



Borough of Telford and Wrekin

Business and Finance Scrutiny Committee

Wednesday 27 November 2024

6.00 pm

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

Democratic Services: Paige Starkey 01952 380110

Media Enquiries: Corporate Communications 01952 382406

Committee Members: Councillors E M Callear (Vice-Chair), N A M England,
L Lewis, G Luter, S Syrda and R Tyrrell

	Agenda	Page
1.0	Election of Chair To elect a Chair for the meeting.	
2.0	Apologies for Absence	
3.0	Declarations of Interest	
4.0	Minutes of the Previous Meeting To confirm the minutes of the previous meeting held on 3 March 2024.	3 - 8
5.0	Business and Finance Scrutiny Committee Terms of Reference 2024/25 To review and reconfirm the Terms of Reference for the Business and Finance Scrutiny Committee for the 2024/25 municipal year.	9 - 14
6.0	Business and Finance Scrutiny Committee Work Programme 2024/25 To review and confirm the proposed Work Programme for the Business	15 - 24

and Finance Scrutiny Committee for the 2024/25 municipal year.

7.0 2024/25 Financial Monitoring

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To receive a report on the Council's Financial Monitoring position.

8.0 Chair's Update

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BUSINESS AND FINANCE SCRUTINY COMMITTEE

Minutes of a meeting of the Business and Finance Scrutiny Committee held on Tuesday 5 March 2024 at 6.00 pm in Council Chamber, Third Floor, Southwater One, Telford, TF3 4JG

Present: Councillors C R Turley (Chair), Z Hannington (Vice-Chair), A J Burford, F Doran, S Syrda and P Thomas

Also Present: Councillor N A M England (Cabinet Member: Finance, Customer Services and Governance)

In Attendance: A Lowe (Director: Policy & Governance), S Yarnall (Democracy Officer (Scrutiny)), K Callis (Housing Investment Programme Service Delivery Manager) and J Dunn (Director: Prosperity & Investment)

Apologies: Councillor G Luter

BFSC17 Declarations of Interest

None.

BFSC18 Minutes of the Previous Meeting

RESOLVED – that the minutes of the meeting 9 January 2024 be confirmed and signed by the Chair.

BFSC19 Housing Investment - Annual Update

The Director: Prosperity & Investment and Service Delivery Manager: Housing Investment Programme provided an annual update on the Housing Investment Programme following a recent presentation to Cabinet at its meeting on 4 January 2024. The Housing Investment Programme was established in 2015 and was in its ninth year of operation. The objectives of the programme had remained the same since its creation, which included raising the standards of rental provision in the Borough.

To date there were 485 homes that had been developed with a further 359 that were planned or in delivery, making a total of 844 homes with 124 of these being classed as affordable homes, with the programme having supported the delivery of a further 399 affordable homes on sites jointly developed alongside a Housing Association partner. Nuplace had been firmly established as a leading brand and landlord of choice for renters in the Borough. This was evidenced with the annual tenancy survey where 96% of



tenants said they would recommend Nuplace to friends and family. There was a circa of 1,350 people that were living in a Nuplace property across ten sites.

Members were informed of the recent achievements of the Housing Investment Programme and Nuplace. One of which was that voids for the financial year 2022/24 had been contained at approximately 1.91% and below the budget assumption of 3.16%. The programme had delivered a capital growth on the £66.8 million invested to 31 March 2023 with a capital value of £86.7 million.

The presentation summarised the opportunities and challenges in terms of the housing market and future development of the programme. This was outlined in four main areas; the construction industry, legislative changes; financial markets and the housing market. The construction industry presented an increase in construction costs with an increase in labour and materials as well as price fluctuations which would lead to uncertainty. Recent legislative changes presented opportunities and challenges. This included an end to no fault evictions, a decent home standards and increased fire safety. The financial market had indicated that interest rates were rising and remained high. In relation to house prices, Members were advised that there had been a strong increase which was followed by a recent decline. There had also been a strong increase in relation to private rents from 18% to 23% over the last five years.

