



## Borough of Telford and Wrekin

### Full Council

Thursday 13 November 2025

6.00 pm

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

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

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**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 Jhavar, J Jones, J Kaur, G C W Latham-Reynolds, L Lewis, G Luter, A D McClements, R Mehta, K Middleton, H Morgan, T J Nelson, R A Overton, N Page, 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, K L Tomlinson, W L Tomlinson, K Tonks, R Tyrrell, J Urey, O Vickers, P Watling and D R W White

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### Agenda

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1.0 Prayers and Reflections

2.0 Apologies for Absence

3.0 Declarations of Interest

|             |                                                                                                                                                                                                                                                                                                                                                                             |                  |
|-------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|
| <b>4.0</b>  | <b>Minutes of the Previous Meeting</b>                                                                                                                                                                                                                                                                                                                                      | <b>7 - 26</b>    |
|             | To confirm as a correct record, the minutes of the last meeting of the Full Council held on 17 July 2025.                                                                                                                                                                                                                                                                   |                  |
| <b>5.0</b>  | <b>Leader's Report &amp; Announcements</b>                                                                                                                                                                                                                                                                                                                                  |                  |
|             | 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.                                                                                                                                                                                                                  |                  |
| <b>6.0</b>  | <b>Mayor's Announcements</b>                                                                                                                                                                                                                                                                                                                                                | <b>27 - 28</b>   |
|             | To note the Mayoral Engagements undertaken since the previous Council meeting.                                                                                                                                                                                                                                                                                              |                  |
| <b>7.0</b>  | <b>Public Questions</b>                                                                                                                                                                                                                                                                                                                                                     |                  |
|             | To receive any questions from the public which have been submitted under Council Procedure Rules 7.11 and 7.12. The session will last no more than 15 minutes with a maximum of 2 minutes allowed for each question and answer. Questions can be asked of the Leader and Cabinet Members.                                                                                   |                  |
| <b>8.0</b>  | <b>Councillor Questions On Notice</b>                                                                                                                                                                                                                                                                                                                                       |                  |
|             | To answer questions received under Council Procedure Rule 6.2.                                                                                                                                                                                                                                                                                                              |                  |
|             | <b>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.</b>                                                                                                          |                  |
| <b>9.0</b>  | <b>Cabinet Decisions Made Since the Last Meeting of the Council</b>                                                                                                                                                                                                                                                                                                         | <b>29 - 34</b>   |
|             | 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. |                  |
| <b>10.0</b> | <b>CSE Annual Report</b>                                                                                                                                                                                                                                                                                                                                                    | <b>To Follow</b> |
|             | To receive the annual CSE Report.                                                                                                                                                                                                                                                                                                                                           |                  |
| <b>11.0</b> | <b>Councillor Leave of Absence</b>                                                                                                                                                                                                                                                                                                                                          | <b>65 - 66</b>   |
|             | To receive a report requesting two Councillors' Leave of Absence.                                                                                                                                                                                                                                                                                                           |                  |

## **12.0 Recommendations from Cabinet**

### **Cabinet - 6 November 2025**

#### **12a 2025/26 Financial Monitoring Report 67 - 74**

To receive an update on the Council's financial monitoring position.

## **13.0 Recommendations from Boards and Committees**

### **Audit Committee - 16 July 2025**

#### **13a Treasury Management 2024/25 Annual Report and 2025/26 Update 75 - 116**

To receive the Treasury Management 2024/25 Annual Report and 2025/26 Update Report.

## **14.0 Motions on Notice**

#### **14a Councillor S Bentley will propose the following Motion:-**

"This Council undertakes to follow the Secretary of State's acknowledgement that small modular reactors (SMRs) will, unlike wind turbines, provide a constant source of reliable energy, and will include potential future provision for the same within the current Draft Plan."

The motion will be seconded by Councillor Tim Nelson.

#### **14b Councillor J Urey will propose the following Motion:-**

"April this year I requested a motion to be brought to Full Council updating PSPO due to increased dog attacks in our Borough. Whilst I have not had the opportunity yet to bring this to Council until now, I was pleased to see amendments made to the PSPO in September with regards to dog fouling and prohibiting dogs in play areas. The 'Wrekin Dog Control Public Spaces Protection Order (PSPO) 2025' is now online for public however is just an extra policy including original orders.

This is not enough in my opinion as it does not deal with the bigger issue preventing dog attacks.

In Telford and Wrekin, the number of offences titled 'Owner or person in charge allowing dog to be dangerously out of control injuring any person or assistance dogs' are:

2023 – 113

2024 – 147

2025 – 132 up to 13th October

(Source: Athena investigations provided by West Mercia Police on request)

In 2024 there were 31,920 dog attacks in England and Wales and they continue to increase.

The above is based on attacks that have been reported. Many are not reported, with victims opinions that the 'police won't do anything' or 'I didn't know I could report it'. Without data, we can not see the full picture.

Implementing stricter regulations for dogs wearing leads in high traffic areas including public parks and highway and mandating the use of disposable bags for dog waste cleanup, can significantly enhance safety and promote responsible pet ownership. These measures not only protect pedestrians and other animals from potential accidents or aggressive encounters but also foster a cleaner environment, boosting community well-being and encouraging more people to enjoy parks and public spaces. Telford and Wrekin need to cultivate a culture of responsibility among dog owners while enhancing the quality of life in the community.

A local elderly couple had their dog "ripped and tossed like a ragdoll" whilst on a lead and killed on the Esso fields in Donnington, the attacking dog was off lead. The distraught husband carried the blood soaked body home to his wife. She reached out to me.

I've personally had 2 small dogs off lead attack my dog on a lead in Donnington, where the owners were too scared of getting bitten by their own dogs to intervene. Lady in Newport dragged out of her wheelchair with dog off lead, horse attacked at the Granville by off lead dog, Elderly gentleman and son attacked by off lead dog in Muxton last year,...I am sure all Councillors in this room are aware of an attack by an off lead dog and continual reports on social media within their ward.

It is crucial for dog owners to respect the space and comfort of both people and other animals by keeping their dogs on a lead unless they have explicit consent for their dogs to approach. Phrases like "don't worry, they won't bite" are misleading and dismissive of the varying levels of comfort and vulnerability of others, including residents and other animals. Responsible pet ownership includes being aware of the impact one's dog may have on the community and ensuring that all interactions are consensual and safe.

Residents and I are not prepared to wait for more deaths, injuries and continue to tread in dog mess anymore. I am sure the following motion will be of good news to respectful dog owners, those who have been victims and members of the public.

To summarise, my motion is:

1. Enforcement of 'dogs on lead policy' in nominated public areas and all public highways.
2. Areas of order to be discussed with Ward councillors with 'best option' to eliminate or reduce risks fairly in their location, days and times.
3. Automatic fines implemented for owners found not carrying a dog waste bag."

The motion will be seconded by Councillor Peter Scott.

**14c Councillor K Middleton will propose the following Motion:-**

"Council Notes:-

- Domestic abuse remains a pervasive issue affecting individuals and families across Telford & Wrekin, with long-term impacts on physical and mental health, housing, education, and employment.
- An estimated 25,500 adults in Telford & Wrekin have experienced domestic abuse since the age of 16, with two-thirds of victims being women.
- Victims typically experience multiple incidents of abuse before reporting and live with abuse for 2 to 3 years before seeking help.
- Domestic abuse/VAWG is a key priority for Telford and Wrekin Council, whom has developed a multi-agency strategy to address the issue.

Council Resolves To:-

- Reaffirm its commitment to the Domestic Abuse Strategy 2023–2025 and ensure its full implementation across all departments.
- Continue to work with partners to improve access to safe accommodation spaces, counselling, and legal support for victims and survivors.
- Continue to support awareness campaigns in schools, workplaces, and public venues to challenge stigma and promote healthy relationships.
- Ensure all Council staff receive appropriate training to identify and respond to signs of domestic abuse.
- Write to the Domestic abuse commissioner for increased and more sustained funding for domestic abuse services and prevention programmes.
- To ensure that the 2025/26 Council Budget includes:
  - A dedicated funding allocation for domestic abuse services, including safe accommodation provision, outreach, and children's support.

- Sustained grant funding for voluntary sector partners delivering specialist domestic abuse services.
- Investment in early intervention and prevention, including education programmes, perpetrator interventions, and community engagement.

The motion will be seconded by Councillor Raj Mehta.”

**14d Councillor A J Eade will propose the following Motion:-**

“This Council notes the delay in finding an acceptable person to chair the Government’s “Independent Commission on Grooming Gangs” and undertakes to write to the Home secretary to urge the speedy appointment of an independent Judge to get the Inquiry underway without further delay.”

The motion will be seconded by Councillor Tim Nelson.

**14e Councillor S P Burrell will propose the following Motion:-**

“This Council notes the positive statements made by the Leaders of both Shropshire and Telford & Wrekin Councils concerning the installation of average speed cameras along the A41 highway which runs through the Borough.

This Council also notes the very high number of fatalities on the A41 and so reinforces its commitment to work alongside all stakeholders, including Ward members, to bring about the installation of average speed cameras, together with other measures such as mobile speed cameras and engineering works as deemed necessary.”

The motion will be seconded by Councillor Andrew Eade.

**14f Councillor S Bentley will propose the following Motion:-**

“This Council resolves to write to the Justice Secretary to request that she intervene and strongly oppose the potential early release on parole of Abdel Ali, a member of the notorious ‘Telford Grooming Gang,’ as such an early release is not commensurate with the life time fears, damage and traumatic memories inflicted on his victims.”

The motion will be seconded by Councillor Nigel Dugmore.

**14g Councillor A J Eade will propose the following Motion:-**

“This Council urges the Chancellor of the Exchequer to relieve financial pressures placed upon local and national businesses at the last budget to help stimulate the economy and promote growth.”

The motion will be seconded by Councillor Stephen Burrell.

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Telford & Wrekin  
Co-operative Council

Protect, care and invest  
to create a better borough

## **FULL COUNCIL**

**Minutes of the meeting of the Full Council held on Thursday 17 July 2025 at 6.00 pm in the 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, E Davies, P Davis, 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 Jhavar, J Jones, J Kaur, L Lewis, G Luter, A D McClements, R Mehta, K Middleton, H Morgan, T J Nelson, R A Overton, N Page, L Parker, S J Reynolds, S A W Reynolds, H Rhodes, R Sahota, P J Scott, S Syrda, G Thomas, P Thomas, J Thompson, R Tyrrell, J Urey, O Vickers, P Watling and D R W White.

**Apologies for Absence:** Councillors G H Cook, S Davies, F Doran, G C W Latham-Reynolds, I Preece, K L Tomlinson, W L Tomlinson and K Tonks.

### **18 Prayers and Reflections**

Gurdit Singh, from Sangat Parchar Sabha Gurdwara from Oakengates, said prayers.

### **19 Declarations of Interest**

None.

### **20 Minutes of the Previous Meeting**

**RESOLVED** – that the minutes of the Special and Annual Meetings of the Council held on 15 May 2025, be confirmed as correct records and signed by the Mayor.

### **21 Leader's Report & Announcements**

The Leader of the Council made the following announcements:

#### **(i) Successes Across the Borough**

The Leader said that as the summer break approached, he wanted to take this opportunity to celebrate the many successes across the Borough. He said that the role of Members was always to serve the residents of Telford and Wrekin to the best of their abilities, and it was



heartening to see individuals and organisations in the community recognised for their contributions.

The Leader said that, on the back of Telford and Wrekin Interfaith Council and Sustainable Newport, both had received well deserved King's Awards for Voluntary Services at the end of last year, and that, in May this year, it had been very pleasing to see Fabwell Steel Products based in Madeley given the honour of King's Award for Enterprise for sustainable development, which again showed how Telford businesses were leading the way.

The Leader went on to say that, in the even more recent King's Birthday Honours, the Council was proud to learn that Telford-based recipients, Richard Howells, founder of Bronze Software Labs, had received an OBE for services to business and technology (another example of innovation and opportunity thriving in the Borough); Christine Still of Newport had been awarded an MBE for her dedication to gymnastics and sports broadcasting, and had inspired generations through coaching and commentary; and John McGlasson, Training Development Officer at RAF Cosford, who had received the British Empire Medal for his service to defence and charitable fundraising.

(ii) Armed Forces Community

The Leader said that everyone was proud of the Borough's strong Armed Forces community and that this week had seen the soft launch of the Christopher Turley Armed Forces Community Hub, a one-stop-shop for serving personnel, veterans, and their families. He said that this initiative strengthened the Council's ongoing support and commitment to those who served.

(iii) Council of the Year 2025

The Leader said that this evening's meeting marked the first Full Council meeting since being named Council of the Year 2025 at the prestigious Local Government Chronicle Awards. He said that this was a remarkable achievement and a testament to the dedication of its members, staff, partners, and residents and confirmed that the work being done in Telford and Wrekin was exceptional.

The Leader went on to say that the Council had demonstrated a sustained track record of success and was one of only a few authorities to have received back-to-back 'outstanding' ratings for children's services from Ofsted. Also, he said, the Council's SEND services had received the highest inspection outcome from both Ofsted and the Care Quality Commission.



The Leader went on to say that the Council's work around child sexual exploitation remained its top priority. He said that in respect of partnering with individuals with lived experience, the Council had been recognised nationally for its approach to tackling this horrific crime and that its efforts had recently earned a national award. He said that, later this evening, members would be asked to support the Council's call for the new National Inquiry to include Telford and Wrekin and that the Council welcomed a government finally committed to addressing this horrific crime.

(iv) Community Safety

The Leader said that community safety was central to building a prosperous Borough. He said that, from the Telford Land Deal, which had brought over £1 billion in inward investment, to Invest Telford support and Council-led Growth Fund investing £65 million to create jobs, the Council had a compelling story to tell. He said that other authorities were keen to learn from Telford and Wrekin's success, including the recent announcement that Rheinmetall would produce tank gun barrels in Hadley, a development the Council's Administration backed. He said that the Council's team had beat competition from five other areas to secure this investment.

(v) Environment

The Leader said that while development continues, the Council's environmental efforts had also earned national recognition. He said that the Borough had been named among the top 20 greenest places to live in the UK, and this week had won a record eight Green Flag awards for its parks and green spaces.

(vi) Service Provision

The Leader said that day-to-day services remained a priority. He said the Council was proud of its clean streets and well-maintained parks and was one of only 10 councils that still offered free year-round garden waste collections. He said the Council also provided free council car parking and had capped local bus fares at £2, all while maintaining the lowest Council Tax rate in the Midlands and among the lowest nationally.

(vii) Transport Infrastructure

The Leader said that, from individuals receiving King's Honours to the Council's staff delivering outstanding public service, the Borough had



much to be proud of. He said that, just weeks after being named Council of the Year, the Council had received confirmation from the Government that the M54–M6 link road had been given the go-ahead. This, he said, was a landmark moment for the Borough, supporting economic growth and cutting journey times for commuters and it was thanks to an MP for Telford and a Government keen to partner with the Council to continue moving this fantastic Borough forward.

In conclusion, the Leader said that, for those heading away this summer, know that when they returned to Telford and Wrekin, they were coming home to a nationally leading Borough, one that was thriving, ambitious, and very much on the move.

## **22      Mayor's Announcements**

The Mayor drew Members' attention to the list of engagements she had undertaken since the last meeting of the Council in May 2025, which had been circulated.

She said that, in the whirlwind weeks since being elected Mayor, she had the privilege of attending a glorious mix of events across the Borough, a highlight of which, she said, had been celebrating the Telford Samaritans' 50th Anniversary, which, she said, had been a truly moving occasion.

The Mayor said that, just days into the role, she had found herself sitting on the back of a motorcycle at the opening of the True North Bikers Hub in Donnington.

She said she had also had the honour of meeting one of the remarkable charities she was supporting this year, "Hillbrae", along with the Deputy Mayor Councillor Nathalie Page, and had witnessed their vital work firsthand, which had been both humbling and genuinely inspiring.

The Mayor said that, over the past few months, she had had the joy of connecting with residents, community groups, event organisers, and local businesses. These encounters, she said, had been both enlightening and uplifting, and she was looking forward to meeting many more such people in the future.

