures being experienced, particularly in relation to the provision of Adult Social Care.
- 3.2 Good financial management is an essential element of good governance and long-term service planning which are critical to ensuring that local service provision is sustainable and the use of resources is maximised in order to meet the needs of our residents.
- 3.3 Financial management is the responsibility of budget holders and is supported by Finance staff using a risk based approach: more focus is given to higher risk areas (high value/more volatile); less frequent financial monitoring is undertaken on budgets deemed to be medium to lower risk. Financial monitoring provides Cabinet and Senior Management Team with a focussed view on the Council's financial performance, to inform and support decision making and to ensure financial sustainability.
- 3.4 This Financial Monitoring Report for 2024/25 provides the latest projections in relation to the projected outturn position i.e. how projected net revenue spend compares to the budget set for the year; progress against the approved 2024/25 capital programme; the key issues to be highlighted; together with a summary of collection information in relation to Council Tax, Business Rates and Sales Ledger income.
- 3.5 The funding outlook for the medium term remains very uncertain and will clearly continue to be challenging, particularly given the Council has already had to deliver £156.9m ongoing budget savings since 2009/10.
- 3.6 There is a statutory duty for local authorities to set a balanced and robust budget each financial year and to take timely action to address financial pressures. It is our aim to continue to deliver quality services whilst ensuring a balanced budget.

4.0 Summary of main proposals

- 4.1.1 Nationally, Councils continue to face extreme challenges with unprecedented pressures driven by high costs and high demand for services – particularly Adult

Social Care, Children's Safeguarding and School Travel Assistance. Following the publication of its Local Government White paper in June 2024 which stated "there has never been a more difficult time for local government", the LGA has now published its submission to the Treasury ahead of the Autumn Budget and Spending Review. In it, they are clear that "councils are under severe financial strain" with a funding gap of £6.2bn predicted over the next 2 years and financial sustainability being tested. As their Priority 1, the LGA are calling for "a significant and sustained increase in overall funding that reflects current and future demands for services. In addition, the system for funding councils is out of date, opaque and urgently in need of reform. Councils need multi-year and timely finance settlements, and greater certainty over financial reforms, to enable them to plan ahead and make meaningful financial decisions."

- 4.1.2 Telford & Wrekin Council echoes the LGA's views and welcomes the Government's acknowledgement that councils have a vital role in delivering services to our communities and local government funding is a key issue; we need multi-year and timely finance settlements and clarity over financial reforms to enable future planning and informed decision making.
- 4.1.3 While inflation is expected to reduce in the medium term, current indicators show that the economy will be slower to recover than was expected when the Council's budget was set. In September 2024 CPI fell to 1.7% which is below the Bank of England's 2% target and an indication that price increases are steady. The Bank of England reduced base rate from 5.25% to 5.00% in August with further cuts predicted later in the year but still higher than was anticipated when the Council's budget was set.
- 4.1.4 Given these factors, monitoring for 2024/25 indicates a number of variations from the approved budget, notably relating to Adult Social Care where in order to meet the needs of the most vulnerable residents, additional investment is required.
- 4.1.5 Before application of remaining contingencies included in the revenue budget, the projected outturn position is currently expected to be over budget by £4.498m at year end, which is an increase of £0.944m since the last report. Making use of the specific earmarked Social Care contingency and an element of the General budget contingency will bring the overall position within budget at year end.
- 4.1.6 The Council has an excellent track record of strong financial management and Cabinet Members and budget holders will continue their work to manage budgets as effectively as possible during 2024/25 to address in-year financial pressures.
- 4.1.7 Projections will continue to be refined and updates brought to Cabinet in future financial monitoring reports. While extremely challenging our aim is to continue to deliver quality services to the residents of the borough and protect critical front-line services.

4.1.8 A summary of the current projection for the year end position is:-

	£m
Net Revenue Budget	157.296
Projected Net Revenue Outturn	161.794
Projected Variance	+4.498
Use of One off Contingency (earmarked for Social Care Pressures)	-1.959
Use of General Budget Contingency	-2.539
Projected Year End Variance	0.000

4.1.9 There are a number of variations from the approved budget, detailed in Section 5. The key variance is Adult Social Care (ASC), with £4.3m additional investment currently being required relating to the cost of providing care packages across all client groups. This includes the impact of market price increases, more complex needs, higher demand and longer periods of care being required; all of which are being analysed by the Service with the aim of refining projections and managing spend. This is after additional net investment of £5.9m (which is after savings of £7.7m have been reflected) into ASC in 2024/25 as part of the Medium Term Financial Strategy.

4.2 Capital

The capital programme totals £102.4m for 2024/25 which includes all approvals since the budget was set. Schemes are in progress and at the time of compiling this report spend is projected to be on budget at year end.

4.3 Corporate Income Collection

Income collected in relation to Business Rates is within the target set while Sales Ledger and Council Tax are slightly outside the target set. Ultimately, all debt will be pursued and will continue to be collected after the end of the financial year with all appropriate recovery avenues being pursued.

5.0 Additional Information

5.1 The overall 2024/25 monitoring position against the budget is summarised in the table below:

Service Area	Budget	Variation 10 July 2024 Cabinet	Movement	Total Current Variation
	£m	£m	£m	£m
Finance, People & IDT	16.531	(0.075)	(1.544)	(1.619)
Policy & Governance	1.488	(0.043)	0.000	(0.043)
Adult Social Care	68.174	4.300	(0.030)	4.270
Housing, Commercial & Customer Services	5.320	0.054	(0.054)	0.000
Children's Safeguarding & Family Support	49.550	0.158	0.607	0.765
Education & Skills*	13.559	0.000	0.506	0.506
Health & Wellbeing	0.806	0.070	(0.037)	0.033
Neighbourhood & Enforcement Services	32.762	(0.045)	(0.001)	(0.046)
Prosperity & Investment	(6.853)	(0.071)	1.495	1.424
Council Wide	(24.041)	(0.794)	0.002	(0.792)
Total	157.296	3.554	0.944	4.498

*Excludes DSG variances – see 5.2.2 below.

5.2.1 Projected variances over £0.250m are highlighted below, all other variances over £50k are detailed in Appendix B.

Service Area	Variance £m
<u>Finance, People & IDT</u>	
Treasury – impact of capital spend re-profiling and positive cash flow positions in the early part of the year. This benefit is offsetting the income pressure in the Property Investment Portfolio shown below.	-1.500
<u>Adult Social Care</u>	
Longer Term Care Purchasing – projected expenditure relating to block and spot contracts. Additional investment is required due to the continued increase in demand since the budget was set and the impact of increases in market rates. The service	+3.769

Service Area	Variance £m
<p>continues to work on delivering care which maximises prevention and independence where possible.</p> <p>My Options – Adults & Childrens Services – pressure from delay in delivery of savings from change in provision at Lakewood Court and staffing savings to be delivered.</p> <p>Prevention & Enablement, Intermediate Care – demand for reablement services and services to facilitate discharge from hospital continue to be high and a pressure is very likely in 2024/25. Regular discussions with Shropshire and Telford & Wrekin ICB are being held to determine the funding strategy for 2024/25 which may result in a share of the pressure falling on Telford & Wrekin Council. No variance is included at present pending the outcome of discussions; the position will be updated in future financial monitoring reports.</p> <p>Prevention & Enablement, Staffing & Operational Expenditure – additional spend relating to the cost of agency workers</p>	<p>+0.478</p> <p>+0.274</p>
<p><u>Housing, Commercial & Customer Services</u></p> <p>Customer Relationships & Welfare Services – Use of One off Reserve Funding</p> <p>Strategic Housing, Income – income shortfall which will be delivered when Housing Schemes become operational (Red Lion development due 2025/26). Note, borrowing costs are also reduced which is reflected in the Treasury benefit reported under Finance.</p>	<p>-0.461</p> <p>+0.270</p>
<p><u>Children’s Safeguarding & Family Support</u></p> <p>Children in Care, Leaving Care Team & Speciality Services, Family Solutions:</p> <p>Children In Care Placements – additional investment was allocated in the 2024/25 budget process and costs are currently projected to be within budget. The Council’s new provision for supported accommodation, Octavia Court, which opened in the Summer, is also having a positive impact on placement costs.</p> <p>Health Funding – anticipated health contributions in relation to health needs are lower than budgeted, impacted by reduced overall placement costs.</p>	<p>-0.668</p> <p>+0.580</p>

Service Area	Variance £m
Safeguarding, Management & Partnerships:	
Staffing expenditure – shortfall arising from one off investment ending and anticipated savings target applied	+0.647
Operational expenditure – includes expenditure relating to Impower support	+0.804
Income – mainly capitalisation of Impower spend (above)	-0.789
<u>Prosperity & Investment</u>	
Regeneration & Investment, Property Portfolio Income – capital investment re-phased into future years with corresponding impact on budgeted income. Note, this is offset by a reduction in borrowing costs which is reflected in the Treasury benefit totalling £1.5m reported under Finance.	+1.052
<u>Council Wide</u> – including WME dividend which is projected to be higher than budgeted; additional retained rates inflation and other corporate underspends.	-0.793

5.2.2 Dedicated Schools Grant (DSG)

Dedicated Schools Grant sits within Education & Skills and is monitored separately to the Council's General Fund position shown in Section 5.1. Excluding funds passed to academies and colleges, Dedicated Schools Grant totals £133.4m in 2024/25. DSG deficits are currently required to be held in a separate reserve in local authorities' accounts which is disregarded from the measure of local authority reserves. These regulations apply up to and including the accounts for 2025 to 2026.

During 2023/24 Telford & Wrekin's DSG was overspent and a deficit of £1.82m was carried forward to 2024/25. The deficit was due to budget pressures relating to High Needs provision and these pressures have continued in 2024/25. The current position is that the deficit is currently projected to significantly increase in 2024/25, from £1.82m at the start of the year to approximately £6m at the end of the financial year.

A cost improvement plan is being developed to address the budget pressures in high needs. The Council has a positive relationship with schools and other providers which assists the Council to manage the budget as effectively as possible and ensure we meet our responsibilities to young people.

High needs pressure is a national issue with most upper tier Council's having a DSG deficit. At the end of 2022/23, the national total DSG deficit was £1.168bn (which included 100 authorities with deficits).

In 2020, the Government introduced a statutory override that meant that all local authorities' DSG deficits were separated from a Council's wider accounts. This means there is no current expectation that a council's general fund should be used to offset any DSG deficit. This override is currently in place until 2025/26. The new government has yet to announce its policy position beyond 2025/26.

The position is being closely monitored and updates will be included in future financial monitoring reports.

5.3 CONTINGENCIES, RESERVES & BALANCES

5.3.1 The 2024/25 budget includes a general revenue contingency of £3.950m which is set aside to meet any unforeseen expenditure or income shortfalls during the year and a one-off contingency of £1.959m set aside specifically for Social Care pressures.

The current projected position would require use of all of the one-off contingency earmarked for Social Care and a proportion of the general contingency leaving £1.411m contingency balance for the remainder of the year (see table in 4.1.8).

5.3.2 There is also a contingency amount held centrally for contractual and pay inflation. Any remaining balance will be applied to support the overall position at year end. It should be noted that the pay award for 2024/25 is still in the process of being negotiated; if it is higher than the allowance set aside this will be an additional in year pressure.

5.3.3 The Budget Strategy Reserve remains at £21.7m.

5.4 CAPITAL

5.4.1 2024/25 Capital Programme

The 2024/25 capital programme totals £102.4m. The financial position is shown in the table below and shows projected spend at year end is on target at £102m.

Service Area	Approved Budget	Spend	% Spend	Year End
	£m	£m		£m
Prosperity and Investment	58.15	17.88	30.74%	58.54
Policy and Governance	0.07	0.01	8.39%	0.05
Education & Skills	17.98	5.06	28.16%	17.98
Adult Social Care	0.03	-0.04	0.00%	0.03
Neighbourhood & Enforcement Services	12.86	3.08	23.97%	12.38
Housing, Commercial & Customer Services	6.37	1.96	30.78%	6.07
Finance, People and IDT	5.93	2.91	49.12%	5.94
Corporate Items	1.01	0.23	22.92%	1.01
	0.00	0.00	0.00%	0.00
Total	102.41	31.10	30.4%	102.00

5.4.2 The 2024/25 capital programme relies on £4.6m of net capital receipts as part of its funding. Capital receipts included in the medium term budget strategy are kept under continual review and any changes will be reflected in future budget projections but are currently projected to be on target.

5.4.3 New allocations, slippage and virements are included in Appendix C for approval.

5.4.4 Full Council approved Prudential and Treasury Indicators on 29 February 2024. Appendix D shows the Treasury and Prudential Indicator monitoring as at end August 2024.

6.0 CORPORATE INCOME MONITORING

6.1 The Council’s budget includes significant income streams which are regularly monitored to ensure they are on track to achieve targets that have been set and so that remedial action can be taken at a very early stage. The three main areas are Council Tax, NNDR (business rates) and Sales Ledger. Current monitoring information relating to these is provided below. The Council pursues outstanding debt vigorously, until all possible recovery avenues have been exhausted, but also prudently provides for bad debts in its accounts.

6.2 In summary, NNDR collection is within the target set while sales ledger collection and council tax are slightly outside target.

INCOME COLLECTION – AUGUST 2024			
	Actual	Target	Performance
Council Tax Collection	44.88%	45.35%	0.47% outside target
NNDR Collection	50.86%	49.49%	1.37% ahead of target
Sales Ledger Outstanding Debt	5.82%	5.25%	0.57% outside target

6.3 Council Tax (£119.1m)

The percentage of the current year liability for council tax which the authority should have received during the year, as a percentage of annual collectable debit. The measure does not take account of debt that continues to be pursued and collected after the end of the financial year in which it became due. The final collection figure for all financial years exceeds 99%.

Year End performance 2023/24	97.31%
Year End Target for 2024/25	97.31%

Performance is cumulative during the year and expressed against the complete year’s debit.

Month End Target	Month End Actual	Last year Actual
45.35%	44.88%	45.21%

Collection rates are slightly behind target.

6.4 NNDR-Business Rates (£82.3m)

The % of business rates for 2024/25 that should have been collected during the year. This target, as for council tax, ignores our continuing collection of earlier years' liabilities.

The measure does not take into account the debt that continues to be pursued and collected after the end of the financial year in which it became due. As a general rule the final collection figure for any financial year exceeds 99%.

Year End performance 2023/24	97.37%
Year End Target for 2024/25	98.00%

Month End Target	Month End Actual	Last year Actual
49.49%	50.86%	48.86%

Collection rates are slightly ahead of target, and ahead of performance last year.

6.5 Sales Ledger (£103.6m)

This includes general debt and Social Care debt. Debt below 2 months is classified as a normal credit period.

The target percent is set relating cumulative debt outstanding from all years to the current annual debit. The targets and performance of income collection for 2024/25 are as follows:

Age of debt	Annual Target %	August 2024	
		£m	%
Total	5.25	6.027	5.82

Sales ledger performance is outside of target; individual balances are being pursued.

7.0 Alternative Options

7.1 Budget holders will investigate a number of options to seek to deliver required service outcomes from within budgeted resources. Options to deliver savings and additional income have been explored.

8.0 Key Risks

8.1 Budget holders actively manage their budgets and the many financial risks and challenges that council services face, examples include the risk of a particularly harsh winter which would impact adversely on the winter gritting and adult social care budgets, the increasing dependency on income from a wide range of activities and the risk of interest rate movements and further inflationary pressures, the risk of changes in legislative or accounting requirements impacting on budgets etc. The Council has comprehensive risk management arrangements in place, which are reviewed and updated by the Senior Management Team.

9.0 Council Priorities

9.1 Delivery of all Council priorities depends on the effective use of available resources. Regular financial monitoring in the financial management reports helps to highlight variations from plan so that action can be taken to effectively manage the Council's budget.

10.0 Financial Implications

10.1 The financial impacts are detailed throughout the report.

11.0 Legal and HR Implications

11.1 There are no direct legal implications arising from this report. The S151 Officer has a statutory duty to monitor income and expenditure and ensure that the Council takes action if overall net overspends /shortfalls emerge.

11.2 Legal services will provide ongoing advice in relation to specific proposals relating to the making of savings, including on any requirement to undertake consultation as such proposals are brought forward for consideration.

12.0 Ward Implications

12.1 There are no impacts on specific wards

13.0 Health, Social and Economic Implications

13.1 There are no Health, Social and Economic Implications directly arising from this report.

14.0 Equality and Diversity Implications

14.1 There are no Equality & Diversity implications directly arising from this report. Proportionate impact assessments are carried out and a range of consultation mechanisms are used where appropriate.