Members were informed of the growing portfolio which included properties that were completed, in delivery and/or planned. These included sites such as Southwater Way where 46 homes were completed in August 2022. Some of the in delivery properties included The Gower, St Georges which would include 13 dwellings for Nuplace and the creation of a community hall and parish council offices with a scheduled completion for the end of 2024. The portfolio outlined future projects such as the Station Quarter development that sought 117 low carbon town houses and apartments for Nuplace. The target for Station Quarter was due to start July 2024 with a completion of Spring 2026.

The presentation outlined Telford & Wrekin Homes. The vision of Telford & Wrekin Homes was to invest in and protect the existing housing stock through high quality renovations, to further spread the work of the programme and to provide a “home for life” for tenants. This included a focus on providing housing options for a range of priority clients which included young people, veterans and care leavers. This was achieved through a streamlined approach to acquisition and refurbishment with support from the Wrekin Housing Group. There had been a total of 52 properties acquired from Wrekin Housing Group to support Telford & Wrekin Homes as well as other housing initiatives being promoted by the Council. The portfolio included the Theatre



Quarter in Oakengates which commenced in November 2023 with handovers projected by mid-2025.

The portfolio generated a monthly gross income of approximately £340k and the voids for 2023/24 were currently held at 1.38%. Members were informed that officers were actively managing bad debts which included payment plans to support tenants. Expenditure of maintenance was at 10.33% turnover for the year ended 31 March 2023 and it was currently at 12.5% for 2023/24.

A case study was presented to Members that illustrated the importance of housing security for families, especially for a family that had children with SEND needs, which used a Nuplace property.

The programme highlighted the social and added value to support local businesses and local people. This included supporting apprenticeship, employment and training opportunities for tenants and workers especially care leavers. Other areas of social and added value of the programme were highlighted such as tackling homelessness and addressing the climate emergency. The ways in which the programme addressed social and added value had been reported quarterly to the Board.

The presentation concluded by examining the financial impacts since the programme was formed in 2015. This included that the total investment since the start of programme amounted to £132.9 million. There was £66.1 million that remained unallocated for future schemes. The Council had invested capital into the company through either debt or equity finances and demands a commercial return. There had been a cumulative net incremental income of £9.7 million to the Council since 2015/16 along with an additional £4 million through Council Tax and New Homes Bonus since 2016/17.

The Director: Prosperity & Investment suggested a site visit to Members to the Donnington Nuplace site to observe the achievements of the programme. Members were open to the site visit and further information on when the site visit would take place would be communicated to Members.

Following the presentation, Members raised a number of questions.

Did the programme have the resources to adapt to future challenges that come with future growth?

The Service Delivery Manager: Housing Investment Programme assured Members that the approach to managing the portfolio was continuously reviewed with additional resources secured as required. . The team work closely with colleagues in the authority who provide tenancy and property management services to provide support and plan for any issues that might occur.



The 485 homes that had been developed were quoted to generate £4 million in income with £3 million in the Council budget earmarked for future development, has the budget factored accounted for rental increase costs?

The budget had factored the increase in rents of 1.1% per annum although tenancy agreements allow for an increase greater than this. Officers were currently working with tenants to help manage the increase of rents and to provide further support.

Were the houses as part of Nuplace built on brownfield sites?

Members were advised that the houses for Nuplace were built on brownfield sites.

Voids were associated with unoccupied properties, why were there voids in general being quoted?

Voids reflected the rental market and it was illustrated that there would be certain level of voids as tenants moved from one property to another.

What proportion of tenancy of Nuplace properties were not current residents of Telford and Wrekin?

The Service Delivery Manager: Housing Investment Programme advised that the statistics would be circulated to Members following the meeting.

The Chair thanked the Director: Investment & Prosperity and the Service Delivery Manager: Housing Investment Programme for presenting the annual update to the Committee and welcomed the proposed site visit to the Donnington Nuplace site.

BFSC20 Work Programme Review

The Director: Policy & Governance provided the work programme review to the Committee. The work programme outlined the work that the Committee had completed, including the review of the Council's budget, and the work that was yet to be scheduled, majority of which were workshops to be arranged. The Committee were informed that this was the last meeting of the municipal year and that the items to be scheduled would take place in the next municipal year.