The Mayor said that last Thursday, she had attended the VIP Crucial Crew Day, which marked its impressive 30-year milestone. She said the event had been engaging, informative, and gave an insight into the new scenarios being introduced this year as well as a brilliant opportunity to chat with the dedicated partners and facilitators who made these sessions such a success.



In conclusion, the Mayor thanked everyone for your warm messages welcoming her to her year in office. She said she was excited for the year ahead, especially if some of it involved unexpected motorcycle rides.

## **23      Public Questions**

The following two questions from the public had been received.

- (i) The following question to Councillor Kelly Middleton, Cabinet Member for Public Health and Healthier Communities was submitted by Mr Mark Webster:

"Despite the perceived U-turn on disability welfare plans, there is still widespread condemnation from many councils, public bodies, and 86 charities, will Council commit to opposing the disability welfare cuts and advocate for their reversal to protect our local services, budgets and our vulnerable residents?"

In response, Councillor Kelly Middleton, Cabinet Member for Public Health and Healthier Communities said that as part of the Welfare Reform Bill (Universal Credit and Personal Independence Payment Bill) the Government had, during the passage of the Bill, listened and reviewed the impact on people receiving various benefits in order to ensure the balance of need and ensure an equitable system to support people with varying needs to live as independently as possible.

She said that the specific impact on people in Telford would depend on how these national proposals were implemented locally and how they interacted with existing local services and support systems. It was, she said, important for individuals in Telford to stay informed about these changes and to participate in any consultations or opportunities to make their voices heard. She said the Council would be reviewing its own discretionary welfare support and hardship policies and working with local voluntary sector partners to ensure people were supported if there was a change to their benefits".

Councillor Middleton shared the following information from the Government's website:

New welfare legislation to ensure there were robust protections in place to support the most vulnerable and severely disabled.

Nearly 4 million households to benefit from uprating of Universal Credit standard rate, the largest, permanent real-terms increase to basic out of work support since 1980, according to the IFS.



More than 200,000 people with most severe, lifelong conditions to be protected from future reassessment for Universal Credit entitlement.

13-week period of financial support for those affected by PIP changes as part of upcoming welfare reforms.

Came alongside £1 billion employment support package that would unlock opportunity and grow the economy as part of the Plan for Change.

The Universal Credit and Personal Independence Payment Bill would provide 13-weeks of additional financial security to existing claimants affected by changes to the PIP daily living component, including those who lost their eligibility to Carers Allowance and the carer's element of Universal Credit.

The 13-week additional protection would give people who would be affected by the changes time to adapt, access new, tailored employment support, and plan for their future once they were reassessed and their entitlement ended.

This transitional cover was one of the most generous ever and more than three times the length of protection provided for the transition from DLA to PIP.

This Government inherited a broken social security system, with costs spiralling at an unsustainable rate and millions of people trapped out of work. The case for change was stark:

Since the pandemic, the number of PIP awards had more than doubled – up from 13,000 a month to 34,000 a month. That was around 1,000 people signing on to PIP every day – that was roughly the size of Leicester signing up every year.

The surge had been largely driven by a substantial increase in the number of people who reported anxiety and depression as their main condition. Before the pandemic (in 2019), 2,500 people a month were awarded PIP for these conditions, this had more than tripled to 8,200 a month in 2023.

Almost 1 million young people – 1 in 8 - were not in education, employment or training.

1-in-10 people of working age were now claiming a sickness or disability benefit.



Without reform, the number of working age people on disability benefits was set to more than double this decade to 4.3 million.

Spending on working age disability and incapacity benefits was up £20 billion since the pandemic and was set to increase by almost that much again by the end of this Parliament, to a staggering £70 billion a year.

In conclusion, Councillor Middleton said that was why, through the introduction of this Bill; the Government was fixing the broken social security system so it supported those who could work to do so, while protecting those who could not - putting welfare spending on a more sustainable path to unlock growth as part of its Plan for Change.

- (ii) The following question to Councillor Richard Overton, Deputy Leader and Cabinet Member for Highways, Housing and Enforcement was submitted by Mr Piers Ashdown:

Incremental unauthorised development, planning creep, is plaguing rural communities. Creep is difficult to enforce against and pre-empts formal planning decisions. Employed as a deliberate “get around”, it is draining of resources and undermines the integrity of the Local Plan. What is being done to proactively get control of this?

In response, Councillor Richard Overton, Deputy Leader and Cabinet Member for Highways, Housing and Enforcement said that the Council took its responsibilities regarding planning enforcement extremely seriously.

Each year, he said, the Council received between 700 and 800 complaints, all of which were thoroughly investigated. He said that these cases ranged from developments carried out without planning permission to breaches of conditions attached to approved permissions, as well as other responsibilities of the Local Planning Authority.

Councillor Overton said that, while the Council's officers worked diligently, it was not possible for them to monitor every site at all times and, therefore, they relied upon the support of elected members and the public to report suspected breaches of planning control.

In conclusion, Councillor Overton said that every report the Council received was carefully assessed and, where appropriate, investigated in line with the Council's enforcement policies.



## 24 Councillor Questions On Notice

The following questions were asked under Council Procedure Rule 6.2.2:

- (a) Councillor Thomas Janke asked the following question of Councillor Shirley Reynolds, Cabinet Member for Children and Young People, Learning, Employment and Skills:

“In 2023, after months of effective cross-party collaboration through scrutiny, and a clear commitment from the then Cabinet Member for Education, the Council appeared more than ready to pilot 'School Streets' schemes across the Borough. Given the well-documented benefits of these schemes for children's safety, mental health, and the environment, why has such a pilot not been implemented? What specific barriers prevented its rollout, and how does the Council intend to honour the previous commitment to progressing this initiative?”

In response, Councillor Shirley Reynolds, Cabinet Member for Children and Young People, Learning, Employment and Skills thanked Councillor Janke for his question and said that, firstly, she wanted to reassure the chamber that, as a result of the focused work from scrutiny, the Council had very much progressed activity to promote active travel to school, reduce car usage and improve road safety for all at the school gate. She recognised the work of the cross-party group on the initiative, School Streets, that took place during 2021, however the Children and Young People Scrutiny Committee later determined to implement an alternative scheme, called A New School Journey, given the wider benefits this approach would bring. A New School Journey, she said, encompassed multiple activities that promoted active travel to school over and above the offer that would have been provided via School Streets, which largely focused on road closures. She said that, founded on data and intelligence about journeys to and from school, the Council had worked with a number of schools including Newport Infant and Junior Schools, Lawley Primary School, Ladygrove Primary, Teagues Bridge, Meadows Primary and Aqueduct Primary to support the transition to travelling actively to school and ditching the car. She said members may recall recent news where over 300 pupils from Lawley Primary school walked to school on one day, with 50 of those joining Telford's first ever Bike Bus. Councillor Reynolds went on to say that the Council continued to support residents in taking a new journey to school, which continued to grow in popularity. She said the Council's work had not and did not stop here, and it was currently working with Lantern Academy and Muxton Primary who were signed up for next academic year with



more interested to build on the successes demonstrated to date. She said that this was a clear demonstration of the Council's commitment to improve outcomes for children and young people and their active travel choices to and from school and she thanked those members involved in the initial scrutiny work on School Streets from which the Council's successful New Journey to School project was founded.

By way of a supplementary question, Councillor Janke asked whether the Cabinet Member would be willing to recommit the Council's pilot to school streets schemes in the future to unlock the significant potential they offered, not just the safer journeys but for healthier communities overall and in the spirit of collaboration and learning from best practice, would she also consider engaging with the new Liberal Democrat administration at Shropshire Council who had successfully pursued and implemented several such schemes, many of which were now permanent features delivering clear benefits to both pupils and local residents.

In response, Councillor Reynolds said that this administration was really clear, that knew where it was going and what it was doing, and this was not just about shutting some streets to stop cars going there, which could divide the community with some in favour of it and others not. She said that the Administration was working with the users, the schools and the children and was re-educating the parents, which was how this should be approached. Councillor Reynolds went on to say that this approach fitted into the Council's Health and Well-being Strategy, which school streets did not. She said the Administration was taking a holistic approach to the matter, which was better for the children, for the school and the whole neighbourhood.

In conclusion, Councillor Reynolds said that it would be really helpful when opposition members required the Cabinet to undertake certain projects then they should have voted for these in the Budget.

- (b) Councillor Raj Mehta asked the following question of Councillor Ollie Vickers, Cabinet Member for the Economy and Transport:

"Please can the Cabinet Member for the Economy and Transport provide an update on the council run bus services, including on how we can boost public transport connectivity in communities like mine in Horsehay and Lightmoor?"

In response, Councillor Ollie Vickers, Cabinet Member for the Economy and Transport, thanked Councillor Mehta for his question



and said that members would be aware of the excellent progress this Council had made in providing affordable and well-connected bus services for residents across the borough.

He said that the Council first launched the work express 100 service in December 2022, which now complete, provided an incredible 4,000 passenger trips a month, connecting residents to education, employment and services. Since then, he said, the Council had continued to evolve and grow its bus services, which now totalled six separate routes across the borough from service 99 to 104. Councillor Vickers was pleased to confirm that these services had completed over 600,000 passenger trips in the last few years, which is fantastic news.

Councillor Vickers said that all this enhanced connectivity came with being among the lowest bus fares in the country at £2 an adult and £1 a child. He said that the Council had worked hard to maintain these fares against a backdrop of changes to government policy in increasing the fare cap to £3.

Councillor Vickers said that the Council would continue to evolve its bus services and, next week, would see further improvements to routes and timetabling and all with enhancing connectivity and founded on resident feedback. Earlier this year, he said, the Council launched its Demand Responsive Transport service, which linked residents of the Gorge to Madeley and the Town Centre, and, last month, the Council expanded that connectivity to Princess Royal Hospital and would continue to do so. Councillor Vickers was pleased to confirm that, as a council that listened to residents, from September, it would be rolling out the demand responsive transport offer to a number of residents of Horsehay and Lightmoor that currently did not have access to a public bus service, with low cost £2 fare for adults and that further details would follow shortly.

By way of a supplementary question, Councillor Mehta asked the Cabinet Member if he could update the Chamber as to changes to bus services that would be rolled out in Telford and Wrekin from next week.

In response, Councillor Vickers said that the Administration was redefining public transport across the Borough by connecting communities with affordable and reliable bus services. He said that from Monday 21 July, the Council would roll-out a series of service enhancements across its Council-run network, which would include more frequent buses on key routes, improved early evening and weekend coverage, better access to timetable information, clearer



and more accessible service and all with the £2 fare cap. He said that many of the improvements to the Council-run bus services the Administration was making next week, was as a result of feedback received from residents on the bus survey, which was conducted at the end of 2024.

Councillor Vickers said that he was proud of the collaborative process the Council had been on together and the fact that residents had been able to play their part in shaping the bus service they would like to see across Telford and Wrekin. He said that this proved that the Council was delivering on the priorities of residents across the borough.

Councillor Vickers said that Councillor Bill Tomlinson would be pleased to hear that the Administration was delivering on one of its promises to reinstate the hourly service on the 99 route, which would give more certainty and connectivity to residents there. He said it was a promise kept and a promise delivered and that the raft of changes would also include an earlier timetable and improved reliability on the Work Express 100 service, which, again, he said was a promise kept and a promise delivered.

More regular service on the 102, as well as a brand-new Saturday service to help people get around at the weekend, a promise kept, and a promise delivered. He said that this Labour Administration was redefining public transport across Telford and Wrekin and was only just getting started.

- (c) Councillor Andrew Eade asked the following question of Councillor Lee Carter, Leader of the Council:

“At an earlier meeting of this Full Council on 27 February this year, the Administration tabled a report a report concerning CSE markers for the year to date.

Having noted that referrals to the Council's Cate Team had significantly increased and that eight months figures had been omitted from the report, I requested as an elected member and Corporate Parent, that they be made available to me.

Despite the Leader of the Council stating that he would look into the matter, I have heard nothing over the past four months and would ask Councillor Carter why he hasn't responded?”

In response, Councillor Lee Carter, Leader of the Council said that he had been clear, over many years, that CSE should not be used



as a political football and he knew that colleagues in this Chamber agreed. He said he assumed that Councillor Eade was not deliberately misrepresenting the contents of the report he referred to in an effort to be political but, rather that he had misunderstood the report that was presented in February. Councillor Carter went on to say that contrary to what Councillor Eade had said, there was not a significant increase in referrals to the CATE team for CSE. He said that, in 2023/24, there were 54 cases progressed to the CATE team, which compared to 65 as an average figure across the three-year baseline report covering 2020/21, 2021/22 and 2022/23. He said the case was that this represented a higher percentage of the number of overall referrals into the Council where CSE had been identified as a concern. Councillor Carter said this was testament to the work that this Council, and its officers had carried out to make sure that the Council took a robust approach to tackling CSE and gave him assurance that the Council was providing more intensive support to those at risk of CSE. He added that the number of those identified as having been exploited, went down in the 23/24 reporting period, compared to the average across the three-year baseline report. He said that reports into the Council for CSE concerns accounted for 1.2% of all referrals compared with 1.4% against the baseline report.

Councillor Carter said that, in terms of the omission of eight months of data, again, this was not correct and that Councillor Eade ran the risk of misleading the borough's residents. Councillor Carter said the report was a report on annual data and so was reporting the figures in the previous reporting year, which was 2023/24. The data for 2023/24, he said, was a full year of data, not a four-month period so to suggest otherwise was irresponsible.

Councillor Carter said for those, such as Councillor Eade, who had a deep interest in matters relating to CSE, he would now know that since that meeting, Baroness Casey had reported her findings on a national level and had made a recommendation that authorities should report data in the way that this Council did. He said that Baroness Casey also made recommendations about improving the data that was available and, since then, the Council's hardworking officers had been working to ensure that the figures for 2024/25 took into account those recommendations wherever possible, recognising that some of it required input from partners such as police and health. In conclusion, Councillor Carter said that the Council had taken that approach because it was important to it that it adopt its approach to reflect any learning it could and that was what was important. He said that work was ongoing.



By way of a supplementary question, Councillor Eade asked whether Councillor Carter would make this information available to him, yes, or no?

In response, Councillor Carter said that there had been no omission of data from the report in question and, as Leader, he had produced more reports on CSE to this Chamber than he (Councillor Eade) had done in the four years he had been Leader of the Council and that he would continue to do so.

- (d) Councillor Stephen Bentley asked the following question of Councillor Richard Overton, Deputy Leader of the Council and Cabinet Member for Highways, Housing and Enforcement:

"Can the Cabinet member responsible, provide a total and full breakdown of how much council tax or government grant is currently being spent in Telford and Wrekin to support refugees and asylum seekers?"

In response, Councillor Richard Overton, Deputy Leader of the Council and Cabinet Member for Highways, Housing and Enforcement said that the Home Office was responsible for refugees and asylum. He was sure members would appreciate that the Council spends none of its council tax revenue on supporting national immigration programmes.

In relation to government grants, Councillor Overton said that the Council received a number of grants, for example, transport, public health, social care, education to name a few areas and, as with council tax, grants were not broken down into specific demographics.

By way of a supplementary question, Councillor Bentley asked Councillor Overton to confirm how this correlated in the alarming rise in the last six years of residents in the borough of 99.65% now in receipt of personal independent payments (PIP), which placed Telford and Wrekin, as the local authority with the largest increase in the West Midlands.

In response, Councillor Overton said that the question was now not related to asylum, but to PIP, which had nothing to do with the first question.

- (e) The published question from Councillor Stephen Bentley to Councillor Carolyn Healy, Cabinet Member for Neighbourhoods, Planning and Sustainability was WITHDRAWN.



**25      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.

No questions of clarification were raised.

**26      2024/25 Financial Outturn Report**

Councillor Z Hannington, Cabinet Member for Finance, Governance and Customer Services, presented the report of the Director for Finance, People and IDT, which presented the final outturn position for the year in respect of the Council's revenue budget, capital programme and income collection and sought the necessary approvals to comply with financial regulations.