15.0 Climate Change and Environmental Implications

15.1 There are no Climate Change and Environmental Implications directly arising from this report.

16.0 Background Papers

- 1 Medium Term Financial Strategy 2024/25 to 2027/28
- 2 2024/25 Financial Monitoring Report

Council 29/02/2024
Cabinet 10/07/2024

17.0 Appendices

Appendix A	Summary of 2024/25 Projected Variations
Appendix B	2024/25 Revenue Variations over £50,000
Appendix C	Capital Approvals
Appendix D	Treasury & Prudential Indicators

18.0 Report Sign Off

Signed off by	Date sent	Date signed off	Initials
Director	19/09/2024	20/09/2024	MLB
Finance	18/09/2024	18/09/2024	PH
Legal	19/09/2024	20/09/2024	RP

2024/25 Revenue Budget Variations

Service Area	Budget	Variation 10 July 2024 Cabinet	Movement	Total Current Variation
	£	£	£	£
Finance, People & IDT	16,530,778	(75,000)	(1,543,969)	(1,618,969)
Policy & Governance	1,488,362	(42,638)	0	(42,638)
Adult Social Care	68,174,484	4,300,052	(30,246)	4,269,806
Housing, Commercial & Customer Services	5,319,553	53,693	(53,693)	0
Children's Safeguarding & Family Support	49,549,499	157,591	607,699	765,290
Education & Skills	13,558,976	0	506,394	506,394
Health & Wellbeing	805,856	70,188	(36,691)	33,497
Neighbourhood & Enforcement Services	32,762,492	(44,992)	(1,240)	(46,232)
Prosperity & Investment	(6,852,654)	(70,942)	1,494,513	1,423,571
Council Wide	(24,041,507)	(794,000)	1,346	(792,654)
Total	157,295,840	3,553,952	944,114	4,498,066
	0			0

2024/25 Revenue Budget Variations over £50,000				
Description		Budget	Total Variation	Comments
		£	£	
Finance, People & IDT				
Treasury		14,444,469	(1,500,000)	Impact of re-profiling capital spend and positive cash flow position in the early part of the year.
Care & Education Finance	Staffing	1,065,220	(51,180)	Vacancies
Learning & Development	Staffing	564,456	(58,125)	Vacancies
Revenues	Supplies & Services	217,710	57,067	Legal/operational expenditure
People Services	Income	(5,500)	(51,160)	Net Income from AVC Scheme
	Variations under £50k	244,423	(15,571)	
Total Finance, People & IDT		16,530,778	(1,618,969)	
Policy & Governance				
	Variations under £50k	1,488,362	(42,638)	
Total Policy & Governance		1,488,362	(42,638)	
Adult Social Care				
All long term care purchasing-Spot & block for all ages	Spot & block purchasing	83,724,125	3,768,685	Forecast pressure following an update to the ASC model. The revision re-bases the model to take account of final demand and rates information for 23/24.It builds on this new base with expected changes in demand and rates for 24/25. The pressure arises because the model was produced at a point in time in the Autumn/Winter of 2023 but growth in activity has continued at unprecedented levels, and market rates are likely to continue to increase and this is impacting projected expenditure and income in 2024/25. The management team continue to work on delivering care which maximises prevention, Social Capital and maximising independence wherever possible, this should help to maximise the number of packages of care that can be supported from a constrained budget which is under pressure.
Health funding contributions-all ages and care types	Joint Funding	(7,986,218)	0	Latest forecast income from the NHS from latest identified projections of care for clients with some health needs
Prevention & independence - Older People & Disability	Staffing & Operational expenditure	3,079,487	(248,857)	Mainly from vacancies due to recruitment challenges.
Autism, Learning Disability & mental health	Staffing & Operational expenditure	2,059,417	109,060	Overspend due to additional agency workers.
	My Options-Adults & Children's services	272,374	478,230	Pressure from previous savings associated with changes to Lakewood Court from residential provision to Supported accommodation, and costs of agency staff to cover services
	In House purchasing (from My Options)	7,168,213	141,029	Increase in recharges to reflect additional work. The additional income is already reflected in My Options trading position above

2024/25 Revenue Budget Variations over £50,000

Description		Budget	Total Variation	Comments
		£	£	
Prevention & Enablement	Intermediate Care	7,632,827	0	The demand for reablement services and services to facilitate discharge from hospital continue at an unprecedented level. The pressure on the base budget held within the BCF is likely to be around £2m in 2024/25, with expenditure likely to be around £11mil. Partner organisations are undertaking work programmes to look at alternative service delivery strategies to deal with the demand in the medium to longer term. Alongside this discussions with Shropshire, Telford & Wrekin ICB are being held on a regular basis to determine the funding strategy for the current financial year and this may result in a share of the pressure being funded by the Council to facilitate service delivery.
	Staffing & Operational expenditure	1,402,323	273,545	Overspend due to agency workers over and above the number of vacancies in the TICAT team
	Income	(13,599,430)	0	Based on current expectations of in year income.
	Agency - contribution from reserves	0	(191,938)	Contribution from ASC reserves to cover additional agency resource taken on to support the service in the first quarter of 24/25, costs of which are included in staffing lines above
	Variations under £50k	(15,578,634)	(59,948)	This previously reflected the vacancy factor which has now been allocated to the operational teams
Total Adult Social Care		68,174,484	4,269,806	
Housing, Commercial & Customer Services				
Strategic Housing	Income	(324,000)	270,000	Income target shortfall; will be delivered when Housing Schemes become operational; Red Lion development due in 2025/26. There is a benefit in relation to lower borrowing costs which is included in the Treasury benefit reported under Finance.
	Variations under £50k	1,184,795	(58)	
Telford Theatre	Various	331,640	184,516	Projected costs in relation to the closure. This over spend is being mitigated by a £151k underspend within the BIT team as a result of premises cost savings.
Catering Services	Various	(140,731)	(73,045)	Projected over achievement of income.
Telford Ice Rink	Income	(870,113)	(70,787)	Projected over achievement of income.
Wellington Leisure Centre	Various	18,640	70,766	Projected net shortfall of income due to the closure.
Customer Relationships & Welfare Services	Housing Benefit Subsidy	(190,000)	19,292	Projected reduced recovery of overpayments plus an adjustment to reflect the impact of the bad debt provision. Projections reflect the expected caseload reduction due to DWP's Universal Credit managed migration.
Customer Relationships & Welfare Services	Housing Benefit Subsidy - Use of reserve	0	(19,292)	Use of earmarked one off funding to cover the above costs.
Customer Relationships & Welfare Services	Use of one of reserve funding	0	(460,708)	Use of Reserve.
Community Services	Solar Farm - Income	(989,810)	75,086	Projected shortfall in PPA and FIT income; 7% reduction for April to July to the previous year.
	Variations under £50k	5,200,882	4,230	
Libraries	Variations under £50k - Libraries	1,098,250	0	
Total Housing, Commercial & Customer Services		5,319,553	0	

2024/25 Revenue Budget Variations over £50,000

Description		Budget	Total Variation	Comments
		£	£	
Children's Safeguarding & Family Support				
Children in Care, Leaving Care Team & Speciality Services, Family Solutions	CIC Placements, Post 18 Staying Put & Leaving Care Support	31,245,780	(667,737)	Additional budget, allocated in the context of 2023/24 outturn and the budget model, currently exceeds projected costs of placements. The work with Impower and ongoing work on prevention, early intervention and review of placement costs is having a positive impact on the cost of placements. The Council's new provision for supported accommodation, Octavia Court, which opened over the summer, is also having a positive impact on placement costs.
	Health funding	(6,997,900)	580,187	the budget has been realigned in accordance with the placements model but health funding is currently projected to form the same proportion of placement costs as in 2023/24 and a reduction in overall placement costs has reduced the projected health income.
	Children with Disabilities	2,058,540	95,433	Expenditure in this area has increased significantly in recent years, as the level of need in the CYP population has increased. The realigned budget is now more realistic for this area, but there continues to be a high demand for support for children with disabilities.
	Staffing expenditure	3,357,698	464,409	Staffing budgets are currently being reviewed, but a large proportion of this variance reflects additional staffing to support Unaccompanied Asylum Seeking Children (UASC) for whom significant additional income is being received (see below).
	Income	(2,150,643)	(355,299)	Additional grant received for UASC and care leavers.
Child Protection & Family Support, Parenting Assessment & Contact Teams	Staffing expenditure	2,094,845	(247,922)	There are currently a significant number of vacant posts in this area.
Service Improvement & Efficiency	Staffing expenditure	1,660,184	(93,078)	There are some vacant posts in this area
	Operational expenditure	522,829	59,429	Additional expenditure offset by additional income - see below
	Income	(26,330)	(63,147)	See above, additional income generated covers additional costs
Family Connect, EDT & Early Help Children & Families (Strengthening Families)	Operational expenditure	1,019,002	65,651	Budget realignment to reflect savings have reduced budget in this area
Fostering, Adoption and Permanence	Adoption support	1,230,567	52,973	There has been an increase in the cost of adoption allowance in the first part of the year. Agency adoption fees are volatile and the projection in this area will be kept under review as the year progresses.
Family Safeguarding	Operational expenditure	2,817,301	61,913	The main drivers of the forecast overspend, assuming similar levels of expenditure to 2023/24, are legal expenses and assessments, both of which are linked to placement cost pressures in recent years.
Safeguarding, Management and Partnerships	Staffing expenditure	1,841,200	646,705	A budget saving of £300,000 arising from a short-term investment ending has been applied to this area, as has the Service overall vacancy factor saving of £126,000.
	Operational expenditure	1,042,093	803,974	Expenditure for Impower support, forecast at approximately £700,000 this year, is reflected here with an equivalent income source shown below
	Income	(1,177,224)	(788,929)	See above
Variations under £50k		10,191,731	140,656	

2024/25 Revenue Budget Variations over £50,000

Description		Budget	Total Variation	Comments
		£	£	
Total		48,729,673	755,217	
Independent Review	Staffing expenditure	710,677	(6,132)	Forecast expenditure assumes that a currently vacant post is recruited to.
	Operational expenditure	109,149	16,205	The forecast position arises from overspends in areas including interpreter fees and payments to Change Grow Live.
Total Children's Safeguarding & Family Support		49,549,499	765,290	
Education & Skills				
Transport		3,848,142	(117,976)	There has been a significant increase in families choosing enabling modes of school travel assistance including an uptake of personal budgets that are funded Dedicated Schools Grant (DSG).
Arthog		49,377	85,844	Pressure in this area arises mainly from a projected shortfall in budgeted income. In particular, achieving the targeted income from social impact contributions from local businesses is proving to be challenging in the current economic climate.
Traded Advisory Services		65,448	181,990	Grant income which was available to support services in this area in 2023/24 (e.g. Ukraine grant) is no longer available in 2024/25 creating budgetary pressure. Services are being reviewed in this context.
Specialist Services		562,064	228,068	Significant additional expenditure has been incurred in Educational Psychology due to the use of agency staff to process statutory assessments.
Premature retirement costs		1,171,024	140,797	Savings targets have been applied to this area, which covers the costs of teachers who prematurely retired, with the local authority picking up premature retirement costs. This policy ceased some years ago, but annual costs continue to be incurred through the duration of teachers retirement. Savings targets were applied on the basis of demography, but at present this impact is not being seen on costs.
Under £50K		7,862,921	187,671	This variance includes the £142K vacancy factor for Education & Skills
				Note: The monitoring details above for Education & Skills show the general fund position, but in addition the Dedicated Schools Grant (DSG) has a deficit of £1.82m, arising because of budget pressures from requirements of increasing high needs provision, carried forward from 2024/25. A cost improvement plan has been developed to address the situation, but there are continuing and increasing pressures in 2024/25. The deficit on the high needs budget is currently projected to increase significantly in 2024/25, with current projections showing a deficit, including the brought forward figure, of around £6m by the end of the current financial year. High needs budget overspends are a significant national issue, illustrated by most upper tier Councils already showing a DSG deficit by the end of 2022/23. In this context, the way in which local authorities account for DSG deficits was altered in 2020. DSG deficits are now required to be held in a separate reserve in local authorities' accounts. These regulations apply up to and including the accounts for 2025 to 2026.
Use of One Off Funding			(200,000)	Maximisation of grant funding
Total Education & Skills		13,558,976	506,394	
Health & Wellbeing				

2024/25 Revenue Budget Variations over £50,000

Description		Budget	Total Variation	Comments
		£	£	
Coroners Court	Contracted services	266,450	67,800	Pressure on budget from services being delivered by the Coroner and associated services. Demand for Post Mortems and body conveyancing is increasing costs
	Variations under £50k - GF Services	230,376	(34,303)	
Sexual Health	Contracted services	(5,600)	56,141	Pressure within contract identified within consumables supply contracts and initiatives
	Variations under £50k-Public Health	314,630	(8,385)	
Public Health Grant	Underspend/(Overspend) to/(from) Reserve		(47,756)	Overspends against public health funded budgets transferred from Public Health reserve
Total Health & Wellbeing		805,856	33,497	
Neighbourhood & Enforcement Services				
Enforcement	Income - Car Parking	(55,570)	143,204	Shortfall against budgeted income from car parking
	Variations under £50k	763,373	34,560	
Neighbourhood & Environmental Services	Variations under £50k	5,421,736	77,880	
Highways, Engineering & Project Delivery	Supplies & Services - Street Lighting	1,974,190	175,620	Increased Maintenance Costs
	Supplies & Services - Street Lighting		13,471	Increased Energy Usage
	Supplies & Services - Street Lighting		36,361	Increased Energy Costs
	Supplies & Services - Street Lighting		53,959	Energy Green levy introduced in 24/25
	Reserves - Street Lighting		(215,759)	Use of reserves
	Reserves - Street Lighting		(63,652)	Use of one-off reserves
Strategic Transport & Highway Network Management	Variations under £50k	8,451,956	(69,045)	
	Concessionary Travel	1,675,700	(56,005)	Reduction in Operating Costs
Safer & Stronger Communities	Variations under £50k	9,927	(93,899)	
	Variations under £50k	(2,191,970)	(2,300)	
Waste & Neighbourhood Services	Waste Treatment	6,456,430	(81,808)	Reduction in Waste Tonnages and associated Treatment processing costs
	Variations under £50k	10,256,720	1,182	
Total Neighbourhood & Enforcement Services		32,762,492	(46,232)	
Prosperity & Investment				
Building Innovation Telford	Premises - Addenbrooke House	-	120,442	Running costs and NNDR of Addenbrooke House up to transfer of property.
	Premises - Lakewood Court	-	90,000	Costs associated with fire door replacements.

2024/25 Revenue Budget Variations over £50,000

Description		Budget	Total Variation	Comments
		£	£	
Development Management	Premises - The Place	422,630	(151,558)	One off underspends.
	Premises - Oakengates Leisure		(203,121)	One off NNDR rebates and reduced in year NNDR.
	Income	(3,678,080)	159,000	Slippage on capital schemes impacting levels of income.
	Variations under £50k		(142,000)	
	Income - Planning applications & Building Control	(2,625,900)	200,000	Estimated based upon a downturn in year to date trends compared to 23/24. This will be monitored monthly and can fluctuate up or down.
Regeneration & Investment	PIP Income	(10,467,570)	1,051,724	Delay in Growth Fund capital schemes impacting on phasing of income. There is a benefit in relation to the associated lower borrowing costs which is included in the Treasury benefit reported under Finance.
	Income - Earthworks savings target	(200,000)	200,000	Alternative for site identified that will deliver improved outputs.
Strategic Planning	Net - Southwater MSCP & Hall Court	(221,090)	66,014	Shortfall on income, although a much improved position than 23/24.
	Variations under £50k	1,107,320	(93,142)	
	Variations under £50k	8,810,036	126,212	
Total Prosperity & Investment		(6,852,654)	1,423,571	
Corporate				
S31 Grant	Business Rates Retention Scheme Top Up		(69,000)	Additional top up inflation 24.25
WME Dividend		(590,000)	(226,315)	Dividend received from WME higher than budgeted
Council Wide		(23,451,507)	(497,339)	Various corporate underspends including pensions and provision for savings shortfalls net of potential costs. To be updated as the year progresses.
Total Corporate		(24,041,507)	(792,654)	
Total		157,295,840	4,498,066	

0 0

157,295,840

0

APPENDIX C

Capital Approvals - by Service Area

Virements			
Scheme	Service Area	Funding Source	24/25
			£
Highways & Bridges Capital Maintenance	Neighbourhood & Enforcement Services	Prudential	(40,000.00)
Rights of Way	Prosperity & Investment	Prudential	40,000.00
Integrated Transport	Neighbourhood & Enforcement Services	Grant	5,000.00
All Other School Schemes	Education & Skills	Grant	(5,000.00)
AMP - S & FP Approved Bids	Neighbourhood & Enforcement Services	Prudential	(4,500.00)
AMP - General Works & Surveys	Prosperity & Investment	Prudential	4,500.00
Leisure Capital Schemes	Housing, Commercial & Customer Services	Prudential	(150,000.00)
Condition Work	Prosperity & Investment	Prudential	150,000.00
Legacy Fund	Housing, Commercial & Customer Services	Prudential	(88,354.32)
Condition Work	Prosperity & Investment	Prudential	88,354.32