It was highlighted that the work programme allowed for this as it was now a two year work programme. If there were further changes to the work programme the Committee would be informed accordingly. Members were advised that the item in relation to the LEP would be a movable item as it was



impacted by national changes and Members would be kept updated as this developed.

BFSC21 Chair's Update

The Chair had no further updates for the Committee.

The meeting ended at 6.40 pm

Chairman:

Date: Date Not Specified

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Business and Finance Scrutiny Committee

Wednesday 27 November 2024

Terms of Reference 2024 / 2025

Cabinet Member:	Cllr Zona Hannington - Cabinet Member: Finance, Governance & Customer Services.
Lead Director:	Anthea Lowe - Director: Policy & Governance
Service Area:	Policy & Governance
Report Author:	Paige Starkey – Senior Democracy Officer (Scrutiny)
Officer Contact Details:	Tel: 01952 380110 Email: Paige.Starkey@telford.gov.uk
Wards Affected:	All Wards
Key Decision:	Not Key Decision
Forward Plan:	Not Applicable
Report considered by:	Business and Finance Scrutiny Committee – 27 November 2024

1.0 Recommendations for decision/noting:

It is recommended that the Business and Finance Scrutiny Committee:-

- 1.1 Review and agree the Terms of Reference set out at Appendix A.

2.0 Purpose of Report

- 2.1 To set out the Terms of Reference for the Business and Finance Scrutiny Committee outlined at Appendix A.

3.0 Background

- 3.1 The Constitution requires that Full Council should agree at its Annual Meeting the Terms of Reference for each of its Committees to enable the Council to efficiently conduct its business.

3.2 At the Annual Meeting of the Council on 23 May 2024, Full Council delegated authority to each Committee to review its own Terms of Reference.

3.3 The Terms of Reference forms part of the Consitution and approved by Full Council in that context on 3 March 2022.

4.0 Summary of main proposals

4.1 For the Committee to review its Terms of Reference.

5.0 Alternative Options

5.1 There are no alternative options arising from this report.

6.0 Key Risks

6.1 There are no key risks arising from this report.

7.0 Council Priorities

7.1 A community-focused, innovative council providing efficient, effective and quality services.

8.0 Financial Implications

8.1 There are no Financial Implications arising from this report.

9.0 Legal and HR Implications

9.1 The Constitution requires that Terms of Reference should be reviewed on an annual basis. The terms of reference should provide clarity on the election of the chair and Vice-Chair and once confirmed, the Monitoring Officer will update the Constitution. There are no direct legal implications arising from this report.

10.0 Ward Implications

10.1 There are no ward implications arising from this report.

11.0 Health, Social and Economic Implications

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

12.0 Equality and Diversity Implications

12.1 There are no equality and diversity implications arising from this report.

13.0 Climate Change and Environmental Implications

Terms of Reference 2024/2025

13.1 There are no Climate Change or Environmental implications arising from this report.

14.0 Background Papers

1 Council Constitution

15.0 Appendices

A Business and Finance Scrutiny Committee – Terms of Reference

16.0 Report Sign Off

Signed off by	Date sent	Date signed off	Initials
Legal Services	02/08/2024	06/08/2024	SH
Finance	02/08/2024	28/08/2024	AEM

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BUSINESS & FINANCE SCRUTINY COMMITTEE TERMS OF REFERENCE

Membership

1. The group will be made up of elected members of the Scrutiny Assembly, as appointed at Annual Council in line with the political balance of the Council.
2. The Committee may include Co-opted scrutiny members but they must not exceed 50% of the number of elected members.
3. In addition to standing co-optees, the Committee may appoint additional co-optees for one-off reviews to supplement the skills, knowledge and experience of members of the Committee on that particular issue (subject to the rule on total number of co-optees above).
4. The Chair is appointed at the Annual General Meeting of full Council. A Vice-Chair may be appointed by majority decision of the Committee
5. The quorum for a meeting is 3 elected members.