**RESOLVED – that:**

- (a) the performance against the 2024/25 Net Revenue budget, which resulted in outturn being within budget by £91k, be noted;
- (b) the revenue outturn position for 2024/25, which remained subject to audit by the Council's external auditors, and related virements in Appendix C, be noted;
- (c) The transfers to reserves, and associated approval to the relevant members of the Senior Management Team, following consultation with the relevant Cabinet Member to spend the reserves detailed in Appendix E;
- (d) In relation to the Income/Budget equalisation reserve, to grant delegated authority to the Chief Executive, in consultation with the Section 151 Officer, to approve its use;
- (e) The capital outturn position and related supplementary estimates, re-phasing and virements shown in Appendix D and as summarised in the report, be noted;
- (f) Authority be delegated to the Director of Finance, People and IDT to make any changes required, in consultation with the Cabinet Member for Finance, Governance and Customer Services;
- (g) The performance against income targets, be noted; and
- (h) The suite of Medium-Term Financial Strategy reports approved by Full Council on 27 February 2025 be the Council's Efficiency Strategy for 2025/26, to enable new capital receipts to be used to fund the revenue costs of transformation and efficiency projects which would support the future financial position.



## **27            2025/26 Financial Monitoring Report**

Councillor Z Hannington, Cabinet Member for Finance, Governance and Customer Services, presented the report of the Director for Finance, People and IDT, which provided Council with the latest financial monitoring position for the year relating to the revenue budget, capital programme and income collection.

### **RESOLVED – that:**

- (a) the 2025/26 revenue budget position, which showed that the Council was projecting to be within budget at year end, without having to use the Budget Strategy or General Fund reserves, be noted;**
- (b) the position in relation to capital spend, be noted and 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, be approved; and**
- (c) the collection rates for NNDR, council tax and sales ledger, be noted.**

## **28            Councillor Leave of Absence**

Councillor Z Hannington, Cabinet Member for Finance, Governance and Customer Services, presented the report of the Director for Policy and Governance (Monitoring Officer), which sought Council's approval to a leave of absence for Councillor Karen Tomlinson, owing to caring responsibilities, until 16 January 2026.

**RESOLVED – that a leave of absence for Councillor Karen Tomlinson, for the purposes of section 85 of the Local Government Act 1972 until 16 January 2026, be approved.**

## **29            Governance Committee - Amendments to the Constitution**

Councillor Z Hannington, Cabinet Member for Finance, Governance and Customer Services, presented the report of the Director for Policy and Governance (Monitoring Officer), which updated Members on the significant piece of work undertaken to review and update the Constitution and sought approval for the adoption of the reviewed and updated Constitution.

The matter had been considered by the Council's Governance Committee on 15 July and recommended to Council for adoption.



**RESOLVED** – that the revised and updated Constitution, as detailed at Appendix A, be approved.

**30        Motions on Notice**

- (a) Councillor Lee Carter moved, in accordance with Council Procedure Rule 7, the following Motion:

“This Council welcomes and supports the ongoing work of the Government to address Child Sexual Exploitation (CSE) including commissioning the Casey Review, noting the previous Conservative Government's failure to implement any of the recommendations from the National Inquiry into Child Sexual Abuse (CSA) its failure to insist that the National Inquiry into Child Sexual Abuse visit Telford and it's failure to establish a standalone Inquiry with statutory powers in Telford 2018.

This Council resolves to share its best practice and learning from the Independent Inquiry into Telford's Child Sexual Exploitation (which it commissioned and funded) and pledges to support the Government and other Councils using the recommendations and work from that Inquiry which are highly regarded.

This Council notes the letter from the Leader to the Home Secretary unequivocally stating the Council's support for the new National Inquiry, that it would welcome the National Inquiry to include Telford & Wrekin and that it will comply with any requests arising from the Casey Report and the subsequent National Inquiry.

This Council continues to pay tribute to the victims and survivors of CSE and continues to welcome the work of those with Lived Experience who are helping the Council to tackle CSE. This Council continues to resolve doing everything it can to provide the best possible local response to tackling this horrific and heinous crime.”

Councillor K Middleton seconded the motion.

Following a robust debate, the Motion was carried by a majority vote.

**RESOLVED** – that the motion be approved.

- (b) Councillor Richard Overton moved, in accordance with Council Procedure Rule 7, the following Motion:

“This Council is deeply concerned by the decision of the Conservative Police and Crime Commissioner to reduce the hours during which



Police Community Support Officers (PCSOs) are deployed, particularly after 8pm.

Residents and businesses have already expressed concerns regarding the visibility of police and PCSOs. These concerns are likely to intensify with fewer PCSOs present on the streets during evening hours.

This Council has been a key partner with the police in reducing crime and antisocial behaviour through its Safer Stronger Communities project. Since 2021, the Council has invested £5.5 million in this initiative, complementing police efforts and enhancing community safety. The proposed reduction in PCSO working hours threatens to undermine the success of this project and may be perceived as a step backward in community policing, potentially increasing feelings of insecurity among residents.

The Council notes that the new Labour government has committed to providing real-term increases in police funding annually over the next five years. This stands in contrast to previous cuts to policing, particularly neighbourhood policing, under the Conservative government.

Since 2016, the budget for the Police and Crime Commissioner's office has increased by £7 million—from £5 million in 2016 to £12 million in the current year—while frontline services face reductions.

The Council believes that every individual has the right to feel safe in their community. A visible police presence is fundamental to achieving this. Reducing PCSO hours will negatively impact community safety and may erode public confidence in local policing.

The Council resolves to:

- Call on the Police and Crime Commissioner and the Chief Constable to withdraw the proposal to reduce PCSO hours after 8pm and to identify the £350,000 required to maintain current PCSO staffing levels, as this reduction is the equivalent of 25,735 PCSO hours of policing and this can be done by reducing waste and administrative costs, including those associated with Hindlip Hall and the Police and Crime Commissioner's office.
- Write to fellow West Mercia councils requesting their support in opposing this proposal and to collectively advocate for the restoration of full PCSO hours.



- Call on Councillors to encourage residents to sign Shaun Davies MP's petition demanding that the proposal to reduce PCSO hours be scrapped."

The Motion was seconded by Councillor N England.

Following a robust debate, the Motion was carried by a majority vote.

**RESOLVED – that the motion be approved.**

- (c) Councillor Andrew Eade moved, in accordance with Council Procedure Rule 7, the following Motion:

"As this Council's Labour Administration operates the Cabinet system of decision making it is vital that the Scrutiny process is adequately resourced and resolves that funding is made available immediately to repair the current broken system."

Councillor G Thomas seconded the Motion.

Following a robust debate, the motion was lost by a majority vote.

**RESOLVED – that the motion be not approved.**

- (d) Councillor Andrew Eade moved, in accordance with Council Procedure Rule 7, the following Motion:

"This Council notes with dismay the Labour Government's decision not to mandate the inclusion of at least one hollow "Swift Brick" to provide nesting facilities for endangered birds in this country. This Council further resolves to write to Housing Minister, Matthew Pennycook, to request he reverses his incoherent decision and further resolve that Telford & Wrekin Council formally request every developer in the Borough to include at least one "Swift Brick" in every dwelling."

Councillor R Tyrrell seconded the motion.

By way of an amendment, with additional words shown in bold and underlined, Councillor Carolyn Healy, seconded by Councillor Giles Luter, moved that:

This Council notes **the wide-ranging provisions for enhancing the natural environment contained within the Environment Act, The Planning and Infrastructure Bill and the National Planning Policy Framework, where specific reference is made to 'incorporating features which support priority for threatened species such as**



**swifts, bats and hedgehogs’, and updated Natural Environment Planning Practice Guidance which encourages the use of swift bricks.**

**This council also notes** the Labour Government’s decision, **in line with the position of the previous Conservative government**, not to mandate the inclusion of at least one hollow “Swift Brick” **in new builds over 5m** to provide nesting facilities for endangered birds in this country.

**This council recognises that biodiversity enhancements are needed in all developments and that swift bricks can be beneficial to other bird species.** This Council **therefore** resolves to write to Housing Minister, Matthew Pennycook, to request he reverses his decision.

**This council** further resolves that Telford & Wrekin Council, **in line with the draft local plan policies**, formally request every developer in the Borough to include **habitat improvements including** “Swift Bricks”, **bird and bat boxes, tree planting and so on, in every development and also resolves to develop a Biodiversity Supplementary Planning Document to provide further guidance to developers.**

Following debate and being put to the vote, the amendment was declared carried and became the substantive motion.

Following a robust debate, the substantive motion was carried by a majority vote.

**RESOLVED – that the motion, as amended, be approved.**

- (e) Councillor Andrew Eade moved, in accordance with Council Procedure Rule 7, the following Motion:

“This Council notes with huge concern the Labour Government’s recent and chaotic major policy U-Turns and agrees to write to the current Chancellor, Rachael Reeves, to urge her not to increase taxation to fill the Government created fiscal black hole to the detriment of our community in the Borough.”

Councillor S Burrell seconded the motion.

Following a robust debate, the motion was lost by a majority vote.

**RESOLVED – that the motion be not carried.**



- (f) Councillor Raechel Tyrrell moved, in accordance with Council Procedure Rule 7, the following Motion:

“Following Wolverhampton University’s announcement of their Priorslee site’s closure during July this year, this council remains committed to the site’s use for education and community purposes and that it will protect the grade II listed Priorslee Hall for community use.”

Councillor S Burrell seconded the motion.

On the consent of both the mover and seconder of the motion, the motion was **WITHDRAWN**.

- (g) Councillor Ollie Vickers moved, in accordance with Council Procedure Rule 7, the following Motion:

“This Council commits to support Lingen Davies in its fundraising efforts as part of the Sunflower Appeal which will see the development of the Lingen Davies Cancer Centre at the Princess Royal Hospital.

The new Centre will mean most chemotherapy patients living in and around Telford can be treated at the PRH.

The Sunflower Appeal will mean patients across the region can have quicker and easier access to the care they need, when they need it.”

Councillor C Chikandamina seconded the motion.

Following a robust debate, the Motion was carried by a unanimous vote.

**RESOLVED – that the motion be approved.**

The meeting ended at 8.36 pm

**Chairman:** \_\_\_\_\_

**Date:** Thursday 13 November 2025

## **MAYORAL ENGAGEMENTS** **July 2025 – November 2025**

|                  |           |           |                                                                                      |
|------------------|-----------|-----------|--------------------------------------------------------------------------------------|
| <b>JULY</b>      | <b>24</b> | <b>M</b>  | All Age Autism Hub Launch and Mural Unveiling, Telford                               |
|                  | <b>26</b> | <b>M</b>  | Telford Central Fire Station Open Day, Telford                                       |
|                  | <b>29</b> | <b>DM</b> | Simmons signs 40 <sup>th</sup> Celebration, Telford                                  |
| <b>AUGUST</b>    | <b>02</b> | <b>M</b>  | Afro Culture Heritage Fun Day, Hadley                                                |
|                  | <b>15</b> | <b>M</b>  | VJ Day Flag Raising, Telford                                                         |
|                  | <b>18</b> | <b>M</b>  | PODS Picnic in the Park, Wellington                                                  |
|                  | <b>21</b> | <b>M</b>  | Barratt Homes – Silkin Meadows & Scarlet View Visit, Apley/Lawley                    |
|                  | <b>22</b> | <b>M</b>  | Sunflower Appeal Event, Telford                                                      |
|                  |           | <b>M</b>  | VIP Balloon Fiesta Night Glow, Telford                                               |
|                  | <b>24</b> | <b>M</b>  | Telford Balloon Fiesta – Telford Community Carnival Day, Telford                     |
|                  | <b>29</b> | <b>M</b>  | Challenging Perceptions Children’s Fun Day, Woodside                                 |
| <b>SEPTEMBER</b> | <b>01</b> | <b>DM</b> | Telford Samaritans AGM, Telford                                                      |
|                  | <b>05</b> | <b>DM</b> | Telford & Wrekin Recovery Charter Launch, Telford                                    |
|                  | <b>12</b> | <b>M</b>  | Official Opening of Preferred Homes Stirchley House Extra Care Apartments, Stirchley |
|                  | <b>13</b> | <b>M</b>  | World Suicide Prevention Day, Telford                                                |
|                  |           | <b>M</b>  | Telford Model Railway Group Annual Show, Wellington                                  |
|                  |           | <b>DM</b> | Last Night of the Proms, Telford                                                     |
|                  | <b>15</b> | <b>M</b>  | BEM Ceremony, Lilleshall                                                             |
|                  | <b>16</b> | <b>M</b>  | Launch event Tai Chi for Cancer Patients, Telford                                    |
|                  | <b>17</b> | <b>M</b>  | Harper Adams University Graduation 2025, Newport                                     |
|                  | <b>24</b> | <b>M</b>  | British Values Week Assembly, Newdale Primary School                                 |
|                  |           | <b>M</b>  | Citizenship Ceremony, Wellington                                                     |
|                  | <b>26</b> | <b>DM</b> | Macmillan Coffee Morning, Donnington                                                 |
|                  |           | <b>M</b>  | Make a Difference Awards, Madeley                                                    |
|                  | <b>27</b> | <b>DM</b> | Trail Launch and Memorial Dedication for Cllr Chris Turley, Hollinswood              |
|                  |           | <b>M</b>  | Thrive, Create and Aspire Circus Event, Wellington                                   |
|                  | <b>28</b> | <b>M</b>  | Battle of Britain Church Service, St Georges                                         |
| <b>OCTOBER</b>   | <b>01</b> | <b>M</b>  | IRRV Open Conference, Telford                                                        |
|                  | <b>02</b> | <b>DM</b> | IRRV Awards Dinner, Telford                                                          |
|                  | <b>11</b> | <b>M</b>  | Youth Action Event, Wellington                                                       |
|                  | <b>16</b> | <b>M</b>  | Official Launch of the Monopoly: Telford & Wrekin Edition game                       |

|                 |           |           |                                                                                              |
|-----------------|-----------|-----------|----------------------------------------------------------------------------------------------|
|                 | <b>16</b> | <b>M</b>  | The Future of Ironbridge Gorge Museum, Coalbrookdale                                         |
|                 | <b>16</b> | <b>M</b>  | Air Cadet Presentation Evening, Dawley                                                       |
|                 | <b>17</b> | <b>M</b>  | Hate Crime Conference, Kidderminster                                                         |
|                 | <b>17</b> | <b>DM</b> | Telford Street Pastors Commissioning Event, Hadley                                           |
|                 | <b>18</b> | <b>M</b>  | Black History Month and 65 <sup>th</sup> Nigerian Independence Day Celebration Event, Hadley |
|                 | <b>23</b> | <b>M</b>  | Nature Calling Celebration, Telford                                                          |
|                 | <b>24</b> | <b>DM</b> | Grand Opening of The Christopher Turley Armed Forces Community Hub, Dawley                   |
|                 | <b>29</b> | <b>M</b>  | Hft Learning Disability Flagship Development Opening, Ironbridge                             |
|                 | <b>30</b> | <b>M</b>  | Mayor of Wellington Curry Night, Wellington                                                  |
| <b>NOVEMBER</b> | <b>01</b> | <b>M</b>  | Diwali Celebration, Hadley                                                                   |



Telford & Wrekin  
Co-operative Council

Protect, care and invest  
to create a better borough

## Borough of Telford and Wrekin

### Full Council

Thursday 13 November 2025

### Cabinet Decisions Made Since the Last Meeting of the Council

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|                                 |                                                                                |                                            |
|---------------------------------|--------------------------------------------------------------------------------|--------------------------------------------|
| <b>Cabinet Member:</b>          | Cllr Zona Hannington - Cabinet Member: Finance, Governance & Customer Services |                                            |
| <b>Lead Director:</b>           | Anthea Lowe - Director: Policy & Governance                                    |                                            |
| <b>Service Area:</b>            | Policy & Governance                                                            |                                            |
| <b>Report Author:</b>           | Paige Starkey - Senior Democracy Officer (Scrutiny)                            |                                            |
| <b>Officer Contact Details:</b> | <b>Tel:</b> 01952 380110                                                       | <b>Email:</b> paige.starkey@telford.gov.uk |
| <b>Wards Affected:</b>          | All Wards                                                                      |                                            |
| <b>Key Decision:</b>            | Not Key Decision                                                               |                                            |
| <b>Forward Plan:</b>            | Not Applicable                                                                 |                                            |
| <b>Report considered by:</b>    | Full Council – 13 November 2025                                                |                                            |

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#### 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 meetings on 17 July 2025 and 25 September 2025.