0.00

Slippage							
Scheme	Service Area	Funding Source	24/25	25/26	26/27	27/28	
			£	£	£	£	
Pride in Your High Street	Prosperity & Investment	Prudential	(583,924.15)	583,924.15			
Housing Company - Housing	Prosperity & Investment	Prudential	(16,551,260.00)	(1,289,732.00)	(2,484,776.00)	20,325,768.00	
Stronger Communities	Prosperity & Investment	Prudential	(620,000.00)	620,000.00			
Playing Pitch Investment	Prosperity & Investment	Capital Receipts	(700,000.00)	700,000.00			
Swimming Pool in the Dawley Area	Prosperity & Investment	Capital Receipts	(600,000.00)	600,000.00			
Swimming Pool in the Dawley Area	Prosperity & Investment	Prudential		(3,000,000.00)	3,000,000.00		
Site Preparation	Prosperity & Investment	Capital Receipts	(50,000.00)	50,000.00			
Stalled Sites	Prosperity & Investment	Capital Receipts	(148,293.59)	148,293.59			
Property Investment Portfolio	Prosperity & Investment	Prudential	(11,770,000.00)	(1,005,339.72)	8,157,453.72	4,617,886.00	
Condition Works -Leisure	Prosperity & Investment	Prudential	(300,000.00)	300,000.00			
Towns Fund -Oakengates	Prosperity & Investment	Prudential	(612,514.78)	612,514.78			
Towns Fund -Oakengates	Prosperity & Investment	External	(400,000.00)	400,000.00			
Levelling Up Fund	Prosperity & Investment	Prudential	(500,000.00)		500,000.00		
Levelling Up Fund	Prosperity & Investment	Grant	(1,279,000.00)	1,279,000.00			
Towns Fund Wellington	Prosperity & Investment	Prudential	(162,000.00)		162,000.00		
Regeneration Funding	Prosperity & Investment	Prudential	(300,000.00)	300,000.00			
Towns Fund	Prosperity & Investment	External	(1,300,000.00)	1,300,000.00			
Towns Fund	Prosperity & Investment	Prudential	(500,000.00)	500,000.00			
Capital investment Fund	Corporate Items	Prudential	(5,000,000.00)		2,500,000.00	2,500,000.00	
Managing the Funding of the Capital Programme	Corporate Items	Capital Receipts	2,800,154.40	(175,154.40)	(2,000,000.00)	(625,000.00)	
Managing the Funding of the Capital Programme	Corporate Items	Prudential	(2,800,154.40)	175,154.40	2,000,000.00	625,000.00	
Efficiency Schemes Capitalisation	Corporate Items	Capital Receipts		(2,625,000.00)	2,000,000.00	625,000.00	
All Other School Schemes	Education & Skills	Grant	(4,426,052.50)	4,426,052.50			
All Other School Schemes	Education & Skills	Capital Receipts	(1,200,000.00)	1,200,000.00			
Housing	Housing, Commercial & Customer Services	Capital Receipts	(101,860.81)	101,860.81			
Housing	Housing, Commercial & Customer Services	Prudential	(800,000.00)	800,000.00			
Cemetries	Policy & Governance	Revenue	(136,390.88)	136,390.88			
ICT Investment Programme	Finance, People and IDT	Prudential	(400,000.00)	400,000.00			
Integrated Community Schemes	Adult Social Care	Prudential	(81,818.91)	81,818.91			
Service & Financial Approved Schemes	Neighbourhood & Enforcement Services	Prudential	(250,000.00)	250,000.00			
			(48,773,115.62)	6,869,783.90	13,834,677.72	28,068,654.00	

New Allocation							
Scheme	Service Area	Funding Source	24/25	25/26	26/27	27/28	
			£	£	£	£	
Pride in our Play Areas	Neighbourhood & Enforcement Services	External	5,000.00				
Integrated Transport	Neighbourhood & Enforcement Services	Revenue	35,000.00				
Pride in our Play Areas	Neighbourhood & Enforcement Services	Revenue	600.00				
Integrated Transport	Neighbourhood & Enforcement Services	External	38,511.87				
Integrated Transport	Neighbourhood & Enforcement Services	Revenue	1,100.00				
Highways / Footpaths	Neighbourhood & Enforcement Services	External	3,000.00				
Potters Group Landfill Community Fund	Neighbourhood & Enforcement Services	External	(49,425.22)				
Highways & Bridges Capital Maintenance	Neighbourhood & Enforcement Services	External	855.14				
ICT Investment Programme	Finance, People and IDT	External	745,752.83				
ICT Investment Programme	Finance, People and IDT	Prudential			735,000.00		
Affordable Housing Programme	Housing, Commercial & Customer Services	External		900,000.00			
Housing	Housing, Commercial & Customer Services	Grant	(68,200.00)				
Site Preparation	Prosperity and Investment	Capital Receipts		(1,000,000.00)			
Asset Management Plan-General Works & Surveys	Prosperity & Investment	Grant	41,800.00				
Managing the Funding of the Capital Programme	Corporate Items	Capital Receipts		1,000,000.00			
Managing the Funding of the Capital Programme	Corporate Items	Prudential		(1,000,000.00)			
			753,994.62	(100,000.00)	735,000.00	0.00	

Treasury Management & Prudential Indicators**Overall Treasury Portfolio at 31st August 2024 - £m**

	Budget	Latest Estimate
Estimated Total External Borrowing (@ 31.03.2025)	493.7	427.5
Investments (@ 31.03.2025)	15.0	15.0
Net Borrowing	478.7	412.5

Capital Expenditure & Commitments - £m

This indicator shows actual capital expenditure for the previous year and planned capital expenditure for 3 years. The table below reflects approvals throughout the year at Full Council, including those proposed in this report

Capital Expenditure/Funding	2024/25	2025/26	2026/27
Grant Funded	44.16	38.27	0.10
Prudential Borrowing	46.20	100.66	51.20
Capital Receipts	4.61	5.14	6.00
Revenue / External	7.52	6.34	0.13
	102.50	150.41	57.44

Capital Financing Requirement/ Borrowing - £m

The Capital Financing Requirement is the underlying need to borrow money over the long term. If outstanding borrowing is higher than the CFR this would indicate we are borrowing in advance of need.

	Latest Projections			
	31/03/25	31/03/26	31/03/27	
Loans CFR	555.6	654.6	703.9	
Estimated Outstanding Borrowing	427.5	528.2	579.4	✓ Outstanding Borrowing is lower than the underlying need to borrow

Authorised Limit and Operational Boundary (Debt)

The Authorised Limit for borrowing is the maximum amount the Council may borrow at any point in the year. The Operational Boundary is the maximum amount that the Council would normally borrow at any time during the year.

	24/25	25/26	26/27	
	31/03/2025	31/03/26	31/03/26	
Authorised Limit for borrowing - indicator set	655.0	745.0	765.0	✓ Outstanding Borrowing (above) is below both the Authorised Limit and the Operational Boundary
Operational Boundary for external debt - indicator set	635.0	725.0	745.0	

Security

The Council considers security, liquidity and yield, in that order, when making investment decisions.

Credit ratings remain an important element of assessing credit risk, but they are not a sole feature in the Council's assessment of counterparty credit risk.

The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted credit score of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments would be assigned a score based on their perceived risk.

Credit Risk Indicator	Target	Actual - 31/8/24	
Portfolio average credit score	6 or lower (which is equivalent to a credit rating of A or higher)	1.37	✓ The Average credit score for investments is within the target set

Maturity Structure

This indicator highlights the existence of any large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates and is designed to protect against excessive exposures to interest rate changes in any one period, in particular in the course of the next ten years.

Maturity Structure	Lower Limit	Upper Limit	Current	Within Limit
Up to 1 year	0%	70%	35%	✓
1 year to 2 years	0%	30%	9%	✓
2 years to 5 years	0%	50%	9%	✓
5 years to 10 years	0%	75%	13%	✓
10 years to 20 years	0%	75%	5%	✓
20 years to 30 years	0%	75%	4%	✓
30 years to 40 years	0%	100%	3%	✓
40 years to 50 years	0%	100%	16%	✓
Over 50 years	0%	100%	6%	✓

Principal sums invested for periods longer than one year

Indicator Set	Limit on principal invested longer than 364 days	31/03/2025	31/03/26	31/03/26	
		95%	95%	95%	✓ currently 0% invested beyond 1 year

Ratio Affordability Measure

Ratio of finance cost to net revenue stream (%)	24/25	25/26	26/27	
Indicator Set	8.54%	9.27%	9.42%	
Current	7.65%	6.35%	7.74%	✓ Financing cost to net revenue stream is lower than budgeted mainly due to slippage

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Telford & Wrekin
Co-operative Council

Protect, care and invest
to create a better borough

Borough of Telford and Wrekin

Full Council

12 November 2024

Treasury Management - 2023/24 Annual Report and 2024/25 Update

Cabinet Member:	Cllr Zona Hannington - Cabinet Member: Finance & Governance
Lead Director:	Michelle Brockway - Interim Director: Finance, People and IDT
Service Area:	Finance, People and IDT
Report Author:	Edward Rushton - Group Accountant
Officer Contact Details:	Tel: 01952 383750 Email: edward.rushton@telford.gov.uk
Wards Affected:	All Wards
Key Decision:	Not Key Decision
Forward Plan:	Not applicable
Report considered by:	Audit Committee – 17 July 2024

1.0 Recommendations for decision/noting:

Full Council is recommended to -

- 1.1 Note the contents of the report;
- 1.2 Note the performance against Prudential Indicators.

2.0 Purpose of Report

- 2.1 This report updates members on the outcome of Treasury Management activities for 2023/24 and details the position for 2024/25 to 31 May 2024.

3.0 Background

- 3.1 This Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2023/24. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management, (the Code), and the CIPFA Prudential Code for Capital Finance in Local Authorities, (the Prudential Code).
- 3.2 During 2023/24 reporting requirements were that the full Council should receive the following reports:
- an annual treasury strategy in advance of the year
 - a mid-year, treasury update report
 - an annual review following the end of the year describing the activity compared to the strategy, (this report)
- 3.3 The regulatory environment places responsibility on members for the review and scrutiny of treasury management policy and activities. This report is, therefore, important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by members.
- 3.4 This report confirms that the Council has complied with the requirement under the Code to give prior scrutiny to all of the above treasury management reports by the Audit Committee before they were reported to the full Council. Member training on treasury management issues was provided on 26 July 2023 and 31 January 2024 (the presentation slides relating to the latter being re-circulated to Committee members prior to this meeting) in order to support members' scrutiny role.

4.0 Summary of main proposals

4.1 2023/24 Treasury Outturn

Treasury portfolio

	31.03.2023 £m	31.03.2024 £m	Movement £m
Borrowing (excl. PFI)	347.2	371.3	+24.1
Investments (excl. NuPlace)	(38.5)	(17.9)	+20.6
Net indebtedness	308.7	353.4	+44.7

Borrowing can only be undertaken to fund capital investment and not to support the revenue budget which supports the delivery of most Council services. The total value of assets (exc. Infrastructure Assets such as Highways, footpaths, bridges etc and non NuPlace Ltd Long-Term Debtors) held by the Council at 31 March 2024 was £645.0m some £273.7m greater than debt outstanding. (In addition to this, the Council's infrastructure assets are valued at over £235.0m).

Borrowing Strategy

The borrowing strategy for 2023/24 was to borrow temporarily when required and to take advantage of interest rates where possible and review opportunities for new longer term borrowing as appropriate. This was a continuation of the strategy adopted in previous years and maintaining high levels of cheaper temporary borrowing has contributed to surplus treasury management returns of more than £35m since 2015/16 which has reduced the impact of Government cuts and therefore helped to protect frontline services.

In 2023/24 the level of Council borrowing was below its underlying need to borrow (the Capital Financing Requirement (CFR)), see Appendix A. This was due to positive cash flow arising from Council's reserves and balances being available to support the treasury position. In 2023/24 itself, cashflow benefits reduced and new borrowing was entered into.

Short term borrowing was taken during the year to meet cashflow requirements as it was anticipated that interest rates would reduce in the medium to long term. This generated a benefit particularly at the beginning of the year before interest rates began to rise.

Investment Strategy

The investment strategy for 2023/24 was primarily to ensure security of capital and liquidity balanced with delivering a commensurate rate of return. The average return on investments for the year was 4.89%, slightly lower than the the bench mark, average SONIA rate, of 4.96%. Temporary investments (excluding NuPlace share capital) were £17.9m at 31 March 2024, a reduction of £20.6m compared to 31st March 2023 and more in line with the level anticipated in the Investment Strategy.

Overall Outturn

The Council continued to face significant financial pressure in 2023/24 as high inflation increased the cost of providing services and at the same time the cost-of-living crisis increased public demand for some services. This coupled with the continued increases in interests rates by the Bank of England in the first half of the year led to great deal of uncertainty. Short-term borrowing, through temporary loans mainly from other local authorities, was used to cover cash flow requirements.

Overall a net benefit of £1.336m was made against budget for the year. The sound overall position has resulted from a mix of cash flow benefits plus the re-profiling of capital spend into future years.

The 2023/24 Annual Report is included in Appendix A.

4.2 2024/25 Update

Treasury Portfolio at 31.05.2024

	31.03.2024 £m	31.05.2024 £m	Movement £m
Borrowing (excl. PFI)	371.3	386.2	14.9
Investments (excl. NuPlace)	(17.9)	(41.4)	(23.5)
Net indebtedness	353.4	344.8	(8.6)

The strategy for 2024/25 remains consistent with that outlined in the 2024/25 Treasury Strategy, which was agreed for approval at Full Council on 29 February 2024 and recommend for approval by this committee on 31 January 2024.

Borrowing

New borrowing will be required during the year, in line with the approved capital programme. When entering into new borrowing, consideration will be given to the maturity profile of current debt, interest rates and refinancing risks as well as the source, which is expected to be a mix of temporary loans and long term loans obtained from the Public Works Loans Board.

Interest rates have remained relatively high in the first quarter of 2024/25 financial year and the majority of new loans entered into have been relatively short term. This will allow the Council to take advantage of forecast interest rate cuts in the second half 2024/25 and early 2025/26 when loans mature.

Investments

Investment opportunities will be reviewed as they arise and we will seek to gain maximum benefit within the agreed risk parameters i.e. considering security and liquidity ahead of investment returns. The Council does not currently hold any long term investments, which reduces counter-party risk and also reduces net interest costs as longer-term borrowing costs tend to be greater than we are able to earn on new investments.

Link Treasury Services, the Council's treasury advisors, are providing regular investment and borrowing updates, including updated counterparty advice, which is being followed.

The 2024/25 Update Report is included in Appendix B.

5.0 **Alternative Options**

5.1 The Council must ensure that it manages its finance in accordance with legislation and the CIPFA Code of Practice. The recommendations in this report support that aim and are based on consideration of a range of factors.

6.0 Key Risks

6.1 The key opportunities and risks associated with treasury management activities are set out in the body of the report and in the Treasury Management Strategy and Policy approved by Council and will be regularly monitored throughout the year.

7.0 Council Priorities

7.1 Effective management of the Council's Treasury portfolio helps support the Council's overall financial position through minimising borrowing costs and optimising investment income whilst following the principles of Security, Liquidity and Yield; and therefore supports the delivery of all Council priorities.

8.0 Financial Implications

8.1 These are detailed in the body of the report and appendices.

9.0 Legal and HR Implications

9.1 The Section 151 Officer has responsibility for the administration of the financial affairs of the Council. In providing this report, the Section 151 Officer is meeting one of the responsibilities of the post contained within the Council's Constitution namely, "The Chief Financial Officer will contribute to the promotion and maintenance of high standards of governance, audit, probity and propriety, risk management and the approval of the statement of accounts through provision of support to the Audit Committee."

10.0 Ward Implications

10.1 There are no impacts on specific wards in this report.

11.0 Health, Social and Economic Implications

11.1 The Economic Climate has direct relevance to Treasury Management and is covered in detail in the report and accompanying appendices.

12.0 Equality and Diversity Implications

12.1 The Council will not knowingly directly invest in organisations whose activities include practices which directly pose a risk of serious harm to individuals or groups, or whose activities are inconsistent with the values of the Council. At the same time the Council will take full responsibility for proper management of risk and safeguarding its investments by ensuring that they are diversified and made with organisations that are suitably credit assessed.

13.0 Climate Change and Environmental Implications

13.1 Part of the Councils Treasury portfolio includes a Municipal Investment Loan on the Abundance Platform: the Telford & Wrekin Climate Action Investment which supports the Councils climate change agenda.

14.0 Background Papers

- 1 2023/24 Treasury Management Strategy
- 2 2023/24 Prudential Indicators Report
- 3 2023/24 Treasury Update Report and 2024/25 Treasury Management Strategy
- 4 2024/25 Prudential Indicators Report

15.0 Appendices

- A Treasury Management Annual Report 2023/24
- B Treasury Management update 2024/25

16.0 Report Sign Off

Signed off by	Date sent	Date signed off	Initials
Finance	16/06/2024	02/07/2024	PH
Legal	16/06/2024	08/07/2024	RP
Director	02/07/2024	03/07/2024	MLB

Treasury Management Annual Report 2023/24

Telford & Wrekin Council

A list of abbreviations used in this report can be found at page 19

Contents

Purpose	3
Executive Summary.....	4
Introduction and Background	5
1. The Council’s Capital Expenditure and Financing.....	5
2. The Council’s Overall Borrowing Need	5
3. Treasury Position as at 31 March 2024	7
4. 2023/24 Treasury Strategy	9
5. Borrowing Outturn	13
6. Treasury Investment Outturn.....	14
7. 2023/24 Overall Outturn.....	14
8. Shropshire Council Debt.....	14
9. Leasing.....	15
10. The Economy and Interest Rates.....	15
Appendix Ai: Prudential and treasury indicators	17
Abbreviations used in this report.....	19

Treasury Management Annual Report 2023/24

Purpose

This Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2023/24. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management, (the Code), and the CIPFA Prudential Code for Capital Finance in Local Authorities, (the Prudential Code).

During 2023/24 the minimum reporting requirements were that the full Council should receive the following reports:

- an annual treasury strategy in advance of the year,
- a mid-year, (minimum), treasury update report, and
- an annual review following the end of the year describing the activity compared to the strategy, (this report)

In addition, the Council has received updates on treasury management indicators and prudential indicator as part of the regular financial monitoring.