Functions

6. The Committee will be the main mechanism by which Scrutiny members will scrutinise and monitor issues relating to the following key areas:
 - Service & Financial Planning including Budget and Income Generation, Property Investment Portfolio, Property Management and Revenues
 - Commercial Projects
 - Economic development projects including broadband
 - Skills and employability
 - Support to business and growth sectors
 - Business investment
 - Attracting funding for Telford & Wrekin
 - Partnerships
 - West Midlands Combined Authority
 - Local Enterprise Partnership
 - Visitor Economy including tourism operation and development
 - Pride Programme
 - Workforce issues
 - HCA Land Deal
 - Local Plan (Jointly with Environment Scrutiny Committee)
7. The Committee will set its own work programme. The following points may be taken into consideration when considering the work programme each year:
 - areas where significant change is proposed and the potential impacts
 - performance in areas where significant change has been implemented;
 - areas of financial overspend;

Appendix A

- areas receiving a high level of budgetary commitment;
- areas where there is a high level of user dissatisfaction;
- reports and action plans produced/agreed with external partners;
- areas that are key issues for the public or have become a public interest issue covered in the media.

8. The Committee will consider matters referred by the Scrutiny Management Board, and will exercise discretion as to whether a suggestion falls within the remit of the Committee to scrutinise.

Meeting Administration and Proceedings

9. The Committee procedure rules as set out in the Council's Constitution apply to this Committee.

10. The meetings will follow the principles of scrutiny - ie no party whip will be applied and a constructive, evidence based approach will be used.

11. If the Chair and Vice Chair (if appointed) are unable to attend a meeting the members present will elect a Chair for the meeting.

12. All Scrutiny Committee meetings will be held in public, unless exempt information is being considered or discussed. Scrutiny Committees may appoint sub-groups to carry out investigative work as part of a review and these sub-groups may hold informal meetings but will report back their findings to the Scrutiny Committee.

13. The meetings will be administered by Scrutiny Services and Democratic Services. Meetings will be held regularly and dates will be agreed by the members of the Committee at the start of each municipal year. Members of the Committee may call additional meetings as required to follow up concerns identified in their scheduled meetings or sub-sets of members may form working groups that meet outside the scheduled meetings to investigate specific issues.

14. Relevant Cabinet Members, Executive Directors, Directors and Service Delivery Managers will attend the Committee at the request of the Chair. Representatives from partner organisations may be invited to attend.

Sensitive and Confidential Information

15. From time to time members may become privy to information of a confidential nature. If this happens, members must maintain this confidence. Members are unable to request personal/confidential information from Officers about an individual or family.

Information obtained as a result of membership of the Committee is sensitive and should be treated as being confidential by members.



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Business and Finance Scrutiny Committee

Wednesday 27 November 2024

Business and Finance Scrutiny Committee Work Programme

Cabinet Member:	Cllr Zona Hannington - Cabinet Member: Finance, Governance & Customer Services
Lead Director:	Anthea Lowe - Director: Policy & Governance
Service Area:	Policy & Governance
Report Author:	Paige Starkey - Senior Democracy Officer (Scrutiny)
Officer Contact Details:	Tel: 01952 380110 Email: Paige.Starkey@telford.gov.uk
Wards Affected:	All Wards
Key Decision:	Not Key Decision
Forward Plan:	Not Applicable
Report considered by:	Business and Finance Scrutiny Committee – 27 November 2024

1.0 Recommendations for decision/noting:

It is recommended that the Business and Finance Scrutiny Committee:-

- 1.1 Review and agree the work programme as shown at Appendix A.

2.0 Purpose of Report

- 2.1 To set the work programme for the Business and Finance Scrutiny Committee as outlined in Appendix A.

3.0 Background

- 3.1 Work programmes for scrutiny committees are reviewed annually, with a period of consultation taking place in the months running up to a new municipal year. The

Business and Finance Scrutiny Committee Work Programme

public, key stakeholders, and Council officers are asked to put forward scrutiny suggestions for inclusion on the coming year's work programme.

3.2 Following the consultation period, a draft work programme is taken to Scrutiny Management Board and the Scrutiny Assembly for comment before being sent on to individual committees for final approval.

3.3 The Constitution states that scrutiny committees are to set and undertake their own programme of work, meeting as required to deliver the work programme.

3.4 Work programmes can be amended throughout the year if the committee or Scrutiny Assembly deem it necessary.

4.0 Summary of main proposals

4.1 For the Business and Finance Scrutiny Committee to review and approve the attached draft work programme shown at Appendix A.