#### 3.0 Background

3.1 The report sets out those matters determined by the Cabinet since the Full Council meeting on 17 July 2025 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, Biodiversity and Environmental Implications**

13.1 The climate change, biodiversity 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>17 July 2025</u>                                     |
| K  | 2.1.1 | Adult Social Care Market Position Statement 2025 - 2028 |
| NK | 2.1.2 | Draft Housing Strategy 2025 - 2030                      |
| KC | 2.1.3 | 2025/26 Financial Monitoring Report                     |
| NK | 2.1.4 | Annual Customer Feedback Report 2024/25                 |
| K  | 2.1.5 | Child Friendly Telford                                  |
| NK | 2.1.6 | Culture & Communities                                   |
|    | 2.2   | <u>25 September 2025</u>                                |
| NK | 2.2.1 | Customer Strategy 2025 - 2030                           |
| NK | 2.2.2 | Results of the Residents Survey 2024/25                 |

#### **Key**

|    |                                  |
|----|----------------------------------|
| 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                                                                                                                                                                                               |
|----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Customer Strategy<br>2025 - 2030 | Director: Housing,<br>Commercial & Customer<br>Services in consultation with<br>the Lead Cabinet Member<br>for Finance, Governance<br>and Customer Services | To take the necessary steps to<br>implement the two<br>recommendations outlined within<br>the report and to agree on future<br>updates to the action plan, with an<br>interim progress report to Cabinet<br>in early 2028. |



**Telford & Wrekin**  
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## **Borough of Telford and Wrekin**

### **Full Council**

**Thursday 13 November 2025**

### **Councillor Leave of Absence**

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|                                 |                                                                                           |
|---------------------------------|-------------------------------------------------------------------------------------------|
| <b>Cabinet Member:</b>          | Councillor Zona Hannington – Cabinet Member for Finance, Governance and Customer Services |
| <b>Lead Director:</b>           | Anthea Lowe – Director of Policy and Governance (Monitoring Officer)                      |
| <b>Service Area:</b>            | Registrars, Public Protection, Legal and Democracy                                        |
| <b>Report Author:</b>           | Colin J Sweeney – Locum Democracy Manager                                                 |
| <b>Officer Contact Details:</b> | <b>Tel:</b> 01952 384190 <b>Officer Contact Details:</b>                                  |
| <b>Wards Affected:</b>          | Oakengates and Ketley Bank<br>Madeley and Sutton Hill                                     |
| <b>Key Decision:</b>            | Not Key Decision                                                                          |
| <b>Forward Plan:</b>            | Not Applicable                                                                            |
| <b>Report considered by:</b>    | Full Council – 13 November 2025                                                           |

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#### **1.0 Recommendation for Decision:**

- 1.1 For the purposes of Section 85 of the Local Government Act 1972, Council is recommended to approve a leave of absence for:
- a) Councillor Gilly Latham-Reynolds, until 1 December 2026; and
  - b) Councillor Paul Watling, until 31 March 2026.

#### **2.0 Purpose of Report**

- 2.1 Council is asked to approve a leave of absence for Councillor Gilly Latham-Reynolds, owing to a period of maternity leave, until 1 December 2026; and for Councillor Paul Watling, owing to a period of ill-health, until 31 March 2026.

#### **3.0 Background**

## Councillor Leave of Absence

- 3.1 Section 85 of the Local Government Act 1972, states that any member of a local authority who fails to attend any meeting of the authority for a period of six months ceases to be a member of that authority, unless the Council approves the reason for such failure before the expiry of that period of six months. This is known as the 'six-month rule'.

### 4.0 Summary of main proposals

- 4.1 Councillor Gilly Latham-Reynolds has given notice to the Monitoring Officer to seek a leave of absence for the purpose of undertaking a period of maternity leave.
- 4.2 Councillor Paul Watling has given notice to the Monitoring Officer to seek a leave of absence owing to a period of ill-health.
- 4.3 Full Council is asked to approve a leave of absence for Councillor Gilly Latham-Reynolds until 1 December 2026 and Councillor Paul Watling until 31 March 2026 and note that these be approved reasons for the purposes of Section 85 of the Local Government Act 1972.
- 4.4 It should be noted that Full Council has delegated authority to the Monitoring Officer to make any changes to committee membership upon receipt of notice from the relevant Group Leader which may arise as a result of these leaves of absence being granted.

### 5.0 Financial Implications

- 5.1 In accordance with the parental leave policy approved by Council in September 2019, there will be consequential changes to Special Responsibility Allowances arising out of these proposals. These will be met from within existing budgets.

### 6.0 Legal and HR Implications

- 6.1 Full Council is empowered pursuant to section 85 the Local Government Act 1972, to agree the absence of Councillors where there is a risk that they may breach the six-month rule.

### 7.0 Background Papers

There are no background papers arising from this report.

### 8.0 Appendices

There are no appendices arising from this report.

### 9.0 Report Sign Off

| Signed off by | Date sent  | Date signed off | Initials |
|---------------|------------|-----------------|----------|
| Legal         | 05/11/2025 | 05/11/2025      | RP       |
| Finance       | 22/10/2025 | 22/10/2025      | ER       |



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to create a better borough

## Borough of Telford and Wrekin

### Full Council

**13 November 2025**

### 2025/26 Financial Monitoring Report

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|                                 |                                                                                  |
|---------------------------------|----------------------------------------------------------------------------------|
| <b>Cabinet Member:</b>          | Cllr Zona Hannington - Cabinet Member: Finance, Governance and Customer Services |
| <b>Lead Director:</b>           | Michelle Brockway - Director: Finance, People and IDT                            |
| <b>Service Area:</b>            | Finance, People and IDT                                                          |
| <b>Report Author:</b>           | Ed Rushton – Finance Manager                                                     |
| <b>Officer Contact Details:</b> | <b>Tel:</b> 01952 383750 <b>Email:</b> Edward.rushton@telford.gov.uk             |
| <b>Wards Affected:</b>          | All Wards                                                                        |
| <b>Key Decision:</b>            | Key Decision                                                                     |
| <b>Forward Plan:</b>            | 21 May 2025                                                                      |
| <b>Report considered by:</b>    | Cabinet – 6 November 2025<br>Full Council – 13 November 2025                     |

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#### 1.0 Recommendations for Decision/Noting

It is recommended that Full Council:

- 1.1 Approve the changes to the capital programme and all associated changes to the Medium Term Financial Strategy, including Treasury and Prudential Indicator. Details are in Appendix A.

#### 2.0 Purpose of Report

- 2.1 The financial monitoring report to Cabinet on 6 November 2025 provided an update on the revenue budget and progress relating to the capital programme. The report included some changes to the capital programme which now require formal approval by Full Council.

### **3.0 Background**

- 3.1 The Medium Term Financial Strategy (MTFS) 2025/26 to 2028/29 was approved at Full Council on 27 February 2025, which included the 2025/26 revenue budget and medium term capital programme.
- 3.2 Changes to the capital programme and use of balances are approved by Full Council.

### **4.0 Summary of main proposals**

- 4.1 The approvals required are attached at Appendix A.

### **5.0 Alternative Options**

- 5.1 Not Applicable.

### **6.0 Key Risks**

- 6.1 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.

### **7.0 Council Priorities**

- 7.1 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.

### **8.0 Financial Implications**

- 8.1 The financial impacts are detailed in the report.

### **9.0 Legal and HR Implications**

- 9.1 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.

## **10.0 Ward Implications**

10.1 There are no impacts on specific wards

## **11.0 Health, Social and Economic Implications**

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

## **12.0 Equality and Diversity Implications**

12.1 There are no Equality & Diversity implications directly arising from this report.

## **13.0 Climate Change and Environmental Implications**

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

## **14.0 Background Papers**

|   |                                                   |                    |
|---|---------------------------------------------------|--------------------|
| 1 | Medium Term Financial Strategy 2025/26 to 2028/29 | Council 27/02/2025 |
| 2 | 2025/26 Financial Monitoring Report               | Cabinet 17/07/2025 |
|   |                                                   | Council 17/07/2025 |
| 3 | 2025/26 Financial Monitoring Report               | Cabinet 06/11/2025 |

## **15.0 Appendices**

|            |                       |
|------------|-----------------------|
| Appendix A | Schedule of Approvals |
|------------|-----------------------|

## **16.0 Report Sign Off**

| <b>Signed off by</b> | <b>Date sent</b> | <b>Date signed off</b> | <b>Initials</b> |
|----------------------|------------------|------------------------|-----------------|
| Director             | 16/09/2025       | 18/09/2025             | MLB             |
| Finance              | 15/09/2025       | 16/09/2025             | ER              |
| Legal                | 16/09/2025       | 17/09/2025             | RP              |

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Capital Approvals - by Service Area

Virements

| Scheme                                 | Service Area                         | Funding Source | 25/26<br>£  | 26/27<br>£ | 27/28<br>£ | 28/29<br>£ |
|----------------------------------------|--------------------------------------|----------------|-------------|------------|------------|------------|
| Capital investment Fund                | Corporate Items                      | Prudential     | (5,665,367) |            |            |            |
| Swimming Pool - Dawley Area            | Prosperity & Investment              | Prudential     | 5,665,367   |            |            |            |
| Capital investment Fund                | Corporate Items                      | Prudential     | (8,000,000) |            |            |            |
| Levelling Up Fund                      | Prosperity & Investment              | Prudential     | 8,000,000   |            |            |            |
| Highways & Bridges Capital Maintenance | Neighbourhood & Enforcement Services | Prudential     | (40,000)    |            |            |            |
| Rights of Way                          | Prosperity & Investment              | Prudential     | 40,000      |            |            |            |
| HE Liability Sites                     | Prosperity & Investment              | External       | (1,100,000) |            |            |            |
| HE Liability Sites                     | Prosperity & Investment              | Prudential     | (700,000)   |            |            |            |
| Levelling Up Fund                      | Prosperity & Investment              | External       | 165,000     |            |            |            |
| Playing Pitch Investment               | Prosperity & Investment              | External       | 500,000     |            |            |            |
| Property Investment Programme          | Prosperity & Investment              | External       | 435,000     |            |            |            |
| Property Investment Programme          | Prosperity & Investment              | Prudential     | 700,000     |            |            |            |
| Stalled Sites                          | Prosperity & Investment              | Prudential     |             | (500,000)  |            |            |
| St Georges Regeneration                | Prosperity & Investment              | Prudential     |             | 500,000    |            |            |
|                                        |                                      |                | 0           | 0          | 0          | 0          |

Slippage

| Scheme                                        | Service Area                            | Funding Source   | 25/26<br>£  | 26/27<br>£     | 27/28<br>£   | 28/29<br>£ |
|-----------------------------------------------|-----------------------------------------|------------------|-------------|----------------|--------------|------------|
| Capital investment Fund                       | Corporate Items                         | Prudential       | 13,665,367  | (6,165,367)    | (7,500,000)  |            |
| Efficiency Schemes Capitalisation             | Corporate Items                         | Capital Receipts | (363,524)   | 363,524        |              |            |
| Affordable Housing Programme                  | Housing Commercial & Customer Services  | Prudential       | (300,000)   | (1,200,000)    | 1,500,000    |            |
| Housing                                       | Housing Commercial & Customer Services  | Prudential       | (1,368,555) | 1,368,555      |              |            |
| Swimming Pool in the Dawley Area              | Housing, Commercial & Customer Services | Prudential       | (9,331,312) | 3,665,945      | 5,665,367    |            |
| Levelling Up Fund                             | Prosperity & Investment                 | Grant            | (4,800,000) | 2,000,000      | 2,800,000    |            |
| Levelling Up Fund                             | Prosperity & Investment                 | Prudential       | (8,000,000) |                | 8,000,000    |            |
| Pride in Your High Street                     | Prosperity & Investment                 | Prudential       | (60,000)    | 60,000         |              |            |
| Regeneration Funding                          | Prosperity & Investment                 | Grant            | (2,000,000) | 2,000,000      |              |            |
| Regeneration Funding                          | Prosperity & Investment                 | Prudential       | (291,825)   | 291,825        |              |            |
| Stalled Sites                                 | Prosperity & Investment                 | Prudential       | (250,000)   | 250,000        |              |            |
| HE Liability Sites                            | Prosperity & Investment                 | External         | 600,000     | (600,000)      |              |            |
| HE Liability Sites                            | Prosperity & Investment                 | Prudential       | 700,000     | (700,000)      |              |            |
| Towns Fund - Wellington                       | Prosperity & Investment                 | Prudential       | (1,357,769) | 1,357,769      |              |            |
| Condition Works - Leisure                     | Prosperity & Investment                 | Prudential       | (55,298)    | 55,298         |              |            |
| Housing Company - Housing                     | Prosperity & Investment                 | Prudential       | 1,389,472   | (1,389,472)    |              |            |
| Pride in Your High Street                     | Prosperity & Investment                 | Prudential       |             | (1,319,618)    | 1,319,618    |            |
| Towns Fund Wellington                         | Prosperity & Investment                 | Capital Receipt  | (246,000)   | 246,000        |              |            |
| Towns Fund Wellington                         | Prosperity & Investment                 | Prudential       | 246,000     | (246,000)      |              |            |
| Property Investment Portfolio                 | Prosperity & Investment                 | Prudential       | 1,617,848   | (11,443,881)   | 2,825,952    | 7,000,081  |
| Property Investment Portfolio                 | Prosperity & Investment                 | Capital Receipts |             | (1,151,805)    | 1,151,805    |            |
| Stronger Communities                          | Prosperity & Investment                 | Prudential       | (19,841)    | (1,000,000)    | 1,019,841    |            |
| Safer Routes to Schools                       | Neighbourhood & Enforcement Services    | Prudential       | (65,176)    | 65,176         |              |            |
| Integrated Transport                          | Neighbourhood & Enforcement Services    | Prudential       | (208,347)   | 208,347        |              |            |
| Highways / Footpaths                          | Neighbourhood & Enforcement Services    | Prudential       | (1,801,073) | 1,801,073      |              |            |
| Integrated Community Schemes                  | Adult Social Care                       | Prudential       | (40,430)    | 40,430         |              |            |
| All Other School Schemes                      | Education & Skills                      | Grant            | (3,851,600) | (13,333,804)   | 17,185,405   |            |
| All Other School Schemes                      | Education & Skills                      | Capital Receipts |             | (1,200,000.00) | 1,200,000.00 |            |
| ICT Investment Programme                      | Finance, People and IDT                 | Capital Receipts | (4,676)     | 4,676          |              |            |
| Managing the Funding of the Capital Programme | Corporate Items                         | Capital Receipts | (2,006,801) | 4,358,606      | (2,351,805)  |            |
| Managing the Funding of the Capital Programme | Corporate Items                         | Prudential       | 2,006,801   | (4,358,606)    | 2,351,805    |            |

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|              |              |            |           |
|--------------|--------------|------------|-----------|
| (16,196,739) | (25,971,330) | 35,167,988 | 7,000,081 |
|--------------|--------------|------------|-----------|

New Allocation

| Scheme                                | Service Area                           | Funding Source | 25/26<br>£ | 26/27<br>£ | 27/28<br>£ | 28/29<br>£ | 29/30<br>£ |
|---------------------------------------|----------------------------------------|----------------|------------|------------|------------|------------|------------|
| Family Hubs & Start for Life          | Childrens Services                     | Grant          | 73,022     |            |            |            |            |
| All Other School Schemes              | Education & Skills                     | Grant          | 191,449    |            |            |            |            |
| Housing                               | Housing Commercial & Customer Services | Grant          | (249,366)  |            |            |            |            |
| Warm Homes Local Grant                | Housing Commercial & Customer Services | Grant          | 276,067    | 552,735    | 541,549    |            |            |
| Active Travel                         | Neighbourhood & Enforcement Services   | Grant          | 196,736    | 524,330    |            |            |            |
| Local Electric Vehicle Infrastructure | Neighbourhood & Enforcement Services   | Grant          | 74,000     |            |            |            |            |
| Service & Financial Approved Schemes  | Neighbourhood & Enforcement Services   | Revenue        | 1,000      |            |            |            |            |
| Integrated Transport                  | Neighbourhood & Enforcement Services   | External       | 6,243      |            |            |            |            |
| Childrens & Adults ICT Systems Review | Adult Social Care                      | Prudential     | (26,934)   |            |            |            |            |
| Rights of Way                         | Prosperity & Investment                | External       | 21,150     |            |            |            |            |
| Integrated Transport                  | Neighbourhood & Enforcement Services   | Grant          |            | 7,026,000  | 8,786,000  | 9,829,000  | 10,871,000 |
|                                       |                                        |                | 563,367    | 8,103,065  | 9,327,549  | 9,829,000  | 10,871,000 |

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## Borough of Telford and Wrekin

### Full Council

**13 November 2025**

### Treasury Management - 2024/25 Annual Report and 2025/26 Update

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|                                 |                                                                      |
|---------------------------------|----------------------------------------------------------------------|
| <b>Cabinet Member:</b>          | Cllr Zona Hannington - Cabinet Member: Finance & Governance          |
| <b>Lead Director:</b>           | Michelle Brockway - Director: Finance, People and IDT                |
| <b>Service Area:</b>            | Finance, People and IDT                                              |
| <b>Report Author:</b>           | Edward Rushton - Group Accountant                                    |
| <b>Officer Contact Details:</b> | <b>Tel:</b> 01952 383750 <b>Email:</b> edward.rushton@telford.gov.uk |
| <b>Wards Affected:</b>          | All Wards                                                            |
| <b>Key Decision:</b>            | Not Key Decision                                                     |
| <b>Forward Plan:</b>            | Not applicable                                                       |
| <b>Report considered by:</b>    | Audit Committee – 16 July 2025<br>Full Council – 13 November 2025    |

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#### **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 2024/25 and details the position for 2025/26 to 31 May 2025.