The regulatory environment places responsibility on members for the review and scrutiny of treasury management policy and activities. This report is, therefore, important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by members.

This Council confirms that it has complied with the requirement under the Code to give prior scrutiny to all of the above treasury management reports by the Audit Committee before they were reported to the full Council. Member training on treasury management issues was provided on 26 July 2023 and 31 January 2024 (the presentation slides relating to the latter being re-circulated to Committee members prior to this meeting) in order to support members' scrutiny role.

Executive Summary

During 2023/24, the Council complied with its legislative and regulatory requirements. The key actual prudential and treasury indicators detailing the impact of capital expenditure activities during the year, with comparators, are as follows:

Prudential and treasury indicators	31.3.23 Actual (£'000)	2023/24 Original (£'000)	31.3.24 Actual (£'000)
Capital Expenditure			
• Total	75,702	180,958	83,485
Capital Financing Requirement:			
• Total	521,398	649,408	555,727
• Less Other Long-Term Liabilities	(47,888)	(44,547)	(44,547)
• Loans CFR	473,510	604,861	511,180
Gross borrowing			
• External Debt	347,221	440,200	371,324
Treasury Investments			
• Longer than 1 year	0	0	0
• Under 1 year	38,499	15,000	17,868
• Total	38,499	15,000	17,868
Net borrowing			
• Total	308,722	425,200	353,456

Other prudential and treasury indicators are to be found in the main body of this report. The Interim Director of Finance, People and IDT also confirms that borrowing was only undertaken for a capital purpose and the statutory borrowing limit, (the authorised limit), was not breached.

The financial year 2023/24 continued to be a challenging environment and interest rate forecasts initially suggested further gradual rises in short, medium and longer-term fixed borrowing rates during 2023/24. Bank Rate had initially been forecast to peak at 4.5% but it is now expected to have peaked at 5.25%.

By January it had become clear that inflation was moving down significantly from its 40-year double-digit highs, and the Bank of England signalled in March 2024 that the next move in Bank Rate would be down, so long as upcoming inflation and employment data underpinned that view. The CPI measure of inflation stood at 3.2% in March 2024 and subsequently hit the Bank of England's 2% target in May 2024.

It should be noted that borrowing can only be undertaken to fund capital investment and not to support the revenue budget which supports the delivery of most Council services.

The capital investment generates assets for the Council and the total value of assets held, excluding Infrastructure Assets, at 31 March 2024 was £645.0 some £273.7m greater than debt outstanding. In addition, the Council also holds over £235m of Infrastructure Assets.

Introduction and Background

This report summarises the following:-

- Capital activity during the year;
- Impact of this activity on the Council's underlying indebtedness, (the Capital Financing Requirement);
- The actual prudential and treasury indicators;
- Overall treasury position identifying how the Council has borrowed in relation to this indebtedness, and the impact on investment balances;
- Summary of interest rate movements in the year;
- Detailed debt activity; and
- Detailed investment activity.

1. The Council's Capital Expenditure and Financing

The Council undertakes capital expenditure on long-term assets. These activities may either be:

- Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.), which has no resultant impact on the Council's borrowing need; or
- If insufficient financing is available, or a decision is taken not to apply resources, the capital expenditure will give rise to a borrowing need.

The actual capital expenditure forms one of the required prudential indicators. The table below shows the actual capital expenditure and how this was financed.

Capital Expenditure (£'000)	31.3.23 Actual	2023/24 Original	31.3.24 Actual
General Fund Service	60,211	110,158	67,374
Housing Investment Programme (NuPlace Ltd)	10,920	28,075	9,073
Property Investment Portfolio	4,571	42,725	7,038
Solar Farm	0	0	0
Capital Programme Expenditure	75,702	180,958	83,485
Financed in year from Government Grants, Capital Receipts, Revenue Contribution & External sources	50,449	55,115	45,118
Unfinanced capital expenditure (Borrowing)	25,253	125,843	38,367

2. The Council's Overall Borrowing Need

The Council's underlying need to borrow for capital expenditure is termed the Capital Financing Requirement (CFR). This figure is a gauge of the Council's indebtedness. The CFR results from the capital activity of the Council and resources used to pay for the capital spend. It represents the 2023/24 unfinanced capital expenditure (see above table), and prior years' net or unfinanced capital expenditure which has not yet been paid for by revenue or other resources.

Part of the Council's treasury activities is to address the funding requirements for this borrowing need. Depending on the capital expenditure programme, the treasury team

organises the Council's cash position to ensure that sufficient cash is available to meet the capital plans and cash flow requirements. This may be sourced through borrowing from external bodies, (such as the Government, through the Public Works Loan Board [PWLb], or the money markets), or utilising temporary cash resources within the Council.

Reducing the CFR – the Council's underlying borrowing need (CFR) is not allowed to rise indefinitely. Statutory controls are in place to ensure that capital assets are broadly charged to revenue over the life of the asset. The Council is required to make an annual revenue charge, called the Minimum Revenue Provision – MRP, to reduce the CFR. This is effectively a repayment of the borrowing need. This differs from the treasury management arrangements which ensure that cash is available to meet capital commitments. External debt can also be borrowed or repaid at any time, but this does not change the CFR.

The Council's 2023/24 MRP Policy, (as required by Department for Levelling Up Housing and Communities (DLUHC) Guidance), was approved as part of the Treasury Management Strategy Report for 2023/24 on 2 March 2023.

The Council's CFR for the year is shown below, and represents a key prudential indicator. It includes PFI and leasing schemes on the balance sheet, which technically increase the Council's borrowing need. No borrowing is actually required against these schemes as a borrowing facility is included in the contract.

CFR (£'000): <i>General Fund</i>	31.3.23 Actual	2023/24 Original	31.3.24 Actual
General Funded Service	395,020	453,137	416,316
Housing Investment Programme (NuPlace Ltd)	61,997	92,129	71,070
Property Investment Portfolio	59,870	100,342	64,541
Solar Farm	3,800	3,800	3,800
Closing balance	520,687	649,408	555,727
Less Other Long Term Liabilities	(47,888)	(44,547)	(44,547)
Loans CFR	472,799	604,861	511,180

Borrowing activity is constrained by prudential indicators for gross borrowing and the CFR, and by the authorised limit.

Gross borrowing and the CFR - in order to ensure that borrowing levels are prudent over the medium term and only for a capital purpose, the Council should ensure that its gross external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year (2022/23) plus the estimates of any additional capital financing requirement for the current (2023/24) and next two financial years. This essentially means that the Council is not borrowing to support revenue expenditure. This indicator would allow for some flexibility to borrow in advance of the Council's immediate capital needs. The table below highlights the Council's gross borrowing position against the CFR. The Council has complied with this prudential indicator.

	31.3.23 Actual (£'000)	2023/24 Original (£'000)	31.3.24 Actual (£'000)
Gross borrowing position (external debt)	347,221	440,200	371,324
Loans CFR	472,799	604,861	511,180
(Under) / over funding of CFR	(125,578)	(164,661)	(139,856)

The authorised limit - the authorised limit is the “affordable borrowing limit” required by section 3 of the Local Government Act 2003. Once this has been set, the Council does not have the power to borrow above this level. The table below demonstrates that during 2023/24 the Council has maintained gross borrowing within its authorised limit.

The operational boundary – the operational boundary is the expected borrowing position of the Council during the year. Periods where the actual position is either below or over the boundary are acceptable subject to the authorised limit not being breached.

Actual financing costs as a proportion of net revenue stream - this indicator identifies the trend in the cost of capital, (borrowing and other long term obligation costs net of investment income), against the net revenue stream. See Appendix A for comparators.

	2023/24
Maximum gross borrowing position during the year	372.5m
Authorised limit (Borrowing)	565.0m
Operational boundary (Borrowing)	545.0m
Financing costs as a proportion of net revenue stream	6.66%

3. Treasury Position at 31 March 2024

The Council’s treasury management debt and investment position is organised by the treasury management service in order to ensure adequate liquidity for revenue and capital activities, security for investments and to manage risks within all treasury management activities. Procedures and controls to achieve these objectives are well established both through member reporting detailed in the summary, and through officer activity detailed in the Council’s Treasury Management Practices. At the end of 2023/24 the Council’s treasury, (excluding borrowing by PFI and finance leases), position was as follows:

DEBT PORTFOLIO	31.3.23 Principal (£'000)	Interest Rate %	31.3.24 Principal (£'000)	Interest Rate %	Movement in Principal (£'000)
Fixed rate funding:					
- PWLB	210,884	2.52%	244,549	2.65%	33,665
- Municipal Loans	308	2.10%	246	2.1%	(62)
- Market	40,000	4.17%	40,000	4.17%	0.0
Variable rate funding:					

- Temporary	96,029	1.91%	86,529	4.68%	(9,500)
Total debt	347,221	2.65%	371,324	3.39%	24,103
Loans CFR	472,799		511,180		38,381
Over / (under) borrowing	(125,578)		(139,856)		(14,278)
Total investments	38,499	2.10%	17,868		(20,631)
Net debt	308,722		353,456		44,734

The maturity structure of the debt portfolio was as follows:

	31.3.23 Actual		2023/24 original limits %		31.3.24 Actual	
	(£'000)	%	Lower	Upper	(£'000)	%
Under 12 months	107,208	30.9	0.0	70.0	134,829	36.3
12 months and within 24 months	21,705	6.3	0.0	30.0	18,119	4.9
24 months and within 5 years	33,196	9.6	0.0	50.0	35,053	9.4
5 years and within 10 years	45,679	13.2	0.0	75.0	48,802	13.1
10 years and within 30 years	34,433	9.9	0.0	75.0	34,521	9.3
30 years and above*	105,000	30.1	25.0	100.0	100,000	27.0
Total Borrowing	347,221	100.0			371,324	100.0

* this includes £25m Lenders Option Borrowers Options (LOBO) loans that are potentially callable at certain points before the maturity date.

INVESTMENT PORTFOLIO	31.3.23 Actual (£'000)	31.3.23 Actual Split %	31.3.24 Actual (£'000)	31.3.24 Actual Split %
Treasury investments				
Banks	4,419	11.4	3,188	17.8
DMADF (H M Treasury)	29,100	75.6	9,700	54.3
Money Market Funds	4,980	12.9	4,980	27.9
Total managed in house	38,499	100.0	17,868	100.0
Total managed externally	0		0	
Total Treasury Investments	38,499	100.0	17,868	100.0

The maturity structure of the investment portfolio was as follows:

	31.3.23	2023/24	31.3.24
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	Actual £000	Budget £000	Actual £000
Investments			
Longer than 1 year	0	0	0
Up to 1 year	38,499	15,000	17,868
Total	38,499	15,000	17,868

4. 2023/24 Treasury Strategy

4.1 2023/24 Borrowing Strategy

In 2023/24 the level of Council borrowing was below its underlying need to borrow (the Capital Financing Requirement (CFR)). This was due to positive cash flow arising from Council's reserves and balances being available to support the treasury position.

This strategy was prudent as although near-term investment rates were equal to, and sometimes higher than, long-term borrowing costs, the latter are expected to fall back through 2024 and 2025 as inflation concerns are dampened. The Council has sought to minimise the taking on of long-term borrowing at elevated levels (>4%) and has focused on a policy of internal and temporary borrowing, supplemented by short-dated borrowing (<5 years) as appropriate.

Against this background and the risks within the economic forecast, caution was adopted with the treasury operations. The Director of Finance therefore monitored interest rates in financial markets and adopted a pragmatic strategy based upon the following principles to manage interest rate risks (*please adapt this outline to what you actually did in the year*):

- if it had been felt that there was a significant risk of a sharp FALL in long and short-term rates, (e.g., due to a marked increase of risks around a relapse into recession or of risks of deflation), then long term borrowings would have been postponed, and potential rescheduling from fixed rate funding into short term borrowing would have been considered.
- if it had been felt that there was a significant risk of a much sharper RISE in long and short-term rates than initially expected, perhaps arising from the stickiness of inflation in the major developed economies, then the portfolio position would have been re-appraised. Most likely, fixed rate funding would have been drawn whilst interest rates were lower than they were projected to be in the next few years.

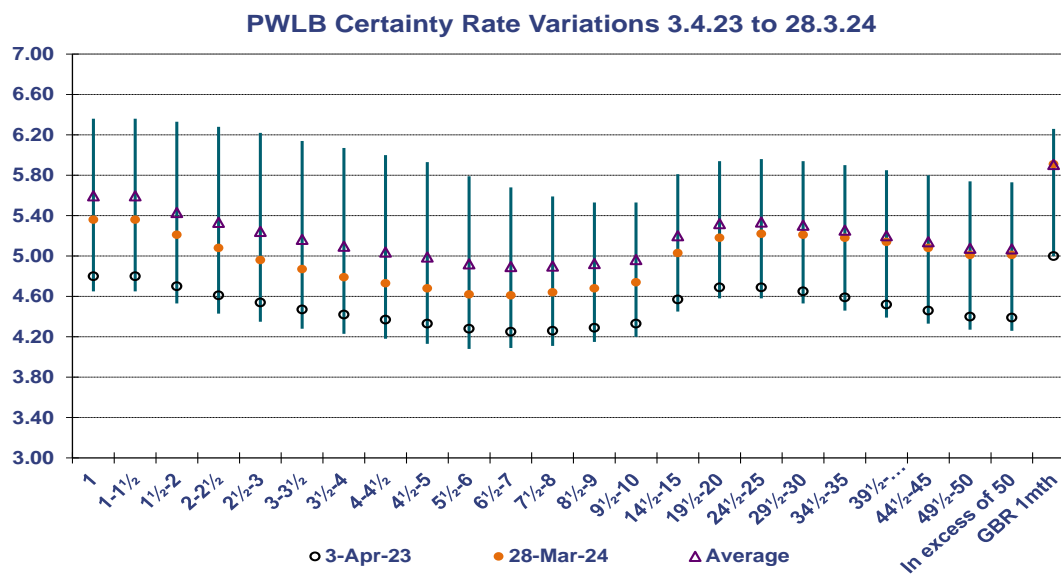
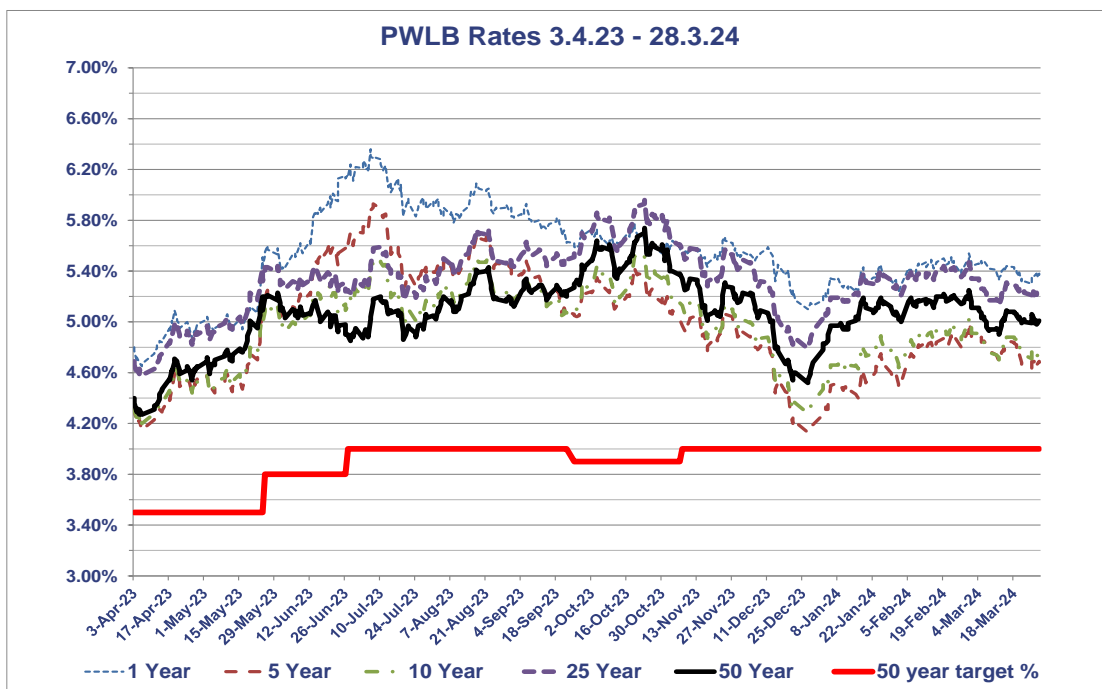
Interest rate forecasts initially suggested further gradual rises in short, medium and longer-term fixed borrowing rates during 2023/24. Bank Rate had initially been forecast to peak at 4.5% but it is now expected to have peaked at 5.25%.

By January it had become clear that inflation was moving down significantly from its 40-year double-digit highs, and the Bank of England signalled in March 2024 that the next move in Bank Rate would be down, so long as upcoming inflation and employment data underpinned that view. The CPI measure of inflation stood at 3.2% in March 2024 and subsequently hit the Bank of England's 2% target in May 2024 and to stay there in 2025 and 2026. Nonetheless, there remains significant risks to that central forecast, mainly in the form of a very tight labour market putting upward pressure on wages and continuing geo-political inflationary risks emanating from the prevailing Middle East crisis and the Russian invasion of Ukraine.