5.0 Alternative Options

5.1 There are no alternative options arising from this report.

6.0 Key Risks

6.1 There are no key risks arising from this report.

7.0 Council Priorities

7.1 A community-focussed, innovative council providing efficient, effective and quality services.

8.0 Financial Implications

8.1 There are no financial implications arising from this report.

9.0 Legal and HR Implications

9.1 In accordance with the Committee's Terms of Reference, the Committee will set its own work programme for the municipal year, will consider matters referred to it by the Scrutiny Management Board, and may make recommendations to Cabinet and Full Council following scrutiny.

10.0 Ward Implications

10.1 There are no ward implications arising from this report.

11.0 Health, Social and Economic Implications

11.1 There are no health, social and economic implications arising from this report.

12.0 Equality and Diversity Implications

12.1 There are no equality and diversity implications arising from this report.

13.0 Climate Change and Environmental Implications

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

14.0 Background Papers

1 Council Constitution

15.0 Appendices

A Work Programme – Business and Finance Scrutiny Committee

16.0 Report Sign Off

Signed off by	Date sent	Date signed off	Initials
Legal Services	02/08/2024	24/09/2024	ON
Finance	02/08/2024	28/08/2024	AEM

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Business & Finance Scrutiny Work Programme 2024/25

Issue / Topic	Brief Description	Directorate	Council Values/Priorities	Format	Meeting Comments
27 November 2024 – Committee Meeting					
Terms of Reference	For the Committee to agree the Terms of Reference for 2024/25.	Policy & Governance	A community-focussed, innovative council providing efficient, effective and quality services.	Committee Agenda Item	Constitutional Function.
	Outcomes:				
Work Programme	For the Committee to agree the proposed work programme for 2024/25.	Policy & Governance	A community-focussed, innovative council providing efficient, effective and quality services.	Committee Agenda Item	Draft work programme delegated to each scrutiny committee by SMB on 3 September 2024.
	Outcomes:				
Financial Monitoring 2024/25	For the Committee to receive a report on the Council's Financial Monitoring position for 2024/25	Finance, IDT & People	<p>Every child, young person and adult lives well in their community.</p> <p>Everyone benefits from a thriving economy.</p> <p>A community-focussed, innovative council providing efficient, effective and quality services.</p>	Committee Agenda Item	New suggestion received for 2024/25 work programme.
	Outcomes:				

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Issue / Topic	Brief Description	Directorate	Council Values/Priorities	Format	Meeting Comments
27 November 2024 – Committee Meeting					
Telford Land Deal	For the Committee to receive regular updates in relation to the Telford Land Deal.	Prosperity & Investment	<p>Every child, young person and adult lives well in their community.</p> <p>Everyone benefits from a thriving economy.</p> <p>A community-focussed, innovative council providing efficient, effective and quality services.</p>	Committee Agenda Item	To receive an update in relation to the Telford Land Deal, considering the financial impact on the Council and its value for money.
	Outcomes:				
Housing Investment Programme - Annual Update (Nuplace)	For the Committee to receive an annual update on the Council’s Housing Investment Programme, including key achievements over the last year and current progress of delivery of the programme.	Prosperity & Investment	<p>Everyone benefits from a thriving economy.</p> <p>A community-focussed, innovative council providing efficient, effective and quality services.</p>	Committee Agenda Item	To review and consider the Housing Investment Programme, assessing the performance and delivery of the programme in the last year.
	Outcomes:				

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Issue / Topic	Brief Description	Directorate	Council Values/Priorities	Format	Meeting Comments
7, 16, 21 January 2025 – Committee Meeting					
Medium Term Financial Strategy (Budget)	For the Committee to consult on the draft budget & policy framework proposals published by the Leader and any alternative proposals developed by opposition groups.	Finance, IDT & People	Every child, young person and adult lives well in their community. Everyone benefits from a thriving economy. A community-focussed, innovative council providing efficient, effective and quality services.	Committee Agenda Item	To fulfil the Committee’s role as a consultee on the Council’s draft budget and to consider any alternative proposals.
Outcomes:					