#### **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 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).

3.2 During 2024/25, the 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 29 January 2025 in order to support members' scrutiny role.

3.5 The Council has procured MUFG Corporate Markets (MUFG) at its external Treasury Management advisor. Guidance is sought from MUFG prior to any investment or long-term borrowing decision.

## **4.0 Summary of main proposals**

### **4.1 2024/25 Annual Treasury Management Report**

The 2024/25 Treasury Strategy was approved by Full Council on 29 February 2024 after being recommended for approval by this Committee on 27 January 2024.

The 2024/25 Annual Report is included in Appendix A.

During 2024/25, 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**

|                                    | <b>31.3.24<br/>Actual<br/>(£'000)</b> | <b>2024/25<br/>Original<br/>(£'000)</b> | <b>31.3.25<br/>Actual<br/>(£'000)</b> |
|------------------------------------|---------------------------------------|-----------------------------------------|---------------------------------------|
| Capital Expenditure                |                                       |                                         |                                       |
| • Total                            | 83,485                                | 179,758                                 | 87,173                                |
| Capital Financing Requirement:     |                                       |                                         |                                       |
| • Total                            | 555,727                               | 671,600                                 | 604,910                               |
| • Less Other Long-Term Liabilities | (44,547)                              | (41,200)                                | (41,170)                              |
| • Loans CFR                        | 511,180                               | 630,400                                 | 563,740                               |
| Gross borrowing                    |                                       |                                         |                                       |
| • External Debt                    | 371,324                               | 493,700                                 | 434,903                               |
| Treasury Investments               |                                       |                                         |                                       |
| • Longer than 1 year               | 0                                     | 0                                       | 0                                     |
| • Under 1 year                     | 17,868                                | 15,000                                  | 22,062                                |
| • Total                            | 17,868                                | 15,000                                  | 22,062                                |
| Net borrowing                      |                                       |                                         |                                       |
| • Total                            | 353,456                               | 478,700                                 | 412,841                               |
| Borrowing Limits (Debt)            |                                       |                                         |                                       |
| • Authorised Limit                 | 655,000                               | 655,000                                 | 655,000                               |
| • Operational Boundary             | 635,000                               | 635,000                                 | 635,000                               |

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 2025 was £663.4m some £228.5m greater than debt outstanding. (In addition to this, the Council's infrastructure assets are valued at over £239.8m).

**Capital Expenditure and Financing**

The Council undertakes capital expenditure on long-term assets. The actual capital expenditure forms one of the required prudential indicators. The table below shows the actual capital expenditure and how this was financed.

| <b>Capital Expenditure (£'000)</b>               | <b>31.3.24<br/>Actual</b> | <b>2024/25<br/>Original</b> | <b>31.3.25<br/>Actual</b> |
|--------------------------------------------------|---------------------------|-----------------------------|---------------------------|
| General Fund Service                             | 65,748                    | 105,865                     | 39,769                    |
| Housing Investment Programme (NuPlace Ltd)       | 9,073                     | 40,700                      | 26,722                    |
| Property Investment Portfolio                    | 7,038                     | 31,421                      | 18,251                    |
| Telford Land Deal                                | 1,626                     | 1,812                       | 2,431                     |
| <b>Capital Programme Expenditure</b>             | <b>83,485</b>             | <b>179,788</b>              | <b>87,173</b>             |
| Financed in year from Government Grants, Capital | 45,118                    | 61,925                      | 42,918                    |

| Capital Expenditure (£'000)                             | 31.3.24<br>Actual | 2024/25<br>Original | 31.3.25<br>Actual |
|---------------------------------------------------------|-------------------|---------------------|-------------------|
| Receipts, Revenue<br>Contribution & External<br>sources |                   |                     |                   |
| <b>Unfinanced capital<br/>expenditure (Borrowing)</b>   | <b>38,367</b>     | <b>117,863</b>      | <b>44,255</b>     |

### Underlying Need to Borrow

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 2024/25 unfinanced capital expenditure and prior years' net or unfinanced capital expenditure which has not yet been paid for by revenue or other resources.

|                                               | 31.3.24<br>Actual | 2024/25<br>Original | 31.3.25<br>Actual |
|-----------------------------------------------|-------------------|---------------------|-------------------|
| General Funded Service                        | 416,316           | 456,459             | 443,069           |
| Housing Investment<br>Programme (NuPlace Ltd) | 71,070            | 115,026             | 93,110            |
| Property Investment Portfolio                 | 64,541            | 96,315              | 64,931            |
| Solar Farm                                    | 3,800             | 3,800               | 3,800             |
| <b>Closing balance</b>                        | <b>555,727</b>    | <b>671,600</b>      | <b>604,910</b>    |
| Less Other Long Term<br>Liabilities           | (44,547)          | (41,200)            | (41,170)          |
| <b>Loans CFR</b>                              | <b>511,180</b>    | <b>630,400</b>      | <b>563,740</b>    |

In 2024/25 the level of Council borrowing was below its CFR. This was due to positive cash flow arising from Council's reserves and balances being available to support the treasury position. In 2024/25 itself, cashflow benefits reduced and new borrowing was entered into.

**The authorised limit** - the authorised limit is the "affordable borrowing limit" required by section 3 of the Local Government Act 2003.

**The operational boundary** – the operational boundary is the expected borrowing position of the Council during the year.

|                                                  | 2024/25 |
|--------------------------------------------------|---------|
| Maximum gross borrowing position during the year | 426,508 |
| Authorised limit (Borrowing)                     | 655,000 |
| Operational boundary (Borrowing)                 | 635,000 |

## 4.2 Borrowing Strategy & Outturn

The borrowing strategy for 2024/25 was to –

- borrow temporarily on a short term basis as determined by cash flow,

- to take advantage of interest rates where possible to lock into medium and long-term borrowing, and
- to review opportunities for new longer term borrowing as appropriate.

During 2024/25, an under-borrowed position was maintained. This meant that the CFR was not fully funded with loan debt as cash supporting reserves, balances and cash flow were used as an interim measure. 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 2025 and 2026 in the light of economic growth concerns and the eventual dampening of inflation.

During the year 6 new PWLB loans were raised totalling £55.0m and maturities of PWLB loans totalled £47.9m. A further £270.0m of temporary loans, through the Local-to-Local Market, were raised, renewed or replaced.

During the year 1 Lender Option Borrower Option (LOBO) Loan was 'called' and the option was taken to repay the loan.

The debt portfolio at 31 March 2025 was as follows -

|                   | <b>31.3.24<br/>Principal</b> | <b>Interest<br/>Rate</b> | <b>31.3.25<br/>Principal</b> | <b>Interest<br/>Rate</b> | <b>Movement<br/>in<br/>Principal</b> |
|-------------------|------------------------------|--------------------------|------------------------------|--------------------------|--------------------------------------|
|                   | <b>(£'000)</b>               | <b>%</b>                 | <b>(£'000)</b>               | <b>%</b>                 | <b>(£'000)</b>                       |
| PWLB              | 244,549                      | 2.65                     | 251,693                      | 3.13                     | 7,144                                |
| Municipal Loans   | 246                          | 2.10                     | 178                          | 2.10                     | (68)                                 |
| Market Loans      | 40,000                       | 4.17                     | 35,000                       | 4.15                     | (5,000)                              |
| Temporary Loans   | 86,529                       | 4.68                     | 148,032                      | 5.13                     | 61,503                               |
| <b>Total Debt</b> | <b>371,324</b>               | <b>3.39</b>              | <b>434,903</b>               | <b>3.85</b>              | <b>63,579</b>                        |

#### 4.3 Investment Strategy

The investment strategy for 2024/25 was primarily to ensure security of capital and liquidity balanced with delivering a commensurate rate of return.

Surplus cash balances were invested in the H.M. Treasury

The average return on investments for the year was 4.91% slightly higher than the the bench mark, average SONIA rate, of 4.90%.

Temporary investments (excluding NuPlace share capital) were £22.1m at 31 March 2025, an increase of £4.2m compared to 31<sup>st</sup> March 2024.

The Treasury investment portfolio at 31 March 2025 was as follows -

|                                   | <b>31.3.24<br/>Actual<br/>(£'000)</b> | <b>31.3.24<br/>Actual Split<br/>%</b> | <b>31.3.25<br/>Actual<br/>(£'000)</b> | <b>31.3.25<br/>Actual Split<br/>%</b> |
|-----------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| Banks (inc. cash in transit)      | 3,188                                 | 17.8                                  | 3,482                                 | 15.7                                  |
| DMADF (H M Treasury)              | 9,700                                 | 54.3                                  | 13,600                                | 62.6                                  |
| Money Market Funds                | 4,980                                 | 27.9                                  | 4,980                                 | 22.6                                  |
| <b>Total managed in house</b>     | <b>17,868</b>                         | <b>100.0</b>                          | <b>22,062</b>                         | <b>100.0</b>                          |
| <b>Total managed externally</b>   | <b>0</b>                              | <b>0.0</b>                            | <b>0</b>                              | <b>0.0</b>                            |
| <b>Total Treasury Investments</b> | <b>17,868</b>                         | <b>100.0</b>                          | <b>22,062</b>                         | <b>100.0</b>                          |

#### 4.4 Overall Outturn

The Council continued to face significant financial pressure in 2024/25 the impact of the cost of living crisis continued to increase the cost of providing and the demand for services. The Bank of England has implemented a cut-hold-cut-hold pattern throughout 2024/25 with Bank Rate reductions of 0.25% occurring in August, November and February, bringing the headline rate down from 5.25% to 4.5%. UK inflation has proved somewhat stubborn throughout 2024/25. Having started the financial year at 2.3% (April), the CPI measure of inflation briefly dipped to 1.7% in September before picking up pace again in the latter months.

A net benefit of £1.084m was made against the Treasury 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.

#### 4.5 2025/26 Treasury Management Update

The 2025/26 Treasury Strategy was approved by Full Council on 27 February 2025 after being recommended for approval by this Committee on 29 January 2025.

The 2025/26 Treasury Management Update Report is included in Appendix B.

The key actual prudential and treasury indicators detailing the impact of capital expenditure activities during the year, with comparators, are as follows:

|                                    | <b>31.3.25<br/>Actual<br/>(£'000)</b> | <b>2025/26<br/>Original<br/>(£'000)</b> | <b>31.3.26<br/>Projection at<br/>31.5.25<br/>(£'000)</b> |
|------------------------------------|---------------------------------------|-----------------------------------------|----------------------------------------------------------|
| Capital expenditure                |                                       |                                         |                                                          |
| • Total                            | 87,173                                | 151,563                                 | 138,561                                                  |
| Capital Financing Requirement:     |                                       |                                         |                                                          |
| • Total                            | 604,910                               | 670,577                                 | 666,981                                                  |
| • Less Other Long Term Liabilities | (41,170)                              | (38,457)                                | (38,457)                                                 |
| • <b>Loans CFR</b>                 | <b>563,740</b>                        | <b>632,120</b>                          | <b>628,524</b>                                           |

|                      | <b>31.3.25<br/>Actual<br/>(£'000)</b> | <b>2025/26<br/>Original<br/>(£'000)</b> | <b>31.3.26<br/>Projection at<br/>31.5.25<br/>(£'000)</b> |
|----------------------|---------------------------------------|-----------------------------------------|----------------------------------------------------------|
| Gross Borrowing      |                                       |                                         |                                                          |
| • External Debt      | 434,903                               | 502,877                                 | 501,439                                                  |
| Investments          |                                       |                                         |                                                          |
| • Longer than 1 year | 0                                     | 0                                       | 0                                                        |
| • Under 1 year       | 22,062                                | 15,000                                  | 15,000                                                   |
| • <b>Total</b>       | <b>22,062</b>                         | <b>15,000</b>                           | <b>15,000</b>                                            |
| Net borrowing        |                                       |                                         |                                                          |
| • Total              | 412,841                               | 487,877                                 | 486,439                                                  |

Treasury Management Activity for 2025/26 remains consistent with that outlined in the 2025/26 Treasury Management Strategy.

#### 4.6 **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.

The Bank of England has continued with its cut and hold pattern during the first quarter of 2025/26. The Bank Rate was reduced by 0.25% (to 4.25%) in May, the first meeting of the 2025/26 financial year after holding the rate at 4.5% in March. The rate was held again at the most recent meeting in June. The medium and long-term forecast is for interests to gradually reduce therefore short-term borrowing has been entered into to manage cash flow requirements.

As at 31 May 2025 –

- £30.0m of outstanding temporary loans had been repaid on maturity and £14.0m of new temporary loans had been raised.
- 2 new PWLB loans had been raised totalling £15.0m and £2.9m of loans had been repaid. In total £40.0m of PWLB Loans are due to mature during the year.

#### 4.7 **Investments**

Upto and including 31 May 2025, surplus cash flows have continued to be invested in H.M Treasury's Debt Management Account Deposit Fund and Money Market Funds. The use of these counterparties allows cash surpluses to be invested securely whilst still allowing access to funds, thus complying with the approved strategy.

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. This strategy 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.

## **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 2024/25 Treasury Management Strategy
- 2 2024/25 Prudential Indicators Report
- 3 2024/25 Treasury Update Report and 2025/26 Treasury Management Strategy
- 4 2025/26 Prudential Indicators Report

### **15.0 Appendices**

- A Treasury Management Annual Report 2024/25
- B Treasury Management update 2025/26

### **16.0 Report Sign Off**

| <b>Signed off by</b> | <b>Date sent</b> | <b>Date signed off</b> | <b>Initials</b> |
|----------------------|------------------|------------------------|-----------------|
| Finance              | 04/07/2025       | 04/07/2025             | ER              |
| Legal                | 08/07/2025       | 08/07/2025             | RP              |
| Director             | 05/07/2025       | 07/07/2025             | MB              |

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# Treasury Management Annual Report 2024/25

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Telford & Wrekin Council

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# Treasury Management Annual Report 2024/25

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## 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, (this report)

In addition, the Council has received updates on treasury management indicators and prudential indicators 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 29 January 2025 in order to support members' scrutiny role.