High / Low / Average PWLB Rates for 2023/24

	1 Year	5 Year	10 Year	25 Year	50 Year
Low	4.65%	4.13%	4.20%	4.58%	4.27%
Date	06/04/2023	27/12/2023	06/04/2023	06/04/2023	05/04/2023
High	6.36%	5.93%	5.53%	5.96%	5.74%
Date	06/07/2023	07/07/2023	23/10/2023	23/10/2023	23/10/2023
Average	5.54%	4.99%	4.97%	5.34%	5.08%
Spread	1.71%	1.80%	1.33%	1.38%	1.47%

PWLB Rates 2023/24



PWLB rates are based on gilt (UK Government bonds) yields through HM Treasury determining a specified margin to add to gilt yields. The main influences on gilt yields are Bank Rate, inflation expectations and movements in US treasury yields. Inflation targeting by the major central banks has been successful over the last 30 years in lowering inflation and the real equilibrium rate for central rates has fallen considerably due to the high level

of borrowing by consumers: this means that central banks do not need to raise rates as much now to have a major impact on consumer spending, inflation, etc. This has pulled down the overall level of interest rates and bond yields in financial markets over the last 30 years. Indeed, in recent years many bond yields up to 10 years in the Eurozone turned negative on expectations that the EU would struggle to get growth rates and inflation up from low levels. In addition, there has, at times, been an inversion of bond yields in the US whereby 10-year yields have fallen below shorter-term yields. In the past, this has been a precursor of a recession.

However, since early 2022, yields have risen dramatically in all the major developed economies, first as economies opened post-Covid; then because of the inflationary impact of the war in Ukraine in respect of the supply side of many goods. In particular, rising cost pressures emanating from shortages of energy and some food categories have been central to inflation rising rapidly. Furthermore, at present the FOMC, ECB and Bank of England are all being challenged by levels of persistent inflation that are exacerbated by very tight labour markets and high wage increases relative to what central banks believe to be sustainable.

Gilt yields have generally been on a continual rise since the start of 2021, peaking in the autumn of 2023. Currently, yields are broadly range bound between 3.5% and 4.25%. At the close of the day on 28 March 2024, all gilt yields from 1 to 50 years were between 3.81% and 4.56%, with the 1 year being the highest and 6-7 years being the lowest yield. Regarding PWLB borrowing rates, the various margins attributed to their pricing are as follows: -

- **PWLB Standard Rate** is gilt plus 100 basis points (G+100bps)
- **PWLB Certainty Rate** is gilt plus 80 basis points (G+80bps)
- **Local Infrastructure Rate** is gilt plus 60bps (G+60bps)
- **HRA Borrowing rate** is gilt plus 40 40bps (G+40bps)

There is likely to be a fall in gilt yields and PWLB rates across the whole curve over the next one to two years as Bank Rate falls and inflation (on the Consumer Price Index measure) moves below the Bank of England's 2% target.

As a general rule, short-dated gilt yields will reflect expected movements in Bank Rate, whilst medium to long-dated yields are driven primarily by the inflation outlook.

The Bank of England is also embarking on a process of Quantitative Tightening. The Bank's original £895bn stock of gilt and corporate bonds will gradually be sold back into the market over several years. The impact this policy will have on the market pricing of gilts, while issuance is markedly increasing, and high in historic terms, is an unknown at the time of writing.

4.2 2023/24 Treasury Investment Strategy

Investment returns picked up throughout the course of 2023/24 as central banks, including the Bank of England, continued to respond to inflationary pressures that were not transitory, and realised that tighter monetary policy was called for.

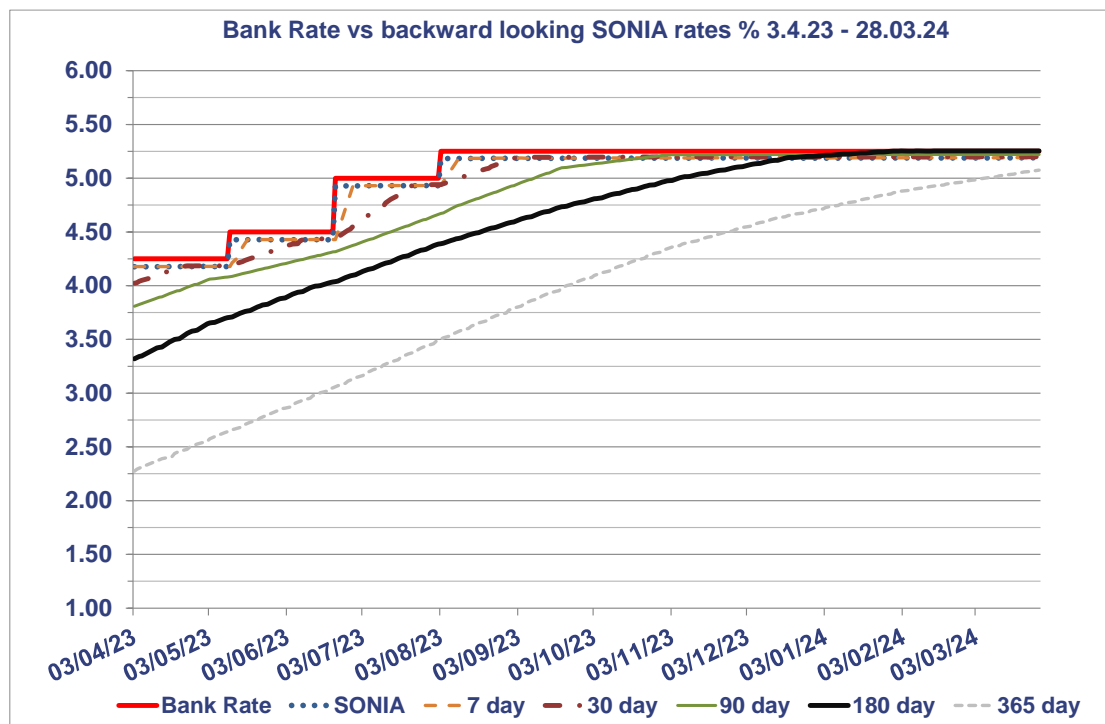
Starting April at 4.25%, the Bank Rate moved up in stepped increases of either 0.25% or 0.5%, reaching 5.25% by August. At the end of the financial year, no further increases were anticipated. Indeed, the market is pricing in a first cut in Bank Rate in late summer / early autumn.

The upward sloping yield curve that prevailed throughout 2023/24 meant that local authorities continued to be faced with the challenge of proactive investment of surplus cash, and this emphasised the need for a detailed working knowledge of cashflow projections so that the appropriate balance between maintaining cash for liquidity purposes, and “laddering” deposits on a rolling basis to lock in the increase in investment rates as duration was extended, became an on-going feature of the investment landscape.

With bond markets selling off, UK equity market valuations struggled to make progress, as did property funds, although there have been some spirited, if temporary, market rallies from time to time – including in November and December 2023. However, the more traditional investment options, such as specified investments (simple to understand, and less than a year in duration), have continued to be at the forefront of most local authority investment strategies, particularly given Money Market Funds have also provided decent returns in close proximity to Bank Rate for liquidity purposes. In the latter part of 2023/24, the local authority to local authority market lacked any meaningful measure of depth, forcing short-term investment rates above 7% in the last week of March.

While the Council has taken a prudent approach to investing surplus monies, it is also fully appreciative of changes to regulatory requirements for financial institutions in terms of additional capital and liquidity that came about in the aftermath of the Global Financial Crisis of 2008/09. These requirements have provided a far stronger basis for financial institutions, with annual stress tests by regulators evidencing how institutions are now far more able to cope with extreme stressed market and economic conditions.

Investment Benchmarking Data – Sterling Overnight Index Averages (Backward-looking) 2023/24



FINANCIAL YEAR TO QUARTER ENDED 28/03/2024							
	Bank Rate	SONIA	7 day	30 day	90 day	180 day	365 day
High	5.25	5.19	5.19	5.20	5.22	5.25	5.08
High Date	03/08/2023	28/03/2024	28/03/2024	26/03/2024	25/03/2024	22/03/2024	28/03/2024
Low	4.25	4.18	4.18	4.02	3.81	3.32	2.27
Low Date	03/04/2023	04/04/2023	11/04/2023	03/04/2023	03/04/2023	03/04/2023	03/04/2023
Average	5.03	4.96	4.96	4.93	4.84	4.64	3.93
Spread	1.00	1.01	1.01	1.18	1.41	1.94	2.80

5. Borrowing Outturn

Treasury Borrowing – During the year 6 new PWLB loans were raised

Borrowing - loans were drawn to fund the net unfinanced capital expenditure and naturally maturing debt.

The loans drawn were:

Lender	Date Raised	Principal	Type	Interest Rate	Duration
PWLB	*21/12/2023	£5.0m	Fixed interest rate - EIP	4.37%	13 years
PWLB	22/02/2024	£5.0m	Fixed interest rate – Maturity	5.43%	1 year
PWLB	12/02/2024	£5.0m	Fixed interest rate - Maturity	5.43%	1.5 years
PWLB	23/02/2024	£10.0m	Fixed interest rate - EIP	4.77%	12 years
PWLB	08/03/2024	£10.0m	Fixed interest rate – Maturity	5.47%	1 year
PWLB	27/03/2024	£10.0m	Fixed interest rate – Maturity	5.36%	1 year

This compares with a budget assumption of borrowing at an interest rate of 5.75% for 2023/24 and 4.6% 2024/25.

*loans included in 2022/23 Treasury Update Report presented to Audit Committee 24th January 2023.

Borrowing in advance of need

The Council has not borrowed more than, or in advance of its needs, purely in order to profit from the investment of the extra sums borrowed.

Early Repayments or Rescheduling

No loans were repaid early or rescheduled during the year as the average 1% differential between PWLB new borrowing rates and premature repayment rates made rescheduling unviable.

Debt Performance

As highlighted in Section 3 the average interest rate for borrowing rose slightly over the course of the year from 2.65% to 3.39% as the cost of replacing temporary loans increased in line with the movements in the base rate.

6. Treasury Investment Outturn

Investment Policy – the Council’s investment policy is governed by DLUHC investment guidance, which has been implemented in the annual investment strategy approved by the Council on 2 March 2023. This policy sets out the approach for choosing investment counterparties and is based on credit ratings provided by the three main credit rating agencies.

In line with the approved Treasury Management Prudential Indicator, the Council can place up to £15.0m with any Counterparty, with the exception of the DMADF which is Government backed and therefore considered to be very secure so no limit is placed on investments. At 31 March 2024 the greatest exposure with a single counterparty was £29.1m (75.6% of the portfolio) with the DMADF.

The Council has operated within the Treasury Limits and Prudential Indicators set, except for the counterparty limit being exceeded on one day in October which was reported to the Committee in the update report brought in January 2024.

The Council is guided by its Treasury advisers in assessing investments.

Investments held by the Council

- The Council maintained an average daily balance of £38.438m of internally managed funds.
- The internally managed funds earned an average rate of return of 4.89%
- The comparable performance indicator is the average SONIA rate, which was 4.96%
- The majority of the portfolio is held within the Governments secure Debt Management Office for security, in line with the strategy, which pays slightly lower than market average interest rates.

Investments (£'000)	31.3.23	31.3.24
Cash Investments	38,499	17,868

At the 31 March 2024 the Councils total usable reserves were £122.7m, which has supported the overall cash flow position and the level of internal borrowing.

7. 2023/24 Overall Outturn

Overall, a net benefit of £1.336m was made against budget for the year. The sound overall position has resulted from a mix of cash flow benefits plus the reprofiling of capital spend into future years.

8. Shropshire Council Debt

The Council makes an annual contribution towards Shropshire Council costs on pre disaggregation debt (i.e. pre unitary inception). The contribution in 2023/24 was £1.143m and interest paid averaged 4.1%. The rate of interest paid on this is managed by Shropshire and is considerably higher than the rate payable by Telford & Wrekin Council on its borrowing.

9. Leasing

Each year the Council arranges both finance leases and operating leases for assets such as vehicles, computers and equipment. This helps spread the cost over a number of years in line with the anticipated life of the equipment.

During 2023/24 no new leases were arranged.

10. The Economy and Interest Rates

10.1 UK Economy

Against a backdrop of stubborn inflationary pressures, the Russian invasion of Ukraine, and war in the Middle East, UK interest rates have continued to be volatile right across the curve, from Bank Rate through to 50-year gilt yields, for all of 2023/24.

Markets have sought an end to central banks' on-going phase of keeping restrictive monetary policy in place on at least one occasion during 2023/24 but to date only the Swiss National Bank has cut rates and that was at the end of March 2024.

UK, EZ and US 10-year yields have all stayed stubbornly high throughout 2023/24. The table below provides a snapshot of the conundrum facing central banks: inflation is easing, albeit gradually, but labour markets remain very tight by historical comparisons, making it an issue of fine judgment as to when rates can be cut.

	UK	Eurozone	US
Bank Rate	5.25%	4%	5.25%-5.5%
GDP	-0.3%q/q Q4 (-0.2%/y/y)	+0.0%q/q Q4 (0.1%/y/y)	2.0% Q1 Annualised
Inflation	3.4%/y/y (Feb)	2.4%/y/y (Mar)	3.2%/y/y (Feb)
Unemployment Rate	3.9% (Jan)	6.4% (Feb)	3.9% (Feb)

The Bank of England sprung no surprises in their March meeting, leaving interest rates at 5.25% for the fifth time in a row and, despite no MPC members no longer voting to raise interest rates, it retained its relatively hawkish guidance. The Bank's communications suggest the MPC is gaining confidence that inflation will fall sustainably back to the 2.0% target. However, although the MPC noted that "the restrictive stance of monetary policy is weighing on activity in the real economy, is leading to a looser labour market and is bearing down on inflationary pressures", conversely it noted that key indicators of inflation persistence remain elevated and policy will be "restrictive for sufficiently long" and "restrictive for an extended period".

Of course, the UK economy has started to perform a little better in Q1 2024 but is still recovering from a shallow recession through the second half of 2023. Indeed, Q4 2023 saw negative GDP growth of -0.3% while y/y growth was also negative at -0.2%.

But it was a strange recession. Unemployment is currently sub 4%, against a backdrop of still over 900k of job vacancies, and annual wage inflation is running at above 5%. With gas and electricity price caps falling in April 2024, the CPI measure of inflation - which peaked at 11.1% in October 2022 - is now due to slide below the 2% target rate in April and to remain below that Bank of England benchmark for the next couple of years, according to Capital Economics. The Bank of England still needs some convincing on that score, but upcoming inflation and employment releases will settle

that argument shortly. It is noted that core CPI was still a heady 4.5% in February and, ideally, needs to fall further.

Shoppers largely shrugged off the unusually wet weather in February, whilst rising real household incomes should support retail activity throughout 2024. Furthermore, the impact of higher interest rates on household interest payments is getting close to its peak, even though fixed rate mortgage rates on new loans have shifted up a little since falling close to 4.5% in early 2024.

From a fiscal perspective, the further cuts to national insurance tax (from April) announced in the March Budget will boost real household disposable income by 0.5 - 1.0%. After real household disposable income rose by 1.9% in 2023, Capital Economics forecast it will rise by 1.7% in 2024 and by 2.4% in 2025. These rises in real household disposable income, combined with the earlier fading of the drag from previous rises in interest rates, means GDP growth of 0.5% is envisaged in 2024 and 1.5% in 2025. The Bank of England is less optimistic than that, seeing growth struggling to get near 1% over the next two to three years.

As for equity markets, the FTSE 100 has risen to nearly 8,000 and is now only 1% below the all-time high it reached in February 2023. The modest rise in UK equities in February was driven by strong performances in the cyclical industrials and consumer discretionary sectors, whilst communications and basic materials have fared poorly.

Despite its performance, the FTSE 100 is still lagging behind the S&P 500, which has been at an all-time high for several weeks.

10.2 USA Economy.

Despite the markets willing the FOMC to cut rates as soon as June 2024, the continued resilience of the economy, married to sticky inflation, is providing a significant headwind to a change in monetary policy. Markets currently anticipate three rate cuts this calendar year, but two or less would not be out of the question. Currently, policy remains flexible but primarily data driven.

In addition, the Fed will want to shrink its swollen \$16 trillion balance sheet at some point. Just because the \$ is the world's foremost reserve currency (China owns over \$1 trillion) does not mean the US can continually run a budget deficit. The mix of stubborn inflation and significant treasury issuance is keeping treasury yields high. The 10 year stands at 4.4%.

As for inflation, it is currently a little above 3%. The market is not expecting a recession, but whether rates staying high for longer is conducive to a soft landing for the economy is uncertain, hence why the consensus is for rate cuts this year and into 2025...but how many and when?

10.3 EZ Economy.

Although the Euro-zone inflation rate has fallen to 2.4%, the ECB will still be mindful that it has further work to do to dampen inflation expectations. However, with growth steadfastly in the slow lane (GDP flatlined in 2023), a June rate cut from the current 4% looks probable.