Issue / Topic	Brief Description	Directorate	Council Values/Priorities	Format	Meeting Comments
7 May 2025 – Committee Meeting					
Pride in Your High Street	Reviewing post-Covid recovery and the impact of High Street improvement works and the Pride in Our High Street scheme.	Prosperity & Investment	<p>Every child, young person and adult lives well in their community.</p> <p>Everyone benefits from a thriving economy.</p> <p>A community-focussed, innovative council providing efficient, effective and quality services.</p>	Committee Agenda Item	To assess the role of the scheme in post-Covid recovery and to consider the ongoing impact the scheme has on the Borough Town high streets.
Outcomes:					



Issue / Topic	Brief Description	Directorate	Council Values/Priorities	Format	Meeting Comments
To be scheduled					
Commercial Contract Update	For the Committee to receive an annual update on the Council's commercial contracts.	Neighbourhood & Enforcement Services	Everyone benefits from a thriving economy. A community-focussed, innovative council providing efficient, effective and quality services.	Committee Agenda Item	Standing Item.
	Outcomes:				
Corporate Grants	For the Committee to consider the Council's corporate grants, does every pound the Council invests go to the front line.	Finance, IDT & People	A community-focussed, innovative council providing efficient, effective and quality services.	Committee Agenda Item	To review the Council's corporate grants and whether funding invested goes into frontline services. The Committee will be asked to consider forming a task and finish group.
	Outcomes:				



Issue / Topic	Brief Description	Directorate	Council Values/Priorities	Format	Meeting Comments
To be scheduled					
Housing Investment Programme (Nuplace Site Visit)	For the Committee to attend a site visit to the Nuplace development located in Donnington.	Prosperity & Investment	Everyone benefits from a thriving economy. A community-focussed, innovative council providing efficient, effective and quality services.	Site Visit	To be scheduled for Spring 2025.
Outcomes:					





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Borough of Telford and Wrekin

Business & Finance Scrutiny Committee

27 November 2024

2024/25 Financial Monitoring Report

Cabinet Member:	Cllr Zona Hannington - Cabinet Member: Finance and Governance
Lead Director:	Michelle Brockway - Interim Director: Finance, People and IDT
Service Area:	Finance, People and IDT
Report Author:	Pauline Harris – Finance Manager
Officer Contact Details:	Tel: 01952 383701 Email: pauline.harris@telford.gov.uk
Wards Affected:	All Wards
Key Decision:	Key Decision
Forward Plan:	Yes – 30 October 2024
Report considered by:	SMT – 24 September 2024 Business Briefing – 3 October 2024 Cabinet – 7 November 2024 Full Council – 12 November 2024 Business & Finance Scrutiny Committee – 27 November 2024

1.0 Recommendations for Decision/Noting

It is recommended that Cabinet:

- 1.1 Notes the 2024/25 revenue budget position; and that Full Council approve the use of £0.216m Special Fund balances for additional lighting works to be undertaken in the Special fund areas;
- 1.2 Notes the position in relation to capital spend; and recommends that Full Council approve the changes to the capital programme detailed in Appendix C and all

associated changes to the Medium Term Financial Strategy, including Treasury and Prudential Indicators;

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

2.0 Purpose of Report

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

3.0 Background

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

- 3.6 There is a statutory duty for local authorities to set a balanced and robust budget each financial year and to take timely action to address financial pressures. It is our aim to continue to deliver quality services whilst ensuring a balanced budget.