## Executive Summary

During 2024/25, 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 | 31.3.24 Actual (£'000) | 2024/25 Original (£'000) | 31.3.25 Actual (£'000) |
|------------------------------------|------------------------|--------------------------|------------------------|
| Capital Expenditure                |                        |                          |                        |
| • Total                            | 83,485                 | 179,758                  | 87,173                 |
| Capital Financing Requirement:     |                        |                          |                        |
| • Total                            | 555,727                | 671,600                  | 604,910                |
| • Less Other Long-Term Liabilities | (44,547)               | (41,200)                 | (41,170)               |
| • Loans CFR                        | 511,180                | 630,400                  | 563,740                |
| Gross borrowing                    |                        |                          |                        |
| • External Debt                    | 371,324                | 493,700                  | 434,903                |
| Treasury Investments               |                        |                          |                        |
| • Longer than 1 year               | 0                      | 0                        | 0                      |
| • Under 1 year                     | 17,868                 | 15,000                   | 22,062                 |
| • Total                            | 17,868                 | 15,000                   | 22,062                 |
| Net borrowing                      |                        |                          |                        |
| • Total                            | 353,456                | 478,700                  | 412,841                |
| Borrowing Limits (Debt)            |                        |                          |                        |
| • Authorised                       | 495,000                | 655,000                  | 655,000                |
| • Operational                      | 475,000                | 635,000                  | 635,000                |

Other prudential and treasury indicators are to be found in the main body of this report.

The Bank of England has implemented a cut-hold-cut-hold pattern throughout 2024/25 with Bank Rate reductions of 0.25% occurring in August, November and February, bringing the headline rate down from 5.25% to 4.5%. The Bank of England sprung no surprises in their March meeting, leaving Bank Rate unchanged at 4.5%, but suggested that further reductions would be gradual.

UK inflation has proved somewhat stubborn throughout 2024/25. Having started the financial year at 2.3% (April), the CPI measure of inflation briefly dipped to 1.7% in September before picking up pace again in the latter months. The latest data shows CPI rising by 2.8% (February), but there is a strong likelihood that this figure will increase to at least 3.5% by the Autumn of 2025.

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 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 capital investment generates assets for the Council and the total value of assets held, excluding Infrastructure Assets, at 31 March 2025 was £663.4m some £228.5m greater than debt outstanding. In addition, the Council also holds £239.8m 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)                                                                        | 31.3.24<br>Actual | 2024/25<br>Original | 31.3.25<br>Actual |
|----------------------------------------------------------------------------------------------------|-------------------|---------------------|-------------------|
| General Fund Service                                                                               | 65,748            | 105,865             | 39,769            |
| Housing Investment Programme (NuPlace Ltd)                                                         | 9,073             | 40,700              | 26,722            |
| Property Investment Portfolio                                                                      | 7,038             | 31,421              | 18,251            |
| Telford Land Deal                                                                                  | 1,626             | 1,812               | 2,431             |
| <b>Capital Programme Expenditure</b>                                                               | <b>83,485</b>     | <b>179,788</b>      | <b>87,173</b>     |
| Financed in year from Government Grants, Capital Receipts, Revenue Contribution & External sources | 45,118            | 61,925              | 42,918            |
| <b>Unfinanced capital expenditure (Borrowing)</b>                                                  | <b>38,367</b>     | <b>117,863</b>      | <b>44,255</b>     |

### 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 2024/25 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 2024/25 MRP Policy, (as required by Ministry of Housing, Communities & Local Government (MHCLG) Guidance), was approved as part of the Treasury Management Strategy Report for 2024/25 on 29 February 2024.

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>           | 31.3.24<br>Actual | 2024/25<br>Original | 31.3.25<br>Actual |
|--------------------------------------------|-------------------|---------------------|-------------------|
| General Funded Service                     | 416,316           | 456,459             | 443,069           |
| Housing Investment Programme (NuPlace Ltd) | 71,070            | 115,026             | 93,110            |
| Property Investment Portfolio              | 64,541            | 96,315              | 64,931            |
| Solar Farm                                 | 3,800             | 3,800               | 3,800             |
| <b>Closing balance</b>                     | <b>555,727</b>    | <b>671,600</b>      | <b>604,910</b>    |
| Less Other Long Term Liabilities           | (44,547)          | (41,200)            | (41,170)          |
| <b>Loans CFR</b>                           | <b>511,180</b>    | <b>630,400</b>      | <b>563,740</b>    |

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 (2023/24) plus the estimates of any additional capital financing requirement for the current (2024/25) 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.

|                                             | 31.3.24<br>Actual<br>(£'000) | 2024/25<br>Original<br>(£'000) | 31.3.25<br>Actual<br>(£'000) |
|---------------------------------------------|------------------------------|--------------------------------|------------------------------|
| Gross borrowing position<br>(external debt) | 371,324                      | 420,312                        | 426,508                      |
| Loans CFR                                   | 511,180                      | 630,400                        | 563,740                      |
| (Under) / over funding of CFR               | (139,856)                    | (210,088)                      | (137,232)                    |

**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 2024/25 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.

|                                                       | 2024/25 |
|-------------------------------------------------------|---------|
| Maximum gross borrowing position during the year      | 426,508 |
| Authorised limit (Borrowing)                          | 655,000 |
| Operational boundary (Borrowing)                      | 635,000 |
| Financing costs as a proportion of net revenue stream | 8.73%   |

### 3. Treasury Position at 31 March 2025

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 2024/25 the Council's treasury, (excluding borrowing by PFI and finance leases), position was as follows:

| DEBT PORTFOLIO         | 31.3.24<br>Principal<br>(£'000) | Interest<br>Rate<br>% | 31.3.25<br>Principal<br>(£'000) | Interest<br>Rate<br>% | Movement<br>in Principal<br>(£'000) |
|------------------------|---------------------------------|-----------------------|---------------------------------|-----------------------|-------------------------------------|
| Fixed rate funding:    |                                 |                       |                                 |                       |                                     |
| - PWLB                 | 244,549                         | 2.65%                 | 251,693                         | 3.13%                 | 7,144                               |
| - Municipal Loans      | 246                             | 2.10%                 | 178                             | 2.10%                 | (68)                                |
| - Market               | 40,000                          | 4.17%                 | 35,000                          | 4.15%                 | (5,000)                             |
| Variable rate funding: |                                 |                       |                                 |                       |                                     |

|                                 |                  |              |                  |              |               |
|---------------------------------|------------------|--------------|------------------|--------------|---------------|
| - Temporary                     | 86,529           | 4.68%        | 148,032          | 5.13%        | 61,503        |
| <b>Total debt</b>               | <b>371,324</b>   | <b>3.39%</b> | <b>434,903</b>   | <b>3.85%</b> | <b>63,579</b> |
| <b>Loans CFR</b>                | <b>511,180</b>   |              | <b>563,740</b>   |              | <b>52,560</b> |
| <b>Over / (under) borrowing</b> | <b>(139,856)</b> |              | <b>(128,837)</b> |              | <b>11,019</b> |
| <b>Total investments</b>        | <b>17,868</b>    |              | <b>22,062</b>    |              | <b>4,194</b>  |
| <b>Net debt</b>                 | <b>353,456</b>   |              | <b>412,841</b>   |              | <b>59,385</b> |

The maturity structure of the debt portfolio was as follows:

|                                 | 31.3.24<br>Actual |              | 2024/25<br>original limits<br>% |       | 31.3.25<br>Actual |              |
|---------------------------------|-------------------|--------------|---------------------------------|-------|-------------------|--------------|
|                                 | (£'000)           | %            | Lower                           | Upper | (£'000)           | %            |
| Under 12 months                 | 134,829           | 36.3         | 0.0                             | 70.0  | 187,257           | 43.1         |
| 12 months and within 24 months  | 18,119            | 4.9          | 0.0                             | 30.0  | 34,062            | 7.8          |
| 24 months and within 5 years    | 35,053            | 9.4          | 0.0                             | 50.0  | 36,787            | 8.5          |
| 5 years and within 10 years     | 48,802            | 13.1         | 0.0                             | 75.0  | 55,725            | 12.8         |
| Maturing in more than 10 years* | 134,521           | 36.3         | 25.0                            | 100.0 | 121,072           | 27.8         |
| <b>Total Borrowing</b>          | <b>371,324</b>    | <b>100.0</b> |                                 |       | <b>434,903</b>    | <b>100.0</b> |

\* this includes £35m Lenders Option Borrowers Options (LOBO) loans that are potentially callable at certain points before the maturity date.

| <b>INVESTMENT PORTFOLIO</b>       | 31.3.24<br>Actual<br>(£'000) | 31.3.24<br>Actual Split<br>% | 31.3.25<br>Actual<br>(£'000) | 31.3.25<br>Actual Split<br>% |
|-----------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| <b>Treasury investments</b>       |                              |                              |                              |                              |
| Banks (inc. in transit)           | 3,188                        | 17.8                         | 3,482                        | 15.7                         |
| DMADF (H M Treasury)              | 9,700                        | 54.3                         | 13,600                       | 62.6                         |
| Money Market Funds                | 4,980                        | 27.9                         | 4,980                        | 22.6                         |
| <b>Total managed in house</b>     | <b>17,868</b>                | <b>100.0</b>                 | <b>22,062</b>                | <b>100.0</b>                 |
| <b>Total managed externally</b>   | <b>0</b>                     | <b>0.0</b>                   | <b>0</b>                     | <b>0.0</b>                   |
| <b>Total Treasury Investments</b> | <b>17,868</b>                | <b>100.0</b>                 | <b>22,062</b>                | <b>100.0</b>                 |

The maturity structure of the investment portfolio was as follows:

|  | 31.3.24<br>Actual | 2024/25<br>Budget | 31.3.25<br>Actual |
|--|-------------------|-------------------|-------------------|
|--|-------------------|-------------------|-------------------|

|                    | £000          | £000          | £000          |
|--------------------|---------------|---------------|---------------|
| Investments        |               |               |               |
| Longer than 1 year | 0             | 0             | 0             |
| Up to 1 year       | 17,868        | 15,000        | 22,062        |
| <b>Total</b>       | <b>17,868</b> | <b>15,000</b> | <b>22,062</b> |

## 4. 2024/25 Treasury Strategy

### 4.1 2024/25 Borrowing Strategy

During 2024/25, the Authority maintained an under-borrowed position. This meant that the capital borrowing need, (the Capital Financing Requirement), was not fully funded with loan debt as cash supporting the Authority's reserves, balances and cash flow was used as an interim measure. 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 2025 and 2026 in the light of economic growth concerns and the eventual dampening of inflation. The Authority has sought to minimise the taking on of long-term borrowing at elevated levels (>5%) and has focused on a policy of internal and temporary borrowing, supplemented by short-dated borrowing (<5 years) as appropriate.

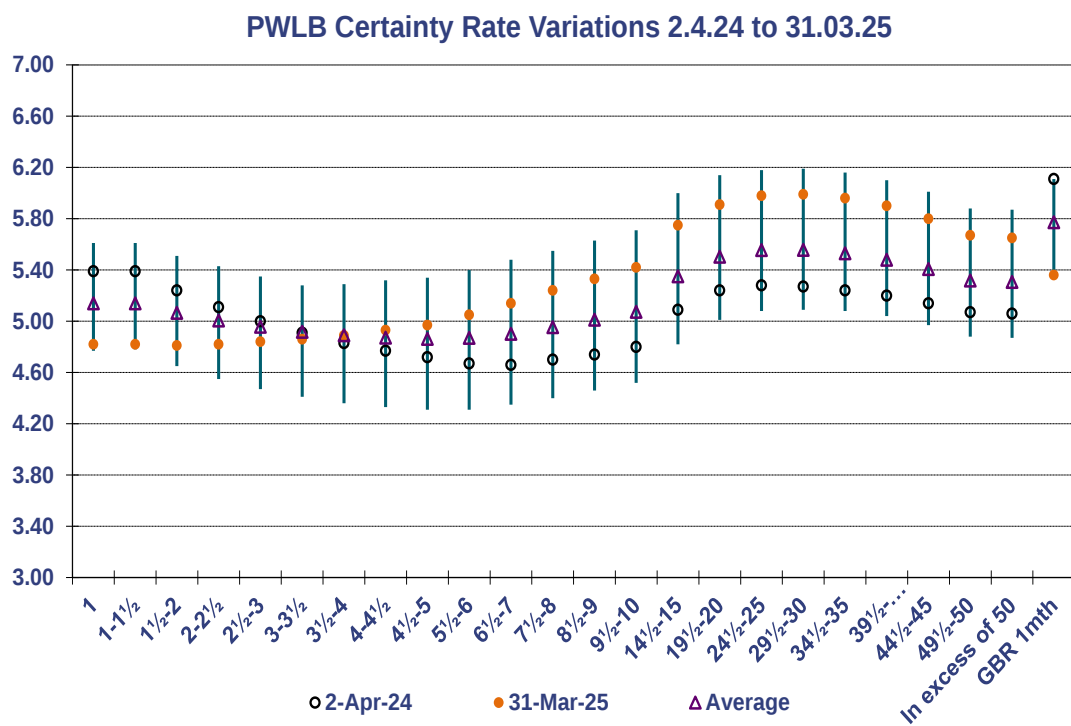
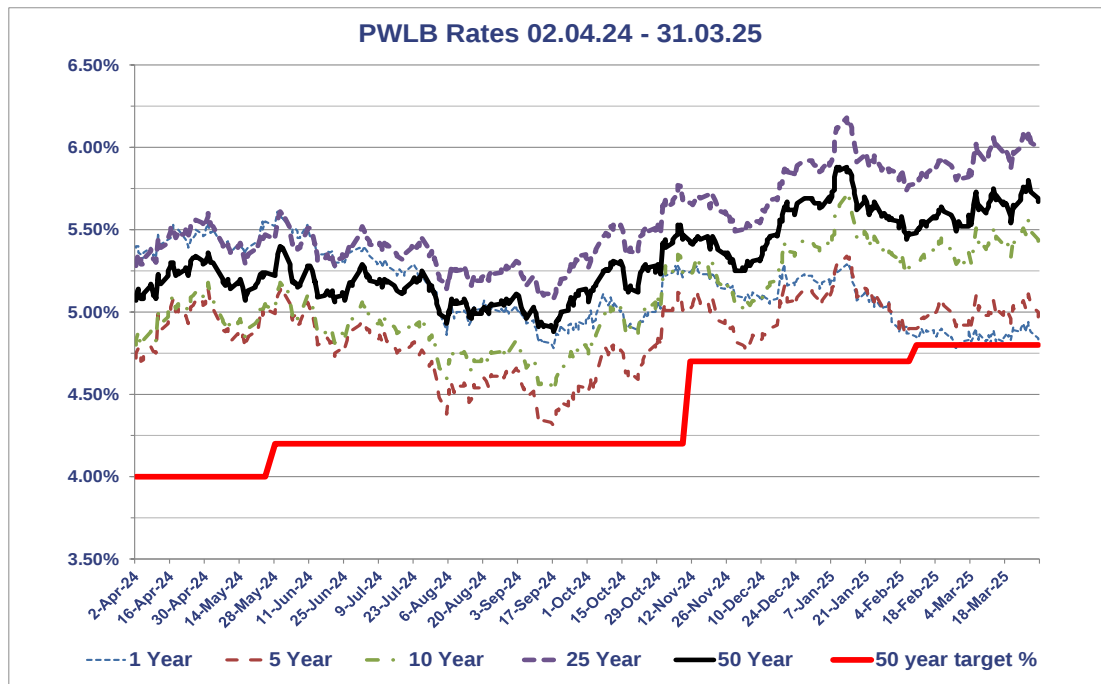
Against this background and the risks within the economic forecast, caution was adopted with the treasury operations. The Director of Finance, People & IDT therefore monitored interest rates in financial markets and adopted a pragmatic strategy based upon the following principles to manage interest rate 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 gradual reductions in short, medium and longer-term fixed borrowing rates during 2024/25. Bank Rate did peak at 5.25% as anticipated, but the initial expectation of significant rate reductions did not transpire, primarily because inflation concerns remained elevated. Forecasts were too optimistic from a rate reduction perspective, but more recently the forecasts, updated from November 2024 onwards, look more realistic.

At the start of April 2025, following the introduction of President Trump's trade tariffs policies, the market now expects Bank Rate to fall to 3.75% by the end of December 2025, pulling down the 5- and 10-year parts of the curve too.

This should provide an opportunity for greater certainty to be added to the debt portfolio, although a significant fall in inflation will be required to underpin any material movement lower in the longer part of the curve.