Appendix Ai: Prudential and treasury indicators

1. PRUDENTIAL INDICATORS	2022/23	2023/24	2023/24
	actual	original	actual
	£'000	£'000	£'000
Capital Expenditure	75,702	180,958	83,485
Ratio of financing costs to net revenue stream	4.77%	7.65%	6.66%
Gross borrowing requirement General Fund brought forward 1 April	282,743	314,300	347,221
carried forward 31 March	347,221	440,200	371,324
in year borrowing requirement	64,478	125,900	24,103
Loans CFR	472,799	604,861	511,180
Annual change in Loans CFR	23,539	124,798	38,381

2. TREASURY MANAGEMENT INDICATORS	2022/23	2023/24	2023/24
	actual	original	actual
	£'000	£'000	£'000
Authorised Limit for external debt - borrowing	495,000	565,000	565,000
other long term liabilities	64,000	54,000	54,000
TOTAL	559,000	619,000	619,000
Operational Boundary for external debt - borrowing	475,000	545,000	545,000
other long term liabilities	60,000	50,000	50,000
TOTAL	535,000	595,000	595,000
Actual external debt	347,221	440,200	371,324

Maturity structure of fixed rate borrowing during 2023/24	upper limit	lower limit	31.03.24
Under 12 months	0.0%	70.0%	36.3
12 months and within 24 months	0.0%	30.0%	4.9
24 months and within 5 years	0.0%	50.0%	9.4
5 years and within 10 years	0.0%	75.0%	13.1
10 years and within 30 years	0.0%	75.0%	9.3
30 years and above	0.0%	100.0%	27.0
Maturity structure of investments during 2023/24	upper limit	lower limit	
Longer than 1 year	0.0%	95.0%	0.0%
Up to 1 year	0.0%	100.0%	100.0%

Credit risk indicator	2022/23 Actual	2023/24 Target	2023/24 Actual
Portfolio average credit score	1.46	6 or lower	1.71

Target – 6 or lower is equivalent to a credit rating of 'A' or higher

ABBREVIATIONS USED IN THIS REPORT

CFR: capital financing requirement - the council's annual underlying borrowing need to finance capital expenditure and a measure of the council's total outstanding indebtedness.

CIPFA: Chartered Institute of Public Finance and Accountancy – the professional accounting body that oversees and sets standards in local authority finance and treasury management.

CPI: consumer price index – the official measure of inflation adopted as a common standard by countries in the EU. It is a measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food and medical care. It is calculated by taking price changes for each item in the predetermined basket of goods and averaging them.

DLUHC: the Department for Levelling Up, Housing and Communities - the Government department that directs local authorities in England.

ECB: European Central Bank - the central bank for the Eurozone

EU: European Union

EZ: Eurozone -those countries in the EU which use the euro as their currency

Fed: the Federal Reserve System, often referred to simply as "the Fed," is the central bank of the United States. It was created by the Congress to provide the nation with a stable monetary and financial system.

FOMC: the Federal Open Market Committee – this is the branch of the Federal Reserve Board which determines monetary policy in the USA by setting interest rates and determining quantitative easing policy. It is composed of 12 members--the seven members of the Board of Governors and five of the 12 Reserve Bank presidents.

GDP: gross domestic product – a measure of the growth and total size of the economy.

G7: the group of seven countries that form an informal bloc of industrialised democracies--the United States, Canada, France, Germany, Italy, Japan, and the United Kingdom--that meets annually to discuss issues such as global economic governance, international security, and energy policy.

Gilts: gilts are bonds issued by the UK Government to borrow money on the financial markets. Interest paid by the Government on gilts is called a coupon and is at a rate that is fixed for the duration until maturity of the gilt, (unless a gilt is index linked to inflation); while the coupon rate is fixed, the yields will change inversely to the price of gilts i.e. a rise in the price of a gilt will mean that its yield will fall.

HRA: housing revenue account.

IMF: International Monetary Fund - the lender of last resort for national governments which get into financial difficulties.

LIBID: the London Interbank Bid Rate is the rate bid by banks on deposits i.e., the rate at which a bank is willing to borrow from other banks. It is the "other end" of the LIBOR (an offered, hence "ask" rate, the rate at which a bank will lend). These benchmarks ceased

on 31st December 2021 and have, generally, been replaced by SONIA, the Sterling Overnight Index Average.

MPC: the Monetary Policy Committee is a committee of the Bank of England, which meets for one and a half days, eight times a year, to determine monetary policy by setting the official interest rate in the United Kingdom, (the Bank of England Base Rate, commonly called Bank Rate), and by making decisions on quantitative easing.

MRP: minimum revenue provision - a statutory annual minimum revenue charge to reduce the total outstanding CFR, (the total indebtedness of a local authority).

PFI: Private Finance Initiative – capital expenditure financed by the private sector i.e. not by direct borrowing by a local authority.

PWLB: Public Works Loan Board – this is the part of H.M. Treasury which provides loans to local authorities to finance capital expenditure.

QE: quantitative easing – is an unconventional form of monetary policy where a central bank creates new money electronically to buy financial assets, such as government bonds, (but may also include corporate bonds). This process aims to stimulate economic growth through increased private sector spending in the economy and also aims to return inflation to target. These purchases increase the supply of liquidity to the economy; this policy is employed when lowering interest rates has failed to stimulate economic growth to an acceptable level and to lift inflation to target. Once QE has achieved its objectives of stimulating growth and inflation, QE will be reversed by selling the bonds the central bank had previously purchased, or by not replacing debt that it held which matures. The aim of this reversal is to ensure that inflation does not exceed its target once the economy recovers from a sustained period of depressed growth and inflation. Economic growth, and increases in inflation, may threaten to gather too much momentum if action is not taken to 'cool' the economy.

RPI: the Retail Price Index is a measure of inflation that measures the change in the cost of a representative sample of retail goods and services. It was the UK standard for measurement of inflation until the UK changed to using the EU standard measure of inflation – Consumer Price Index. The main differences between RPI and CPI is in the way that housing costs are treated and that the former is an arithmetical mean whereas the latter is a geometric mean. RPI is often higher than CPI for these reasons.

SONIA: the Sterling Overnight Index Average. Generally, a replacement set of indices (for LIBID) for those benchmarking their investments. The benchmarking options include using a forward-looking (term) set of reference rates and/or a backward-looking set of reference rates that reflect the investment yield curve at the time an investment decision was taken.

TMSS: the annual treasury management strategy statement reports that all local authorities are required to submit for approval by the full council before the start of each financial year.

Treasury Management Update 2024/25

Telford & Wrekin Council

A list of abbreviations used in this report can be found at page 8

Contents

Purpose	3
Executive Summary	4
Introduction and Background	5
1. 2024/25 Treasury Strategy	5
2. Interest Rates	5
3. Prudential Regime	5
4. Borrowing	6
5. Treasury Investments	6
6. Project Performance	7
7. Minium Revenue Provision	7
List of Abbreviations used in this report	8

Treasury Management Update 2024/25

Purpose

This Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2024/25. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management, (the Code), and the CIPFA Prudential Code for Capital Finance in Local Authorities, (the Prudential Code).

During 2024/25 the minimum reporting requirements were that the full Council should receive the following reports:

- an annual treasury strategy in advance of the year,
- a mid-year, (minimum), treasury update report, and
- an annual review following the end of the year describing the activity compared to the strategy.

The regulatory environment places responsibility on members for the review and scrutiny of treasury management policy and activities. This report is, therefore, important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by members.

This Council confirms that it has complied with the requirement under the Code to give prior scrutiny to all of the above treasury management reports by the Audit Committee before they were reported to the full Council. Member training on treasury management issues was provided on 26 July 2023 and 31 January 2024 (the presentation slides relating to the latter being re-circulated to Committee members prior to this meeting) in order to support members' scrutiny role.

Executive Summary

During 2024/25, the Council will need to comply with its legislative and regulatory requirements. The key actual prudential and treasury indicators detailing the impact of capital expenditure activities during the year, with comparators, are as follows:

Dec-17 Prudential and treasury indicators	31.3.24 Actual (£'000)	2024/25 Original (£'000)	31.3.25 Projection at 31.5.24 (£'000)
Capital expenditure			
• Total	83,485	179,798	150,480
Capital Financing Requirement:			
• Total	555,727	671,600	638,056
• Less Other Long Term Liabilities	(44,547)	(41,200)	(41,175)
• Loans CFR	511,180	630,400	596,881
Gross Borrowing			
• External Debt	371,324	493,700	468,759
Investments			
• Longer than 1 year	0	0	0
• Under 1 year	17,868	15,000	15,000
• Total	17,868	15,000	15,000
Net borrowing			
• Total	312,869	478,700	453,759

Actual figures at 31 May 2024 are as follows:

Prudential and treasury indicators	31.5.24 Actual (£'000)
Gross Borrowing	
• External Debt	386,152
Investments	
• Longer than 1 year	0
• Under 1 year	41,359
• Total	41,359
Net borrowing	
• Total	344,793

Other prudential and treasury indicators are to be found in the main body of this report. The Interim Director of Finance, People and IDT also confirms that borrowing was only undertaken for a capital purpose and that the statutory borrowing limit, (the authorised limit), was not breached.

Introduction and Background

This report summarises the following:-

- Capital activity during the year to 31st May 2024;
- Impact of this activity on the Council's underlying indebtedness, (the Capital Financing Requirement);
- The actual prudential and treasury indicators;
- Overall treasury position identifying how the Council has borrowed in relation to this indebtedness, and the impact on investment balances;
- Summary of interest rate movements in the year;
- Detailed debt activity; and
- Detailed investment activity.

1. 2024/25 Treasury Strategy

The strategy for 2024/25 was approved by Full Council on 29 February 2024, following recommendation for approval by this committee on 31 January 2024. The strategy is to continue to keep investments as short term, where possible, to reduce the need to borrow thus reducing investment exposure and maximising overall returns to the revenue account. We will review investment opportunities if they arise and also review borrowing opportunities as we progress through the year and look to take advantage of advantageous interest rates where appropriate. The Medium-Term Financial Strategy 2024/25 – 2027/28, approved by Full Council on 29 February 2024, will see the Council continue to invest in significant regeneration projects including the growth fund (Property Investment Programme), building homes through NuPlace Ltd, the Council's wholly owned company and deliver highways infrastructure.

In order to comply with MiFID II the Council will maintain a minimum investment balance of £10m.

2. Interest Rates

At its Monetary Policy Committee (MPC) meeting on 20 June 2024, the Bank of England held the base rate at 5.25% for the eighth consecutive time. The rate has remained unchanged since August 2023. However, although the fall in CPI inflation from 2.3% in April to 2.0% in May wasn't enough to persuade the BoE to cut interest rates and now with services inflation falling only slightly, it is anticipated that a rate cut may not happen until late summer / early autumn.

3. Prudential Regime

This Council agreed its required indicators at Council on 29 February 2024.

The Council has operated within the Treasury Limits and Prudential Indicators set.

The Council set itself an Operational Limit for external debt of £635.0m for 2024/25 and an Authorised limit of £655.0m. Our total borrowing outstanding at 31 May 2024 (external debt) was £344.8m and the latest forecast for 31 March 2025 is £468.8m. Both the May actual and latest forecast are within the Operational Boundary and Authorisation Limit.

CIPFA's Prudential Code for Capital Finance in Local Authorities recommends that the Council's total debt should be lower than its Capital Financing Requirement (CFR) forecast, with total external debt being lower than the Loans CFR. The projected Loans CFR at 31 March 2025 is £596.9. Both the actual external debt at 31 May 2024, £344.8m, and the project external debt at 31 March 2025, £468.8m, are below the Loans CFR.

4. Borrowing

With the forecast for interest rates set to reduce through the second half of 2024/25 and continue to reduce in 2025/26, the Borrowing Strategy for 2024/25 is to use internal resources where available or to borrow through the use of short-term loans, up to one year and take longer term loans if appropriate. By doing so the Council is able to reduce net borrowing costs and reduce overall treasury risk.

Treasury Borrowing

As at 31 May 2024 –

- £32.0m of outstanding loans had been repaid on maturity and £49.0m of new temporary loans had been raised.
- No new PWLB loans had been raised and £2.17m of loans had been repaid. In total £47.6m of PWLB Loans are due to mature during the year.

5. Treasury Investments

The Treasury Investment Strategy for the year is to gain maximum benefit at minimum risk whilst aiming to achieve as a minimum, the 7-day SONIA rate which averages 5.2% to 31 May 2024.

For the period to 31 May 2024 some £2,218m worth of investments have been made, in total at an average of £36.4m per day, across the Debt Management Office (DMO), Lloyds Bank and Money Market Funds. Rates have been stable at 5.2% per day.

The Council holds investments in money market funds which gives increased diversification of counter-party risk and slightly higher yield whilst retaining a high degree of liquidity. These investment are held in one diversified fund.

The Council can place up to £15.0m with any Counterparty, with the exception of Treasury's DMO facility which is Government backed and therefore considered to be very secure so no limit is placed on investments with the DMO. At 31 May 2024 the greatest exposure with a single counterparty was £33.1m (80.0% of the portfolio) with the DMO and the Council has complied with the £15m limit with other counterparties.

INVESTMENT PORTFOLIO	31.5.24 Actual £000	31.5.24 Actual %
Treasury investments		
Banks (Lloyds Bank)	3,279	8.0
Debt Management Office (H.M. Treasury)	33,100	80.0

Money Market Funds	4,980	12.0
Total managed in house	41,359	100.0
Total managed externally	0	
TOTAL TREASURY INVESTMENTS	41,359	100.0

Credit risk indicator	2024/25 Limit	31.5.24 Actual
Portfolio average credit score	6 or lower	1.71

6. Projected Performance 2024/25

Senior Finance Officers are closely monitoring the Treasury position, particularly with the likelihood of the interest rates cuts and the timing of these. The financial monitoring report presented to Cabinet on 10 July 2024 included a nil variance to budget from treasury management activities. Updates will be provided in future financial monitoring reports taken to Cabinet.

7. MRP Update

In November 2021 the Department for Levelling Up, Housing and Communities (DLUHC) sought views on proposed changes to regulations in relation to the duty of local authorities to make prudent Minimum Revenue Provision each year. Following a number of further consultations throughout 2022, 2023 and 2024 the Department released revised regulations and statutory guidance on 10 April 2024. The new regulations will come into effect from 1 April 2025.

ABBREVIATIONS USED IN THIS REPORT

CFR: capital financing requirement - the council's annual underlying borrowing need to finance capital expenditure and a measure of the council's total outstanding indebtedness.

CIPFA: Chartered Institute of Public Finance and Accountancy – the professional accounting body that oversees and sets standards in local authority finance and treasury management.

CPI: consumer price index – the official measure of inflation adopted as a common standard by countries in the EU. It is a measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food and medical care. It is calculated by taking price changes for each item in the predetermined basket of goods and averaging them.

DLUHC: the Department for Levelling Up, Housing and Communities – the Government department responsible for Local Government

MPC: the Monetary Policy Committee is a committee of the Bank of England, which meets for one and a half days, eight times a year, to determine monetary policy by setting the official interest rate in the United Kingdom, (the Bank of England Base Rate, commonly called Bank Rate), and by making decisions on quantitative easing.

MRP: minimum revenue provision - a statutory annual minimum revenue charge to reduce the total outstanding CFR, (the total indebtedness of a local authority).

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TMSS: the annual treasury management strategy statement reports that all local authorities are required to submit for approval by the full council before the start of each financial year.



Telford & Wrekin
Co-operative Council

Protect, care and invest
to create a better borough

Borough of Telford and Wrekin

Full Council

Tuesday 12 November 2024

Review of Statement of Gambling Licensing Policy

Committee Chair:	Cllr John Thompson
Lead Director:	Anthea Lowe – Director: Policy & Governance
Service Area:	Policy & Governance
Report Author:	Amitabh Singh - Licensing & Night-Time Economy Manager
Officer Contact Details:	Tel: 01952 383683 Email: Amitabh.Singh@telford.gov.uk
Wards Affected:	All Wards
Key Decision:	Not Key Decision
Forward Plan:	Not Applicable
Report considered by:	Licensing Committee – 24 October 2024 Full Council – 12 November 2024

1.0 Recommendations for decision/noting:

Full Council is recommended to:

- 1.1 Approve the adoption of the updated Statement of Gambling Policy, which was approved by Licensing Committee on 14 October 2024, with effect from 31 January 2025.

2.0 Purpose of Report

- 2.1 The Statement of Gambling Licensing Policy for the Gambling Act 2005 is due for its 3 yearly review following a recent consultation on the draft Statement of Licensing Principles following a recent consultation that ran from 22 July until 23 September 2024.

3.0 Background

- 3.1 The Gambling Act 2005 ('the Act') regulates the provision of gambling in Great Britain, excluding the National Lottery and spread betting. The Act makes local authorities responsible for licensing premises that are used for gambling within their area.
- 3.2 Examples of land-based gambling establishments are bingo halls, bookmakers, amusement arcades and public houses with gaming machines. Licensing authorities are not involved in licensing remote (e.g. online) gambling as this falls to the Gambling Commission to regulate and enforce.
- 3.3 The Act also requires each local authority to adopt and publish a 'Statement of Gambling Policy' at least every three years. The Council's most recent policy was issued in January 2022. The purpose of the policy is to set out the principles that the Council will apply when undertaking its role pursuant to its responsibilities under the Act.
- 3.4 The Policy is, in effect, a statement of the Council's commitment; that in exercising its functions, it will have regard to the licensing objectives as set out in the Act namely:
- Preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime;
 - Ensuring that gambling is conducted in a fair and open way; and
 - Protecting children and other vulnerable persons from being harmed or exploited by Gambling.

4.0 Summary of main proposals

- 4.1 It is a statutory requirement to review the Statement of Gambling Licensing Policy every three years.
- 4.2 The current number of licences issued under the Gambling Act 2005 by Telford & Wrekin Council is :-
- 16 Betting Premises Licences
 - 2 Bingo Premises Licences
 - 2 Adult Gaming Centres
- 4.3 After reviewing the Council's Policy and having had regard to the Guidance for Licensing Authorities issued by the Gambling Commission, no amendments are proposed to the existing policy, other than updating the number and type of gambling premises set out within the policy.

4.4 Following the review undertaken by the Licensing Team, a 12 week consultation for the revised policy was run between 22 July 2024 and 23 August 2024. There were no responses received to the consultation. A full list of consultees is attached at **Appendix A**.

4.5 Should Licencing Committee approve the revised policy, Full Council will consider whether to approve it's publication. It is envisaged that the revised policy will be approved and will come in to effect on 31 January 2025. The updated draft policy is attached at **Appendix B**.

4.6 The review of the Statement of Gambling Licensing Policy has been prepared in accordance with the Gambling Commission's "Guidance to licensing authorities" and taking in to account best practice guidance.

5.0 Alternative Options

5.1 Full Council could decide not to approve the revised policy, but in doing so, may risk the Council being in breach of its obligations as Licensing Authority under the provisions of the Gambling Act 2005.

6.0 Key Risks

6.1 A failure to publish a revised policy or to enact a policy in a form that is too prescriptive or significantly deviates from Guidance issued to Licensing Authorities by the Gambling Commission (5th edition) could give rise to challenge by way of judicial review. The review of the Policy has been carried out in a manner and within a timescale that should minimise such a risk so far as possible.

7.0 Council Priorities

7.1 The recommendations in this report, support the following Council policies:

- Everyone benefits from a thriving economy; and
- All neighbourhoods are a great place to live.

8.0 Financial Implications

8.1 There are no direct financial implications arising from this report and costs are met from existing service budgets.

9.0 Legal and HR Implications

9.1 Section 349 of the Gambling Act 2005 requires a Licensing Authority, before each successive period of 3 years, to prepare and publish a Statement of Gambling Licensing Policy that it proposes to apply when exercising its functions under the Act. The current Statement of Gambling Licensing Policy expires in January 2025.

10.0 Ward Implications

10.1 This report has implications for all wards across the Borough.

11.0 Health, Social and Economic Implications

11.1 By exercising the Council's gambling licensing functions correctly, an appropriate balance can be struck between the requirement to protect children and the vulnerable from harm and exploitation, whilst supporting the needs of legitimate business and the local economy.

11.2 Health implications include:

- The responsibility of operators to promote and uphold the licensing objectives including:
 - Identifying customers who may be at risk or experiencing harms associated with gambling by interacting with customers and understanding the impact of the interaction with the customer;
 - Age verification procedures and policies; and
 - Local area risk assessments to take into account risks presented by the local landscape.

11.3 Economic Benefits include:

- Local revenue generated by having a physical premises in high streets and town centres, leading to increased footfall of consumers in these areas supporting other businesses; and
- Creating employment opportunities for local people through licensing regime.

12.0 Equality and Diversity Implications

12.1 There are no direct equality or diversity implications arising directly from this report, but officers are alive to the potential negative impacts of gambling on particular socio-economic groups, and where necessary will seek to mitigate such impacts through policy making.

13.0 Climate Change and Environmental Implications

13.1 There are no direct climate change and environmental implications arising from this report.

Review of Statement of Gambling Licensing Policy

14.0 Background Papers

- 1 Gamling Act 2005
- 2 Gambling Commission's Guidance to Licensing Authorities

15.0 Appendices

- A List of consultees
- B Draft Statement of Gambling Policy

16.0 Report Sign Off

Signed off by	Date sent	Date signed off	Initials
Legal	04/11/2024	04/11/2024	RP
Finance	04/11/2024	04/11/2024	MLB

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Appendix A – List of Consultees

Gamcare
Bacta
West Mercia Police Force
Shropshire Licensing
Telford Health Protection Food Team
Telford Planning Department
Public Health
Gambling Commission
National Association of Bookmakers

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Telford & Wrekin
Co-operative Council

Protect, care and invest
to create a better borough

Registrars, Public Protection, Legal & Democracy

Statement of Gambling Licensing Policy

Consultation 22 July to 23 September 2024

Contents

Section	Contents	Page
1	Introduction	3
2	Local Area Profile	3
3	The Gambling Commission	4
4	The Licensing Authority Responsibilities	5
5	General Statement of Principles	5
6	The Licensing Objectives	6
7	Premises Licences	8
8	Responsible Authorities	8
9	Interested Parties	9
10	Local Area Risk Assessments	10
11	Conditions of Licence	11
12	Gaming Machines	11
13	Types of Premises Licence	12
14	Permits	15
15	Small Society Lotteries	16
16	Exchange of Information	16
17	Enforcement Protocols	17
18	The Licensing Process	18
19	Declaration	18

1. Introduction

The purpose of the Statement of Gambling Licensing Policy, is to set out the principles that the Council propose to apply when determining licences, permits and registrations under the Gambling Act 2005.

The Gambling Act 2005 (the “Act”) requires Borough of Telford & Wrekin as the Licensing Authority to draft, consult on and publish a policy in relation to its responsibilities under the Act. Once published, this Policy Statement will be kept under constant review and, in any case, will be re-published after every three years. Before any revision of the Statement of Gambling Licensing Policy is published this Authority will carry out a full consultation exercise on the relevant sections. This draft version of the Statement of Gambling Licensing Policy has been published following the 3-year review and is for the period from January 2025 – 2028.

In carrying out its licensing functions under the Act, the Licensing Authority will act in accordance with the relevant legislation, adopt the principles of better regulation, regulate gambling in the public interest and aim to permit the use of premises for gambling as it thinks fit so long as it is: -

- in accordance with any relevant Codes of Practice issued by the Gambling Commission;
- in accordance with any relevant guidance issued by the Gambling Commission;
- reasonably consistent with the licensing objectives; and
- in accordance with this Statement of Principles.

In preparing this Statement of Principles, the following key organisations and agencies were consulted in accordance with Section 349(3) of the Act:-

- Chief Officer of Police West Mercia Police, Telford
- Association of British Bookmakers
- BACTA
- Gam Care

The consultation for this Statement of Principles was undertaken between 22 July 2024 and 23 September 2024.

The full list of comments made and the consideration by the Council of those comments will be available once the consultation process has ended by request to: Licensing Service, Telford & Wrekin Council, Darby House, Lawn Central, Telford, TF3 4JA and by email to licensingconsultation@telford.gov.uk.

Information provided in response to the Consultation will be dealt with in accordance with the access to information regimes. These are primarily the Freedom of Information Act 2000 (FOIA), the General Data Protection Regulations and the Environmental Information Regulations (2004).

2. Local Area Profile

Telford & Wrekin Council ('the Council') is situated in the ceremonial County of Shropshire which contains one other Unitary Council, Shropshire Council. The borough has a population of 185,600 living in 82,746 households, covering 112 square miles. It is made up of a mixture of urban and rural areas.

Telford & Wrekin is a place of socio-economic contrasts with parts of the borough amongst the most deprived nationally - comparable with inner cities – and other areas amongst the least deprived nationally.

Further information and insights on Local Area Profiles can be found on the [Council's website](#).

Telford and Wrekin currently have the following gambling licences/permits issued:

Type of licence	Number Issued
Adult Gaming Centres	2
Small Casino	0
Club Machine Permit	10
Betting Shops	16
Bingo	2
Machine Gaming Permits	26

Telford & Wrekin Council is a Co-operative Council, working together with our residents, partners and local organisations to collectively deliver the best we can for Telford and Wrekin. We believe that how we do things is just as important as what we do.

The Council Plan 2022 has the following five strategic priorities:

1. Every child, young person and adult lives well in their community.
2. Everyone benefits from a thriving economy.
3. All neighbourhoods are a great place to live.
4. Our natural environment is protected, and the Council is taking a leading role in tackling the climate emergency.
5. a community-focussed, innovative council providing efficient, effective and quality services.

More information on the Council's Plan and Priorities can be found [here](#).

3. The Gambling Commission

The Gambling Commission regulates gambling in the public interest. It does so:

- by keeping crime out of gambling
- by ensuring that gambling is conducted fairly and openly
- by protecting children and vulnerable people

The Commission provides independent advice to the Government about the manner in which gambling is carried out, the effects of gambling and the regulation of gambling generally.

The Commission has issued Guidance under Section 25 of the Act regarding the manner in which local authorities exercise their licensing functions under the Act and in particular, the principles to be applied by local authorities.

The Commission has issued a number of codes of practice under Section 24 of the Act about the manner in which facilities for gambling are provided, including the advertising of gambling facilities.

The Gambling Commission is responsible for issuing operating and personal licences.

For applicants' further information can be accessed by using the following link:

www.gamblingcommission.gov.uk

4. The Licensing Authority Responsibilities

Authorised Activities

- Gambling” is defined in the Gambling Act 2005 as either gaming, betting, or taking part in a lottery (a lottery is where persons are required to pay in order to take part in an arrangement, during the course of which one or more prizes are allocated by a process which relies wholly on chance).
- Gaming means playing a game of chance for a prize.
- Betting means making or accepting a bet on the outcome of a race, competition, or other event or process; the likelihood of anything occurring or not occurring, or whether anything is true or not.

Licensing Authority Functions

- Grant premises licences for gambling activities
- Grant permits for gambling and gaming machines in clubs
- Regulate gaming and gaming machines in alcohol licensed premises
- Grant permits to family entertainment centres for the use of certain lower stake gaming machines
- Grant permits for prize gaming
- Consider notices given for the temporary use of premises for gaming
- Consider occasional use notices for betting at tracks
- Register small societies lotteries

Spread betting is regulated by The Financial Conduct Authority.

Remote Gambling is regulated by the Gambling Commission.

The National Lottery is regulated by the National Lottery Commission.

5. General Statement of Principles

The Licensing Authority recognises the wide variety of premises which require a licence or a permit. These include casinos, betting shops, tracks, bingo halls, pubs, clubs and amusement arcades.

In carrying out its licensing functions, the Licensing Authority will have regard to any guidance issued by the Gambling Commission.

It is recognised that the statutory principles of good regulation and the Regulator's Code apply to Local Authorities and as such the Licensing Authority will have regard to them when fulfilling its regulatory functions under the Act.

The Licensing Authority will not seek to use the Act to resolve matters more readily dealt with under other legislation.

To ensure the licensing objectives are met, the Licensing Authority has established a good working relationship with the Gambling Commission and will continue to conduct joint inspection visits with the Commission and other responsible authorities as appropriate.

Where children, young persons and other vulnerable people are allowed access to premises where gambling takes place, the Licensing Authority may take whatever steps are considered necessary to either limit access generally or by introducing measures to prevent under age gambling where it believes it is right to do so for the prevention of their physical, moral or psychological harm, especially where it receives representations to that effect.

Applicants seeking premises licences are encouraged to propose any prohibitions or restrictions of their own in circumstances where it is felt that the presence of children would be undesirable or inappropriate.

However, the overriding principle is that all applications and the circumstances prevailing at each premises will be considered on their own individual merits.

6. The Licensing Objectives

In exercising their functions under the Gambling Act 2005, licensing authorities must have regard to the licensing objectives.

The licensing objectives are:

- Preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime
- Ensuring that gambling is conducted in a fair and open way
- Protecting children and other vulnerable persons from being harmed or exploited by gambling

Preventing gambling from being a source of crime or disorder

The Gambling Commission plays the leading role in preventing gambling from being a source of crime and maintains rigorous licensing procedures that aim to prevent criminals from providing facilities for gambling.

Anyone applying to the Licensing Authority for a premises licence will have to hold an operating licence from the Commission before a licence can be issued, (unless the premises is a "track" for which an operating licence is not necessary). Therefore, the Licensing Authority is not generally concerned with the suitability of an applicant and where concerns about a person's suitability arise, the Licensing Authority will bring those concerns to the attention of the Commission.

If an application for a licence or a permit is received in relation to premises which are in an area noted for particular problems with organised crime, the Licensing Authority will, in

consultation with the Police and other relevant authorities, consider whether specific controls need to be applied to prevent those premises from being a source of crime. This could include conditions being put on the licence, such as a requirement for door supervisors, although this would only be considered in cases where there is clear evidence that the premises in question are not being adequately supervised and door supervision is considered both necessary and proportionate.

This Licensing Authority is aware of the distinction between disorder and nuisance. Issues of disorder would normally only be dealt with under the Act if the disorder amounts to activity which is more serious and disruptive than mere nuisance and it can be shown that gambling is the source of that disorder. A disturbance might be serious enough to constitute disorder if police assistance was required to deal with it. Another factor which could be taken into account is how threatening the behaviour was to those who could see or hear it and whether those people live sufficiently close to be affected or have business interests that might be affected.

Ensuring gambling is conducted in a fair and open way

The Gambling Commission does not expect local authorities to become concerned with ensuring that gambling is conducted in a fair and open way as this will either be a matter for the management of the gambling business or will relate to the suitability and actions of an individual. Both issues are adequately addressed by the Commission through the operating and personal licensing regime.

Betting track operators do not need an operating licence from the Commission, the Licensing Authority may, if the circumstances warrant it, require conditions to be applied to the licence relating to the suitability of the environment in which the betting activity takes place.

Protecting children and other vulnerable people from gambling

With limited exceptions, the intention of the Act is that children and young persons should not be allowed to gamble and should therefore be prevented from entering gambling premises which are “adult only” environments.

It is noted that the Gambling Commission does not seek to offer a definition for the term “vulnerable persons” but states that “it will for regulatory purposes assume that this group includes people who gamble more than they want to; people who gamble beyond their means; and people who may not be able to make informed or balanced decisions about gambling due to a mental impairment, alcohol or drugs.” This Licensing Authority will consider this licensing objective on a case by case basis.

In accordance with the Gambling Commission’s Guidance for Licensing Authorities, this Licensing Authority expects operators of gambling premises to have in place policies and measures to ensure children and other vulnerable people are protected from being harmed or exploited by gambling. Harm in this context is not limited to harm from gambling but includes wider child protection considerations, including the risk of child sexual exploitation.

This Licensing Authority is also aware of the Gambling Commission Codes of Practice as regards this licensing objective, in relation to specific premises. For example, this Authority will pay particular attention to measures proposed by operators to protect children from harm in Adult Gaming Centres and Family Entertainment Centres.

Appropriate measures may include supervision of entrances / machines, segregation of areas, training for staff as regards suspected truanting school children on the premises, training covering how staff would deal with unsupervised very young children being on the premises etc.

7. Premises licences

A premises licence can authorise the provision of gambling facilities at the following:

- Casino premises
- Bingo premises
- Betting premises, including betting tracks
- Adult gaming centres
- Family entertainment centres

Premises can be “any place” but the Act generally prevents more than one premises licence applying to any one place. A single building could be subject to more than one premises licence provided they are for different parts of the building and those parts can be genuinely regarded as being separate “premises”. With regard to “splitting” premises the Licensing Authority has particular regard to the Commission’s Guidance. Applicants will need to satisfy the Licensing Authority that premises are genuinely “different” and “separate” in each case.

Any entrances and exits from parts of a building covered by one or more licences need to be separate and identifiable so that the separation of the premises is not compromised and that people are not allowed to “drift” accidentally into a gambling area from one licensed activity to another.

Applicants will need to satisfy the Licensing Authority that, in the case of “split” premises, the mandatory conditions can be complied with at all times. Where the Licensing Authority has concerns about the use of premises for gambling these will generally be addressed through additional licence conditions.

Other than an application for a betting premises licence in respect of a track, the Licensing Authority is not able to issue a premises licence unless the applicant holds the relevant operating licence from the Gambling Commission.

When considering applications for premises licences the Licensing Authority will consider each case on its own individual merits without regard to demand. With regard to primary gambling activity issues, the Licensing Authority will take into account any representations made by the Commission.

The Licensing Authority will maintain a register of premises licenses issued which will be available for public inspection on request. Please contact the Licensing Service by email: licensing@telford.gov.uk

8. Responsible Authorities

These are generally public bodies that must be notified of all applications and who are entitled to make representations to the Licensing Authority if those representations are relevant to the licensing objectives.

Section 157 of the Act defines those authorities; for our purposes they are as follows:-

- The Gambling Commission
- The Chief Officer of Police
- Shropshire Fire & Rescue Service
- The Local Planning Authority
- Environmental Health
- Telford and Wrekin Safeguarding Children Board (SCB)
- HM Revenue and Customs
- A Licensing Authority in whose area the premises are wholly or partly situated

Any concerns expressed by a Responsible Authority in relation to their own functions cannot be taken into account unless they are relevant to the application itself and to the licensing objectives. In this regard the Licensing Authority will not generally take into account representations which are deemed to be irrelevant, for example:

- there are too many gambling premises in the locality
- planning permission has not been obtained for the premises
- the location of the premises is likely to lead to traffic congestion
- the premises will cause crowds to congregate in one area causing noise and nuisance

Each representation will be considered on its own individual merits.

9. Interested Parties

Interested parties can make representations about licence applications or apply for a review of an existing licence.

An interested party is someone who: -

- lives sufficiently close to the premises likely to be affected by the authorised activities or,
- has business interests that might be affected by the authorised activities or,
- represents persons in either of the two groups above

The Licensing Authority is required by Regulations to state the principles it will apply in exercising its powers under the Act to determine whether a person is an Interested Party.