#### HIGH/LOW/AVERAGE PWLB RATES FOR 2024/25

|                | 1 Year     | 5 Year     | 10 Year    | 25 Year    | 50 Year    |
|----------------|------------|------------|------------|------------|------------|
| <b>Low</b>     | 4.77%      | 4.31%      | 4.52%      | 5.08%      | 4.88%      |
| <b>Date</b>    | 26/02/2025 | 17/09/2024 | 17/09/2024 | 17/09/2024 | 17/09/2024 |
| <b>High</b>    | 5.61%      | 5.34%      | 5.71%      | 6.18%      | 5.88%      |
| <b>Date</b>    | 29/05/2024 | 13/01/2025 | 13/01/2025 | 13/01/2025 | 09/01/2025 |
| <b>Average</b> | 5.14%      | 4.86%      | 5.07%      | 5.56%      | 5.32%      |
| <b>Spread</b>  | 0.84%      | 1.03%      | 1.19%      | 1.10%      | 1.00%      |

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 Fed, ECB and Bank of England are all being challenged by levels of persistent inflation that are exacerbated by tight labour markets and high wage increases relative to what central banks believe to be sustainable.

Gilt yields have been volatile through 2024/25. Indeed, the low point for the financial year for many periods was reached in September 2024. Thereafter, and especially following the Autumn Statement, PWLB Certainty rates have remained elevated at between c5% - 6% with the exception of the slightly cheaper shorter dates.

At the close of 31 March 2025, the 1-year PWLB Certainty rate was 4.82% whilst the 25-year rate was 5.98% and the 50-year rate was 5.67%.

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 60 basis points (G+60bps)
- **HRA Borrowing rate** is gilt plus 40 basis points (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 lower.

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 continuing on a process of Quantitative Tightening (QT). The Bank's original £895bn stock of gilt and corporate bonds will gradually be sold back into the market over several years (currently c£623bn). The impact this policy will have on the market pricing of gilts, while issuance is still markedly increasing, and very high in historic terms, is an unknown at the time of writing.

## 4.2 2024/25 Treasury Investment Strategy

Investment returns remained robust throughout 2024/25 with Bank Rate reducing steadily through the course of the financial year (three 0.25% rate cuts in total), and even at the end of March the yield curve was still relatively flat, which might be considered unusual as further Bank Rate cuts were expected in 2025/26.

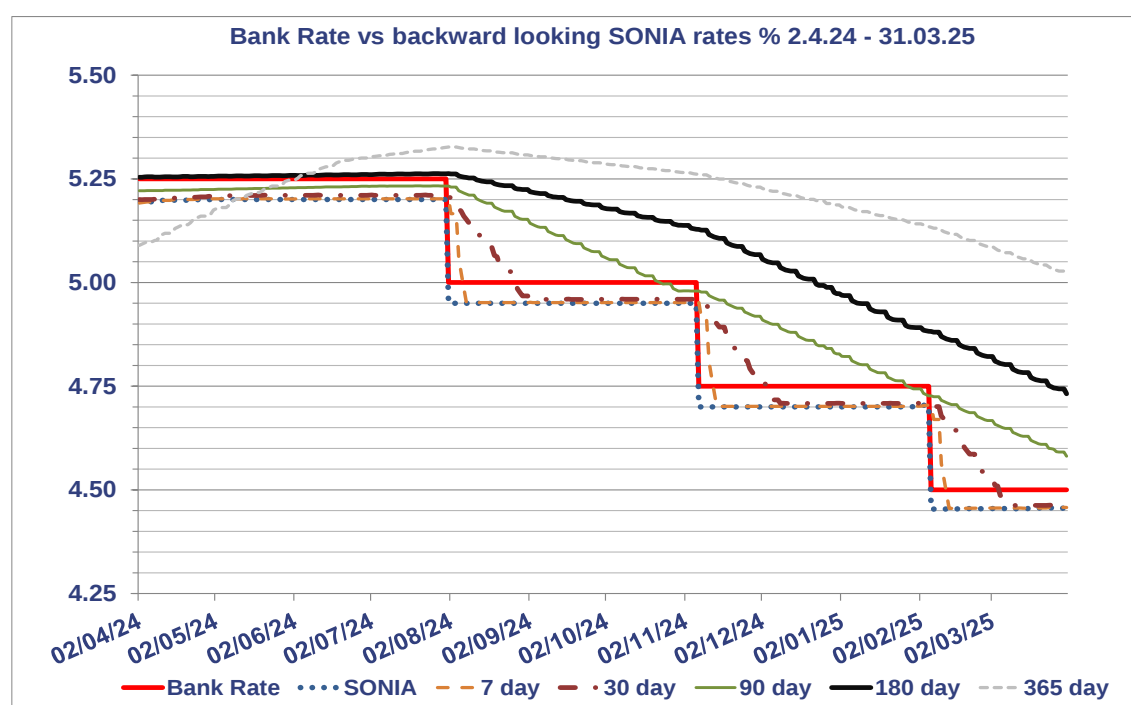
Bank Rate reductions of 0.25% occurred in August, November and February, bringing the headline rate down from 5.25% to 4.5%. Each of the Bank Rate cuts occurred in the same month as the Bank of England publishes its Quarterly Monetary Policy Report, therein providing a clarity over the timing of potential future rate cuts.

As of early April 2025, market sentiment has been heavily influenced of late by President Trump's wide-ranging trade tariffs policy. Commentators anticipate a growing risk of a US recession, whilst UK GDP is projected by the Office for Budget Responsibility to remain tepid, perhaps achieving 1% GDP growth in 2025/26.

Looking back to 2024/25, investors were able to achieve returns in excess of 5% for all periods ranging from 1 month to 12 months in the spring of 2024 but by March 2025 deposit rates were some 0.75% - 1% lower. Where liquidity requirements were not a drain on day-to-day investment choices, extending duration through the use of "laddered investments" paid off.

That is not to say that investment choices were straight-forward. Concerns over rising inflation after the Autumn Statement in October led to reduced expectations for Bank Rate to fall. Indeed, the CPI measure of inflation is expected to reach c3.75% by the autumn of 2025, which could provide for some presentational issues for a Bank whose primary mandate is to ensure inflation is close to 2% on a two-to-three-year timeframe. At the end of March, only two further rate cuts were priced into the market for 2025 (4% at December 2025). A week later and sentiment has changed dramatically in the wake of the equity market sell-off to the extent that markets now expect three Bank Rate reductions between May and December 2025 (Bank Rate to fall to 3.75%).

### Investment Benchmarking Data – Sterling Overnight Index Averages (Backward-looking) 2024/25



| FINANCIAL YEAR TO QUARTER ENDED 31/03/2025 |            |            |            |            |            |            |            |
|--------------------------------------------|------------|------------|------------|------------|------------|------------|------------|
|                                            | Bank Rate  | SONIA      | 7 day      | 30 day     | 90 day     | 180 day    | 365 day    |
| High                                       | 5.25       | 5.20       | 5.20       | 5.21       | 5.23       | 5.26       | 5.33       |
| High Date                                  | 02/04/2024 | 03/05/2024 | 13/05/2024 | 26/06/2024 | 26/07/2024 | 26/07/2024 | 01/08/2024 |
| Low                                        | 4.50       | 4.45       | 4.46       | 4.46       | 4.58       | 4.73       | 5.02       |
| Low Date                                   | 06/02/2025 | 12/02/2025 | 13/02/2025 | 12/03/2025 | 31/03/2025 | 31/03/2025 | 31/03/2025 |
| Average                                    | 4.95       | 4.90       | 4.91       | 4.94       | 5.02       | 5.11       | 5.22       |
| Spread                                     | 0.75       | 0.75       | 0.75       | 0.75       | 0.65       | 0.53       | 0.30       |

## 5. Borrowing Outturn

**Treasury Borrowing** – During the year 6 new PWLB loans were raised totalling £55.0m. Maturities or repayments of principal on EIP and Annuity Loans totalled £47.9m

**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   | 19/09/2024** | £5.0m     | Fixed Interest Rate – EIP      | 4.32%          | 11.5 years |
| PWLB   | 06/12/2024** | £10.0m    | Fixed Interest Rate – EIP      | 4.82%          | 10 years   |
| PWLB   | 28/02/2025   | £10.0m    | Fixed Interest Rate – Maturity | 5.08%          | 1 year     |
| PWLB   | 05/03/2025   | £10.0m    | Fixed Interest Rate – Maturity | 5.00%          | 1.5 years  |
| PWLB   | 19/03/2025   | £10.0m    | Fixed Interest Rate – Maturity | 5.01%          | 1 year     |
| PWLB   | 26/03/2025   | £10.0m    | Fixed Interest Rate – Maturity | 5.05%          | 1.5 years  |

\*This compares with a budget assumption of borrowing at an interest rate of 5.0% for 2024/25 and 4.8% 2025/26.

\*\*loans included in 2024/25 Treasury Update Report presented to Audit Committee 29 January 2025

£270.0m of temporary loans (364 days or fewer) were raised, renewed or replaced in order to fund short-term cash flow requirements. Interest rates have ranged from 4.7% and 5.55%. The outstanding temporary borrowing at 31 March 2025 was £148.0m.

### 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

During 2024/25 no rescheduling of debt has taken place as market conditions have not been favourable, however the scope for opportunities is regularly monitored.

In September 2024, FMS Wertmanagement exercised their option under the conditions of the Lender Option Borrower Option (LOBO) Loan. The Council had the option to repay the loan (£5m principal) or accept the interest rate increase requested by the lender, 7.41% an increase from 4.45% on the original loan secured. Following consultation with MUFG, the Councils external Treasury Management Advisor, the LOBO was repaid.

### Debt Performance

As highlighted in Section 3 the average interest rate for borrowing rose slightly over the course of the year from 3.39% to 3.85% as the cost of replacing temporary loans increased.

## 6. Treasury Investment Outturn

**Investment Policy** – the Council's investment policy is governed by MHCLG investment guidance, which has been implemented in the annual investment strategy approved by the Council on 29 February 2025. 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 2025 the greatest exposure with a single counterparty was £13.6m (62.6% of the portfolio) with the DMADF.

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

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

### Investments held by the Council

- The Council maintained an average daily balance of £39.97m of internally managed funds.
- The internally managed funds earned an average rate of return of 4.91%
- The comparable performance indicator is the average SONIA rate, which was 4.90%
- 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) | 31.3.24 | 31.3.25 |
|---------------------|---------|---------|
| Cash Investments    | 17,868  | 22,062  |

At the 31 March 2025 the Councils total usable reserves were £107.2m, which has supported the overall cash flow position and the level of internal borrowing.

## 7. 2024/25 Overall Outturn

Overall, a net benefit of £1.084m 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. Debt on Disaggregation

The Council makes an annual contribution towards Shropshire Council costs on pre disaggregation debt (i.e. pre unitary inception). The contribution in 2024/25 was £1.082m which included interest at an average of 4.6%. The rate of interest paid on this is managed by Shropshire Council and is considerably higher than the rate payable by Telford & Wrekin Council on its borrowing.

## 9. Leasing

Each year the Council arranges 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 2024/25 the follow lease arrangement were entered into -

| Draw Down Date | Purpose                                 | Length / Type        | Lessor      | Value   |
|----------------|-----------------------------------------|----------------------|-------------|---------|
| September 2024 | Gym equipment & flooring and video wall | 5 year Finance Lease | DLL Leasing | £44,391 |
| November 2024  | John Deere Mower                        | 5 year Finance Lease | JCB         | £68,595 |

## 10. The Economy and Interest Rates

### 10.1 UK Economy

UK inflation has proved somewhat stubborn throughout 2024/25. Having started the financial year at 2.3% y/y (April), the CPI measure of inflation briefly dipped to 1.7% y/y in September before picking up pace again in the latter months. The latest data shows CPI rising by 2.8% y/y (February), but there is a strong likelihood that figure will increase to at least 3.5% by the Autumn of 2025.

Against that backdrop, and the continued lack of progress in ending the Russian invasion of Ukraine, as well as the potentially negative implications for global growth as a consequence of the implementation of US tariff policies by US President Trump in April 2025, Bank Rate reductions have been limited. Bank Rate currently stands at 4.5%, despite the Office for Budget Responsibility reducing its 2025 GDP forecast for the UK economy to only 1% (previously 2% in October).

Moreover, borrowing has becoming increasingly expensive in 2024/25. Gilt yields rose significantly in the wake of the Chancellor's Autumn Statement, and the loosening of fiscal policy, and have remained elevated ever since, as dampened growth expectations and the minimal budget contingency (<£10bn) have stoked market fears that increased levels of borrowing will need to be funded during 2025.

The table below provides a snapshot of the conundrum facing central banks: inflation pressures remain, labour markets are still relatively tight by historical comparisons,

and central banks are also having to react to a fundamental re-ordering of economic and defence policies by the US administration.

|                   | <b>UK</b>               | <b>Eurozone</b>          | <b>US</b>             |
|-------------------|-------------------------|--------------------------|-----------------------|
| Bank Rate         | 4.50%                   | 2.5%                     | 4.25%-4.5%            |
| GDP               | 0.1%q/q Q4<br>(1.1%y/y) | +0.1%q/q Q4<br>(0.7%y/y) | 2.4% Q4<br>Annualised |
| Inflation         | 2.8%y/y (Feb)           | 2.3%y/y (Feb)            | 2.8%y/y (Feb)         |
| Unemployment Rate | 4.4% (Jan)              | 6.2% (Jan)               | 4.1% (Feb)            |

The Bank of England sprung no surprises in their March meeting, leaving Bank Rate unchanged at 4.5% by a vote of 8-1, but suggesting further reductions would be gradual. The Bank of England was always going to continue its cut-hold-cut-hold pattern by leaving interest rates at 4.50% but, in the opposite of what happened at the February meeting, the vote was more hawkish than expected. This suggested that as inflation rises later in the year, the Bank cuts rates even slower, but the initial impact of President Trump's tariff policies in April 2025 on the financial markets underpin our view that the Bank will eventually reduce rates to 3.50%.

Having said that, the Bank still thinks inflation will rise from 2.8% in February to 3¼% in Q3. And while in February it said "inflation is expected to fall back thereafter to around the 2% target", this time it just said it would "fall back thereafter". That may be a sign that the Bank is getting a bit more worried about the "persistence in domestic wages and prices, including from second-round effects". Accordingly, although we expect a series of rate cuts over the next year or so, that does not contradict the Bank taking "a gradual and careful" approach to cutting rates, but a tepid economy will probably reduce inflation further ahead and prompt the Bank to cut at regular intervals.

From a fiscal perspective, the increase in businesses' national insurance and national minimum wage costs from April 2025 is likely to prove a headwind, although in the near-term the Government's efforts to provide 300,000 new homes in each year of the current Parliament is likely to ensure building industry employees are well remunerated, as will the clamp-down on immigration and the generally high levels of sickness amongst the British workforce. Currently wages continue to increase at a rate close to 6% y/y. The MPC would prefer a more sustainable level of c3.5%.

As for equity markets, the FTSE 100 has recently fallen back to 7,700 having hit an all-time intra-day high 8,908 as recently as 3<sup>rd</sup> March. The £ has also endured a topsy-turvy time, hitting a peak of \$1.34 before dropping to \$1.22 in January and then reaching \$1.27 in early April 2025.

## 10.2 USA Economy

Despite the markets willing the FOMC to repeat the rate cut medicine of 2024 (100 basis points in total), the Fed Chair, Jay Powell, has suggested that the Fed. Funds Rate will remain anchored at 4.25%-4.5% until inflation is under control, and/or the economy looks like it may head into recession as a consequence of President Trump's tariff policies.

Inflation is close to 3% and annualised growth for Q4 2024 was 2.4%. With unemployment just above 4%, and tax cuts in the pipeline, the FOMC is unlikely to be in a hurry to cut rates, at least for now.

## 10.3 EZ Economy

The Eurozone economy has struggled throughout 2024 and is flat lining at present, although there is the promise of substantial expenditure on German defence/infrastructure over the coming years, which would see a fiscal loosening. France has struggled against

a difficult political backdrop, but with a large budget deficit it is difficult to see any turn-around in economic hopes in the near-term.

With GDP currently below 1% in the Euro-zone, the ECB is likely to continue to cut rates, although the headline inflation rate is still above 2% (2.3% February 2025). Currently at 2.5%, a further reduction in the Deposit Rate to at least 2% is highly likely.