Each case will be determined upon its merits, however, in determining whether someone lives sufficiently close to a particular premises so as to be affected, the Licensing Authority will take into account, among other things: -

- the size of the premises
- the nature of the premises
- the distance of the premises from the person making the representation
- the nature of the complaint
- the potential impact of the premises

In determining whether a person has a business interest which could be affected the Licensing Authority will consider, among other things: -

- the size of the premises
- the catchment area of the premises (how far people travel to visit the premises)
- whether the person making the representation has business interests in the catchment area that might be affected

If an existing gambling business makes a representation that it is going to be affected by another gambling business starting up in the area the Licensing Authority would not normally consider this, in the absence of other evidence, as a relevant representation, as it does not relate to the licensing objectives and instead relates to demand or competition.

The Licensing Authority may, in certain circumstances, consider a representation to be either frivolous or vexatious. This will generally be a matter of fact given the circumstances of each individual case but, before coming to a decision the Licensing Authority will normally consider:

- who is making the representation and whether there is a history of making representations that are not relevant
- whether it raises a “relevant” issue or not, or
- whether it raises issues specifically to do with the premises which are the subject to the application

Location

This Licensing Authority will have regard to this Statement of Licensing Principles, having, upon receipt of any relevant representation, to look at specific location issues which include:

- The possible impact that a gambling premises may have on any sensitive premises that provide services to children or young people or vulnerable people; for example, a school or vulnerable adult centre.
- The possible impact a gambling premises may have on a residential area where there is a high concentration of families with children.
- The nature and size of the gambling activities taking place.
- Any levels of crime in the area.

10. Local Area Risk Assessments

All operators with Premises Licences now have an obligation to produce a local area risk assessment. This is to assist the local Licensing Authority when considering applications. This is a new requirement and therefore, constitutes a mandatory condition for licensees. This Licensing Authority expects that a copy of the Local Area Risk Assessment shall be kept on the premises.

Licensees will be required to assess the local risks to the licensing objectives posed by the provision of gambling facilities at each of their premises and have policies, procedures and control measures to mitigate those risks. In making risk assessments, licensees must take into account relevant matters identified in the Licensing Authority’s Statement of Licensing Principles.

Licensees must review (and update as necessary) their local area risk assessments:

- to take account of significant changes in local circumstances, including those identified in a Licensing Authority's Statement of Licensing Principles
- when there are significant changes at a licensee's premises that may affect their mitigation of local risks
- when applying for a variation of a premises licence
- when applying for a new premises licence.

This Licensing Authority will expect the Local Area Risk Assessment to consider as a minimum:

- the location of services for children such as schools, playgrounds, leisure/community centres and other areas where children will gather.
- the demographics of the area in relation to vulnerable groups.
- whether the premises is in an area subject to high levels of crime and/or disorder.

Local area risk assessments should show how vulnerable people, including people with gambling dependencies are protected.

Further information on Local Area Risk Assessments is available on the [Gambling Commission's website](#).

11. Conditions of Licence

Premises licences are subject to specific mandatory and default conditions which are detailed in regulations issued by the Secretary of State. Licensing authorities are able to exclude default conditions and also attach others, where it is believed to be appropriate.

The Licensing Authority will ensure that any conditions are: -

- relevant to the need to make the premises suitable as a gambling facility
- directly related to the premises and the type of licence applied for
- fairly and reasonably related to the scale and type of premises
- reasonable in all other respects

The Licensing Authority will not consider imposing conditions:

- which make it impossible to comply with an operating licence condition imposed by the Gambling Commission
- relating to gaming machine categories, numbers or methods of operation
- which specify that membership of a club or other body is required
- in relation to stakes, fees, winnings or prizes

Conditions relating to the good conduct of gambling premises will primarily be set as mandatory or default conditions by the Secretary of State. The Licensing Authority will only consider imposing conditions in this regard in the light of local circumstances, especially where there are specific risks or problems associated with a particular locality, a specific premises or class of premises.

Duplication with other statutory or regulatory regimes will be avoided as far as possible. Each case will be assessed on its own individual merits.

12. Gaming Machines

The Licensing Authority considers that a gaming machine is 'available for use' if a person can take steps to play it without the assistance of the operator.

More than the permitted number of machines may be physically located on a premises but the onus is on licensees to demonstrate that no more than the permitted number are 'available for use' at any one time.

13. Types of Premises Licences

Any person or business that wishes to offer gambling for which an operating licence from the Gambling Commission is required and/or which is premises based, must apply to the Licensing Authority for a premises licence.

Premises licences can authorise the provision of facilities on:

- casino premises,
- bingo premises,
- betting premises including tracks and premises used by betting intermediaries,
- adult gaming centre premises, or
- family entertainment centre premises.

For each premises type the Act makes it clear that the primary activity should be that described in the premises licence type. It is this Licensing Authority's opinion that all gambling premises, whether subject to application or currently licensed, must operate primarily in the use of the licence type applied for or issued.

Casinos

This Licensing Authority has passed a 'no casino' resolution on the basis that there was no requirement to consider such a resolution in accordance with Section 166 Gambling Act 2005 and in line with advice provided by the Local Authorities Co-ordinators of Regulatory Services. Potential licence applicants should note that as a 'no-casino' resolution has been passed by this authority, no applications for casino premises licences will be considered. Any applications received will be returned with a notification that a 'no-casino' resolution is in place.

This resolution came into effect on 31 January 2010.

Bingo

The holder of a bingo operating licence will be able to provide any type of bingo game including cash and prize bingo.

Commercial bingo halls will require a bingo premises licence from the Licensing Authority.

It is important that where children are allowed to enter premises licensed for bingo, they are not allowed to participate in any bingo game. When considering applications of this type, the Licensing Authority will therefore take into account, among other things, the location of the games or machines, access to those areas, general supervision of the premises and the display of appropriate notices.

A limited number of gaming machines may also be made available at bingo licensed premises.

Bingo is classed as equal chance gaming and it will be permitted in alcohol licensed premises and in clubs provided it remains below a certain threshold, otherwise it will be subject to a bingo operating licence which will have to be obtained from the Gambling Commission.

As with the previous section in relation to bettering premises, if an application for variation is made to extend the licensing hours of bingo premises, the Licensing Authority will want to establish that the primary purpose of the premises throughout the extended period remains the provision of bingo facilities. Gaming machines may only be made available for use in licensed bingo premises on days when sufficient facilities for playing bingo are also available for use.

In this regard, in cases where bingo is being offered exclusively by means of electronic bingo terminals (EBTs) there must be more individual player positions made available for bingo than there are gaming machines available for use.

Where playing is permitted, on the licensed premise, using mobile electronic devices, then it should only be permitted within the licensed area.

Betting Premises

Anyone wishing to operate a betting office will require a betting premises licence from the Licensing Authority. Children and young persons will not be able to enter premises with a betting premises licence.

Betting premises will be able to provide a limited number of gaming machines and some betting machines.

The Licensing Authority has powers under the Act to restrict the number of betting machines, their nature and the circumstances in which they are made available. It will not normally exercise this power unless there is clear evidence that such machines have been, or are likely to be used in a way, which adversely affects the promotion of the licensing objectives. In such cases the Licensing Authority will consider, among other things, the size of the premises, the level of management and supervision especially where children, young persons and vulnerable people are concerned and also the ability of staff to closely monitor the use of such machines.

It is not possible for an operator to offer gaming machines on premises which are licensed for betting without offering sufficient facilities for betting. The Gambling Commission and the Licensing Authority take the view that customers need to be offered a balanced mix of betting and gaming machines, in line with the licensing objective of protecting vulnerable persons

from being harmed or exploited by gambling. “Betting” should therefore remain the primary element of the gambling facilities being offered. Betting may be provided by way of betting terminals or over a counter (i.e. face to face).

If the Licensing Authority receives an application to vary a betting premises licence in order to extend the opening hours, it will need to satisfy itself that the reason for the application is in line with the need for operators to ensure that the main gambling activity associated with the licence type is actually going to be offered at the premises and not replaced merely by making gaming machines available.

In other words, applicants will need to demonstrate that the extension of hours is not designed solely to benefit from the gaming machine entitlement and that the use of gaming machines remains ancillary to the “primary” purpose of the licence, i.e. to provide betting on the premises.

In all cases, each application will be considered on its own individual merits.

Tracks

Only one premises licence can be issued for any particular premises at any time unless the premises are a “track”. A track is a site where races or other sporting events take place.

Track operators are not required to hold an “operator’s licence” granted by the Gambling Commission, therefore premises licences for tracks issued by the Licensing Authority may contain requirements for premises licence holders about their responsibilities in relation to the proper conduct of betting. Indeed, track operators have an important role to play, for example, in ensuring that betting areas are properly administered and supervised.

Unlike betting shops, a betting premises licence in respect of a track does not give an automatic entitlement to use gaming machines.

When considering whether to exercise its powers to restrict the number of betting machines at a track the Licensing Authority will consider the circumstances of each individual application and among other things, will consider the potential space for the number of machines requested, the ability of track staff to supervise the machines, especially if they are scattered around the site and the ability of the track operator to prevent children and young persons and vulnerable people betting on the machines.

Adult Gaming Centres

This Licensing Authority will specifically have regard to the need to protect children and vulnerable persons from harm or being exploited by gambling and will expect the applicant to satisfy the Authority that there will be sufficient measures to, for example, ensure that under 18 year olds do not have access to the premises.

This Licensing Authority may consider measures to meet the licensing objectives such as:

- Proof of age schemes

- CCTV
- Supervision of entrances / machine areas
- Physical separation of areas
- Location of entry
- Notices / signage
- Specific opening hours
- Self-exclusion schemes
- Provision of information leaflets / helpline numbers for organisations such as Gam Care.

This list is not mandatory, nor exhaustive and is merely indicative of example measures

Family Entertainment Centres (Licensed)

This Licensing Authority will specifically have regard to the need to protect children and vulnerable persons from harm or being exploited by gambling and will expect the applicant to satisfy the Authority, for example, that there will be sufficient measures to ensure that under 18 year olds do not have access to the adult only gaming machine areas.

This Licensing Authority may consider measures to meet the licensing objectives such as:

- CCTV
- Supervision of entrances / machine areas
- Physical separation of areas
- Location of entry
- Notices / signage
- Specific opening hours
- Self-exclusion schemes
- Provision of information leaflets / helpline numbers for organisations such as Gam Care.

This list is not mandatory, nor exhaustive and is merely indicative of example measures.

This Licensing Authority will, as per the Gambling Commission's Guidance, refer to the Commission's website to see any conditions that apply to operating licences covering the way in which the area containing the category C machines should be delineated. This Licensing Authority will also make itself aware of any mandatory or default conditions on these premises licences, when they have been published.

14. Permits

The Licensing Authority will treat every application for a permit on its own merits, regardless of the number of machines applied for

If a licensed premises wishes to have more than 2 machines, then it needs to apply for a permit and the Licensing Authority must consider that application based upon the licensing objectives, any guidance issued by the Gambling Commission issued under Section 25 of the Gambling Act 2005, and "*such matters as they think relevant.*"

Applicants for permits in respect of alcohol licensed premises may be asked to provide additional information, for example in the form of a plan, in order to satisfy the Licensing Authority that the premises are suitable for the purpose and will not result in the "primary" use of the premises being changed to one of gambling.

This Licensing Authority considers that “such matters” will be decided on a case by case basis but generally there will be regard to the need to protect children and vulnerable persons from being harmed or being exploited by gambling and will expect the applicant to satisfy the authority that there will be sufficient measures to ensure that under 18 year olds do not have access to the adult only gaming machines. Measures which will satisfy the authority that there will be no access may include the adult machines being in sight of the bar, or in the sight of staff who will monitor that the machines are not being used by those under 18. Notices and signage may also help.

In considering applications for Prize Gaming Permits the applicant should set out the types of gaming that he or she is intending to offer and demonstrate the following:

- that they understand the limits to stakes and prizes that are set out in Regulations;
- that the gaming offered is within the law
- that they have clear policies that outline the steps to be taken to protect children from harm.

It should also be noted that the holder of a permit must comply with the following Codes of Practice :

Code of Practice for gaming machines in alcohol licensed premises

Code of Practice for equal chance gaming in alcohol licensed premises.

15. Small Society Lotteries

The Licensing Authority will refuse applications for registration where it considers that:

- the society in question cannot be deemed to be non-commercial, or
- a person who will or may be connected with the promotion of the lottery has been convicted of a relevant offence, or
- the information provided in or with the application for registration is false or misleading, or
- an operating licence held by the applicant for registration has been revoked or, an application for an operating licence made by the applicant for registration has been refused, within the past five years.

The Licensing Authority will revoke the registered status of a society if it thinks that it would have had to, or would be entitled to, refuse an application for registration if it this Licensing Authority being made at that time.

16. Exchange of Information

To ensure the licensing objectives are met the Licensing Authority will establish a close working relationship with the police, the Gambling Commission and where appropriate, other Responsible Authorities.

Subject to the provisions of the General Data Protection Regulations, this Licensing Authority will share any information it receives through the application process with the Gambling Commission and any relevant Responsible Authority. In doing so this Licensing Authority will have regard to the Act itself, any guidance issued by the Commission and to any Regulations

issued by the Secretary of State. Further information about the Council's Data Protection Statement of Principles, including how people can access personal information that this Licensing Authority hold about them is available on the Council's [website](#).

This Licensing Authority are committed to being open about what this Licensing Authority do and how this Licensing Authority come to our decisions in accordance with the spirit of the Freedom of Information Act 2000(FOIA). Further information including how to make a request for information under the Freedom of Information Act is available on the Council's [website](#).

Unless restricted by the Gambling Act, details about applications and licences will be made available in our public register. Representations that this Licensing Authority accept will be copied in their entirety to applicants, to provide an opportunity for mediation and to ensure that the rights of the applicant are not compromised.

Operators/premises are requested to share relevant information with the Licensing Authority about test purchasing (subject to primary authority agreements) and such information as the number of self-exclusion and underage attempts to gamble, in order to help the Licensing Authority develop its understanding about the risk of gambling in its area. The Authority may seek information from operators/premises for this purpose.

Details of applications and representations which are referred to the Licensing Sub Committee may be published in reports that are made publicly available in accordance with the Local Government Act 1972 and the Freedom of Information Act 2000. The personal details of those making representations may be disclosed to applicants and other parties to a Hearing and will normally only be withheld on the grounds of personal safety where the Licensing Authority is specifically requested to do so.

17. Enforcement Protocols

The Licensing Authority is required by Regulations under the Act to state the principles to be applied by it in exercising the functions under Part 15 of the Act in respect of the inspection of premises and powers under 346 of the Act to institute criminal proceedings in respect of the offences specified.

The Licensing Authority will have regard to the principles of better regulation and any Regulators' Code in force at the time. In addition, the Licensing Authority will act in accordance with the relevant legislation, be guided by the Commissioner's Guidance and will endeavour at all times to be:-

- proportionate – the Licensing Authority will only intervene when necessary and any remedies will be appropriate to the risk posed and costs identified and minimised
- accountable – decisions will be justified and subject to public scrutiny
- consistent – any rules and standards will be implemented fairly
- transparent – the Licensing Authority will be open and any licence conditions will be kept simple and user friendly
- targeted – regulation will be focused on the problem with the aim of minimising side effects

The Licensing Authority is committed to the principles of good enforcement and its [Enforcement Policy](#) sets out how it will go about achieving that aim.

Compliance with the Enforcement Policy will ensure that the Licensing Authority will strive to be fair, impartial, independent and objective and will not be influenced by issues such as ethnicity or national origin, gender, religious beliefs, political views or the sexual orientation of the suspect, victim, witness or offender. Decisions will not be influenced by improper or undue pressure from any source.

The purpose of the Licensing Authority's Enforcement Policy is to provide a framework to ensure that it works in an equitable, practical and consistent manner.

The Licensing Authority aims to prioritise and direct its regulatory effort effectively. It will aim to balance the need to protect the public from harm against the human rights of the individual and have regard to relevant Codes of Practice.

The Licensing Authority will work with the Commission, the police and other enforcing authorities to provide for the targeting of agreed problem or high risk premises. A lighter touch will be applied to those premises which are shown to be well managed and maintained. The Licensing Authority will actively use the review process to deal with problem premises.

Test purchasing is one method by which the Licensing Authority, in partnership with the Gambling Commission can measure the compliance of licensed operators. In conducting test purchasing, the Licensing Authority may work in partnership with the Gambling Commission which have the primary responsibility for issues related to individual gambling premises. Test purchasing is also a means by which operators themselves can demonstrate the effectiveness of their policies and procedures.

18. The Licensing Process

The Licensing Authority's licensing functions under the Act will be carried out by the Licensing Committee and Licensing Sub Committee and by officers acting under the delegated authority of the Licensing Committee.

Where there are relevant representations in respect of an application the matter will be determined by the Licensing Sub Committee, as will any application for the review of a licence.

This Statement of Licensing Principles is not intended to override the right of any person to make an application under the Act and to have that application considered on its merits. Equally, this Statement of Principles is not intended to undermine the right of any person to make representations about an application or to seek a review of a licence where provision has been made for them to do so.

19. Declaration

In producing this Statement, the Licensing Authority declares that it has had regard to the licensing objectives of the Gambling Act 2005, any guidance issued by the Gambling Commission and any responses received from those consulted prior to the preparation of this Statement.

Those wishing to find information out about fees and the application process can visit the Council's [website](#), or contact the Licensing Service by telephoning 01952 381818 or by emailing licensing@telford.gov.uk.

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