## Appendix Ai: Prudential and treasury indicators

| 1. PRUDENTIAL INDICATORS                                         | 2023/24 | 2024/25  | 2024/25 |
|------------------------------------------------------------------|---------|----------|---------|
|                                                                  | actual  | original | actual  |
|                                                                  | £'000   | £'000    | £'000   |
| Capital Expenditure                                              | 83,485  | 179,788  | 87,173  |
| Ratio of financing costs to net revenue stream                   | 6.66%   | 8.54%    | 8.73%   |
| Gross borrowing requirement General Fund brought forward 1 April | 347,221 | 350,700  | 371,324 |
| carried forward 31 March                                         | 371,324 | 375,800  | 434,903 |
| in year borrowing requirement                                    | 24,103  | 25,100   | 63,579  |
| Loans CFR                                                        | 511,180 | 630,400  | 563,740 |
| Annual change in Loans CFR                                       | 38,381  | 119,220  | 52,560  |

| 2. TREASURY MANAGEMENT INDICATORS                  | 2023/24        | 2024/25        | 2024/25        |
|----------------------------------------------------|----------------|----------------|----------------|
|                                                    | actual         | original       | actual         |
|                                                    | £'000          | £'000          | £'000          |
| Authorised Limit for external debt - borrowing     | 565,000        | 655,000        | 655,000        |
| other long term liabilities                        | 54,000         | 54,000         | 54,000         |
| <b>TOTAL</b>                                       | <b>619,000</b> | <b>709,000</b> | <b>709,000</b> |
| Operational Boundary for external debt - borrowing | 545,000        | 635,000        | 635,000        |
| other long term liabilities                        | 50,000         | 50,000         | 50,000         |
| <b>TOTAL</b>                                       | <b>595,000</b> | <b>685,000</b> | <b>685,000</b> |
| Actual external debt                               | 371,324        | 375,800        | 434,903        |

| Maturity structure of fixed rate borrowing during 2024/25 | Lower limit | Upper limit | 31.03.25 Actual |
|-----------------------------------------------------------|-------------|-------------|-----------------|
| Under 12 months                                           | 0.0%        | 70.0%       | 43.1%           |
| 12 months and within 24 months                            | 0.0%        | 30.0%       | 7.8%            |
| 24 months and within 5 years                              | 0.0%        | 50.0%       | 8.5%            |
| 5 years and within 10 years                               | 0.0%        | 75.0%       | 12.8%           |
| 10 years and above                                        | 25.0%       | 100.0%      | 27.8%           |
| Maturity structure of investments during 2024/25          | Lower limit | Upper limit | 31.03.25 Actual |
| Longer than 1 year                                        | 0.0%        | 95.0%       | 0.0%            |
| Up to 1 year                                              | 0.0%        | 100.0%      | 100.0%          |

| Credit risk indicator          | 31.03.24 Actual | 2023/24 Target | 31.03.25 Actual |
|--------------------------------|-----------------|----------------|-----------------|
| Portfolio average credit score | 1.71            | 6 or lower     | 1.63            |

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

## ABBREVIATIONS USED IN THIS REPORT

**CE:** Capital Economics – is the economics consultancy that provides MUFG Corporate Markets Treasury Limited with independent economic forecasts, briefings and research.

**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.

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

**EIP:** Equal Instalments of Principal – a type of loan where each payment includes an equal amount in respect of loan principal. Therefore the interest due with each payment reduces as the principal is eroded

**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.

**LOBO:** Lender's Option Borrower's Option – a long-term loan where the lender has the option to propose an increase in the interest rate on pre-determined dates. The borrower then has the option to either accept the new rate or repay the loan without penalty. LOBOs increase the borrowers interest rate risk, and the loan should therefore attract a lower rate of interest initially.

**MHCLG:** the Ministry of Housing, Communities and Local Government – the Government department that directs local authorities in England

**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/QT:** 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.

**VRP:** a voluntary revenue provision to repay debt, in the annual budget, which is additional to the annual MRP charge, (see above definition).

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# Treasury Management Update 2025/26

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Telford & Wrekin Council

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

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# Treasury Management Update 2025/26

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## 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 2025/26. 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 2025/26 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 29 January 2025 (the presentation slides were circulated to Committee members prior to this meeting) in order to support members' scrutiny role.

## Executive Summary

During 2025/26, 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:

| Prudential and treasury indicators | 31.3.25<br>Actual<br>(£'000) | 2025/26<br>Original<br>(£'000) | 31.3.26<br>Projection at<br>31.5.25<br>(£'000) |
|------------------------------------|------------------------------|--------------------------------|------------------------------------------------|
| Capital expenditure                |                              |                                |                                                |
| • Total                            | 87,173                       | 151,563                        | 138,561                                        |
| Capital Financing Requirement:     |                              |                                |                                                |
| • Total                            | 604,910                      | 670,577                        | 666,981                                        |
| • Less Other Long Term Liabilities | (41,170)                     | (38,457)                       | (38,457)                                       |
| • <b>Loans CFR</b>                 | <b>563,740</b>               | <b>632,120</b>                 | <b>628,524</b>                                 |
| Gross Borrowing                    |                              |                                |                                                |
| • External Debt                    | 434,903                      | 502,877                        | 501,439                                        |
| Investments                        |                              |                                |                                                |
| • Longer than 1 year               | 0                            | 0                              | 0                                              |
| • Under 1 year                     | 22,062                       | 15,000                         | 15,000                                         |
| • <b>Total</b>                     | <b>22,062</b>                | <b>15,000</b>                  | <b>15,000</b>                                  |
| Net borrowing                      |                              |                                |                                                |
| • Total                            | 412,841                      | 487,877                        | 486,439                                        |

Actual figures at 31 May 2025 are as follows:

| Prudential and treasury indicators | 31.5.25<br>Actual<br>(£'000) |
|------------------------------------|------------------------------|
| Gross Borrowing                    |                              |
| • External Debt                    | 426,710                      |
| Investments                        |                              |
| • Longer than 1 year               | 0                            |
| • Under 1 year                     | 19,843                       |
| • <b>Total</b>                     | <b>19,843</b>                |
| Net borrowing                      |                              |
| • Total                            | 406,867                      |

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

## Introduction and Background

This report summarises the following:-

- Capital activity during the year to 31<sup>st</sup> May 2025;
- 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. 2025/26 Treasury Strategy

The Treasury Strategy for 2025/26 was approved by Full Council on 27 February 2025, following recommendation for approval by this committee on 29 January 2025. 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 2025/26 – 2028/29, approved by Full Council on 27 February 2025, 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

There were two Monetary Policy Committee (MPC) meetings this quarter. In May, the Committee cut the Bank Rate from 4.50% to 4.25%, while in June rate was left unchanged. In June's vote, three members of the Committee voted for an immediate cut to 4.00%, citing loosening labour market conditions. The other six members were more cautious, as they highlighted the need to monitor for "signs of weak demand", "supply-side constraints" and higher "inflation expectations", mainly from food prices rising. By repeating the well-used phrase "gradual and careful", the MPC continued to suggest that rates will be reduced further.

At the start of June, amid escalating tensions between Israel and Iran, oil prices surged to over \$75 per barrel. However, following a ceasefire agreement near the end of the month, oil prices eased back to levels prior to the conflict. Given the drop back in energy prices and the relatively muted reaction to fears of a ceasefire violation, along with a large drop in the services PMI output prices balance, our central view is that once inflation begins to trend downwards in the final months of 2025, Bank Rate reductions can begin again from November (pause in August as inflation remains close to its peak), falling to a low of 3.5% in May 2026. However, if the conflict in the Middle East were to result in higher energy prices and/or domestic inflationary pressures grow stronger, there is a risk the Bank of England may skip cutting rates further.

The Council has appointed MUFG Corporate Markets as its treasury advisors and part of their service is to assist the Council to formulate a view on interest rates. The PWLB rate forecasts below are based on the Certainty Rate (the standard rate minus 20 bps) which has been accessible to most authorities since 1<sup>st</sup> November 2012.

The latest forecast was provided on 10<sup>th</sup> February:

| MUFG Corporate Markets Interest Rate View 10.02.25 |        |        |        |        |        |        |        |        |        |        |        |        |        |
|----------------------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|                                                    | Mar-25 | Jun-25 | Sep-25 | Dec-25 | Mar-26 | Jun-26 | Sep-26 | Dec-26 | Mar-27 | Jun-27 | Sep-27 | Dec-27 | Mar-28 |
| BANK RATE                                          | 4.50   | 4.25   | 4.25   | 4.00   | 3.75   | 3.75   | 3.75   | 3.50   | 3.50   | 3.50   | 3.50   | 3.50   | 3.50   |
| 3 month ave earnings                               | 4.50   | 4.30   | 4.30   | 4.00   | 3.80   | 3.80   | 3.50   | 3.50   | 3.50   | 3.50   | 3.50   | 3.50   | 3.50   |
| 6 month ave earnings                               | 4.40   | 4.20   | 4.20   | 3.90   | 3.70   | 3.70   | 3.50   | 3.50   | 3.50   | 3.50   | 3.50   | 3.50   | 3.50   |
| 12 month ave earnings                              | 4.40   | 4.20   | 4.20   | 3.90   | 3.70   | 3.70   | 3.50   | 3.50   | 3.50   | 3.50   | 3.50   | 3.50   | 3.60   |
| 5 yr PWLB                                          | 5.00   | 4.90   | 4.80   | 4.70   | 4.60   | 4.50   | 4.40   | 4.40   | 4.30   | 4.20   | 4.20   | 4.10   | 4.00   |
| 10 yr PWLB                                         | 5.30   | 5.20   | 5.10   | 5.00   | 4.90   | 4.80   | 4.70   | 4.70   | 4.60   | 4.50   | 4.50   | 4.40   | 4.40   |
| 25 yr PWLB                                         | 5.80   | 5.70   | 5.60   | 5.50   | 5.40   | 5.30   | 5.20   | 5.10   | 5.00   | 5.00   | 4.90   | 4.90   | 4.80   |
| 50 yr PWLB                                         | 5.50   | 5.40   | 5.30   | 5.20   | 5.10   | 5.00   | 4.90   | 4.80   | 4.70   | 4.70   | 4.60   | 4.60   | 4.50   |

- Money market yield forecasts are based on expected average earnings by local authorities for 3 to 12 months.
- The MUFG Corporate Markets forecast for average earnings are averages i.e., rates offered by individual banks may differ significantly from these averages, reflecting their different needs for borrowing short-term cash at any one point in time.

The forecast has proved robust over the period since February, setting out a central view that short and long-dated interest rates will start to fall once it is evident that the Bank of England has been successful in squeezing excess inflation out of the economy, despite a backdrop of stubborn inflationary factors. Nonetheless, the longer dated part of the forecast also reflects the increased level of Government borrowing over the term of the current Parliament and the weakness in the public finances, with the Government struggling to deliver on the efficiencies detailed in the 30<sup>th</sup> of October Budget.

Moreover, there is still on-going debate as to when, and if, the Government's policies will lead to a material uptick in growth given their reliance on the logistics of fast-tracking planning permissions, identifying sufficient skilled labour to undertake a resurgence in building, and an increase in the employee participation rate within the economy.

Overall, our central view is that monetary policy is sufficiently tight at present to cater for some further moderate loosening, the extent of which, however, will continue to be data dependent. We forecast the next reduction in Bank Rate to be made in November and for a pattern to evolve whereby rate cuts are made quarterly and in keeping with the release of the Bank's Quarterly Monetary Policy Reports (February, May, August and November). Any movement below a 4% Bank Rate will, nonetheless, be very much dependent on inflation data releases in the coming months.

International factors could also impact the prospect for longer dated gilt yield falls. In the US the 'One Big Beautiful Bill Act' successfully made its way through the House of Representatives in July and given that it will signal a continued large budget deficit position in the US finances, any uptick in Treasury yields will likely impact other developed economies markets too. There will also be a keen focus on whether US-driven tariff policies result in upward pressures on inflation.

### 3. Prudential Regime

This Council agreed its required Prudential Indicators at Full Council on 27 February 2025.

For 2025/26, the Council set an Operational Limit for external debt (this is the limit beyond which external debt is not normally expected to exceed) of £645.0m and an Authorised limit (this is a key prudential indicator and represents a control on the maximum level of borrowing) of £665.0m. Both the actual external debt at 31 May 2025, £426.7m, and the project external debt at 31 March 2026, £501.4m, 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 2026 is £628.5m. Both the actual external debt at 31 May 2025 and the project external debt at 31 March 2026 are below the Loans CFR.

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

### 4. Borrowing

With the forecast for interest rates set to reduce through the second half of 2025/26, and continue to reduce in 2026/27, the Borrowing Strategy for 2025/26 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 2025 –

- £30.0m of outstanding temporary loans had been repaid on maturity and £14.0m of new temporary loans had been raised.
- 2 new PWLB loans had been raised totalling £15.0m and £2.9m of loans had been repaid. In total £40.0m of PWLB Loans are due to mature during the year.

The loans drawn were:

| Lender | Date Raised | Principal | Type                           | Interest Rate* | Duration  |
|--------|-------------|-----------|--------------------------------|----------------|-----------|
| PWLB   | 14/04/2025  | £10.0m    | Fixed Interest Rate – EIP      | 4.71%          | 5 years   |
| PWLB   | 14/04/2025  | £10.0m    | Fixed Interest Rate – Maturity | 4.71%          | 2.5 years |

### 5. Treasury Investments

The Treasury Investment Strategy for the year is to gain maximum benefit at minimum risk which is measured by monitoring the value-weighted credit score of the investment portfolio. This is calculated by applying a score to each investment (AAA (the most secure)=1, AA+=2 etc) and taking the arithmetic average, weighted by the size of each

investment. The maximum target rate is 6, which is equivalent to a credit rating of 'A' or higher.

For the period to 31 May 2025 some £2,207m worth of investments have been made, in total at an average of £39.8m per day, across the Debt Management Office (DMO), Lloyds Bank and Money Market Funds, at an average daily interest rate of 4.37%.

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 investments are held in one diversified fund.

The Council can place up to £15.0m with any Counterparty, except for H.M. Treasury's DMO facility which is Government backed and therefore considered to be very secure. At 31 May 2025 the greatest exposure with a single counterparty was £12.3m (61.5% of the portfolio) with the DMO and the Council has complied with the £15m limit with other counterparties.

| <b>INVESTMENT PORTFOLIO</b>            | <b>31.5.25<br/>Actual<br/>£000</b> | <b>31.5.25<br/>Actual<br/>%</b> |
|----------------------------------------|------------------------------------|---------------------------------|
| <b>Treasury investments</b>            |                                    |                                 |
| Banks (Lloyds Bank)                    | 2,723                              | 13.6                            |
| Debt Management Office (H.M. Treasury) | 12,300                             | 61.5                            |
| Money Market Funds                     | 4,980                              | 24.9                            |
| <b>Total managed in house</b>          | <b>20,003</b>                      | <b>100.0</b>                    |
| <b>Total managed externally</b>        | <b>0</b>                           | <b>0</b>                        |
| <b>TOTAL TREASURY INVESTMENTS</b>      | <b>20,003</b>                      | <b>100.0</b>                    |
| <b>Credit risk indicator</b>           | <b>2025/26<br/>Limit</b>           | <b>31.5.25<br/>Actual</b>       |
| Portfolio average credit score         | 6 or lower                         | 1.54                            |

## 6. Projected Performance 2025/26

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 to be presented to Cabinet on 17 July 2025 includes a nil variance to budget from treasury management activities. Updates will be provided in future financial monitoring reports taken to Cabinet.

## ABBREVIATIONS USED IN THIS REPORT

**CE:** Capital Economics – is the economics consultancy that provides MUFG Corporate Markets Treasury Limited with independent economic forecasts, briefings and research.

**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.

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

**EIP:** Equal Instalments of Principal – form of PWLB Loan

**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.

**LOBO:** Lender's Option Borrower's Option – a long-term loan where the lender has the option to propose an increase in the interest rate on pre-determined dates. The borrower then has the option to either accept the new rate or repay the loan without penalty. LOBOs increase the borrowers interest rate risk, and the loan should therefore attract a lower rate of interest initially.

**MHCLG:** the Ministry of Housing, Communities and Local Government – the Government department that directs local authorities in England

**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/QT:** 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.

**VRP:** a voluntary revenue provision to repay debt, in the annual budget, which is additional to the annual MRP charge, (see above definition).