4.0 Summary of main proposals

- 4.1.1 Nationally, Councils continue to face extreme challenges with unprecedented pressures driven by high costs and high demand for services – particularly Adult Social Care, Children’s Safeguarding and School Travel Assistance. Following the publication of its Local Government White paper in June 2024 which stated “there has never been a more difficult time for local government”, the LGA has now published its submission to the Treasury ahead of the Autumn Budget and Spending Review. In it, they are clear that “councils are under severe financial strain” with a funding gap of £6.2bn predicted over the next 2 years and financial sustainability being tested. As their Priority 1, the LGA are calling for “a significant and sustained increase in overall funding that reflects current and future demands for services. In addition, the system for funding councils is out of date, opaque and urgently in need of reform. Councils need multi-year and timely finance settlements, and greater certainty over financial reforms, to enable them to plan ahead and make meaningful financial decisions.”
- 4.1.2 Telford & Wrekin Council echoes the LGA’s views and welcomes the Government’s acknowledgement that councils have a vital role in delivering services to our communities and local government funding is a key issue; we need multi-year and timely finance settlements and clarity over financial reforms to enable future planning and informed decision making.
- 4.1.3 While inflation is expected to reduce in the medium term, current indicators show that the economy will be slower to recover than was expected when the Council’s budget was set. In September 2024 CPI fell to 1.7% which is below the Bank of England’s 2% target and an indication that price increases are steadying. The Bank of England reduced base rate from 5.25% to 5.00% in August with further cuts predicted later in the year but still higher than was anticipated when the Council’s budget was set.
- 4.1.4 Given these factors, monitoring for 2024/25 indicates a number of variations from the approved budget, notably relating to Adult Social Care where in order to meet the needs of the most vulnerable residents, additional investment is required.
- 4.1.5 Before application of remaining contingencies included in the revenue budget, the projected outturn position is currently expected to be over budget by £4.498m at year end, which is an increase of £0.944m since the last report. Making use of the specific earmarked Social Care contingency and an element of the General budget contingency will bring the overall position within budget at year end.

4.1.6 The Council has an excellent track record of strong financial management and Cabinet Members and budget holders will continue their work to manage budgets as effectively as possible during 2024/25 to address in-year financial pressures.

4.1.7 Projections will continue to be refined and updates brought to Cabinet in future financial monitoring reports. While extremely challenging our aim is to continue to deliver quality services to the residents of the borough and protect critical front-line services.

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

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

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

4.2 **Capital**

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

4.3 **Corporate Income Collection**

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

5.0 Additional Information

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

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

*Excludes DSG variances – see 5.2.2 below.

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

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

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

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

5.2.2 Dedicated Schools Grant (DSG)

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

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

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

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

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

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

5.3 CONTINGENCIES, RESERVES & BALANCES

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

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

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

5.3.3 The Budget Strategy Reserve remains at £21.7m.

5.4 CAPITAL

5.4.1 2024/25 Capital Programme

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

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

5.4.2 The 2024/25 capital programme relies on £4.6m of net capital receipts as part of its funding. Capital receipts included in the medium term budget strategy are kept

under continual review and any changes will be reflected in future budget projections but are currently projected to be on target.

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

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

6.0 CORPORATE INCOME MONITORING

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

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

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

6.3 Council Tax (£119.1m)

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

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

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

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

Collection rates are slightly behind target.

6.4 NNDR-Business Rates (£82.3m)

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

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

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

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

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

6.5 Sales Ledger (£103.6m)

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

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

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

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

7.0 Alternative Options

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

8.0 Key Risks

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

Council has comprehensive risk management arrangements in place, which are reviewed and updated by the Senior Management Team.

9.0 Council Priorities

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

10.0 Financial Implications

10.1 The financial impacts are detailed throughout the report.

11.0 Legal and HR Implications

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

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

12.0 Ward Implications

12.1 There are no impacts on specific wards

13.0 Health, Social and Economic Implications

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

14.0 Equality and Diversity Implications

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

15.0 Climate Change and Environmental Implications

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

16.0 Background Papers

2024/25 Financial Monitoring Report

- | | | |
|---|---|--|
| 1 | Medium Term Financial Strategy 2024/25 to 2027/28 | Council 29/02/2024 |
| 2 | 2024/25 Financial Monitoring Report | Cabinet 10/07/2024
Council 18/07/2024 |

17.0 Appendices

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

18.0 Report Sign Off

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

2024/25 Revenue Budget Variations

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

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

2024/25 Revenue Budget Variations over £50,000

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

2024/25 Revenue Budget Variations over £50,000

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

2024/25 Revenue Budget Variations over £50,000

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

2024/25 Revenue Budget Variations over £50,000

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

2024/25 Revenue Budget Variations over £50,000

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

0 0

157,295,840

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APPENDIX C

Capital Approvals - by Service Area

Virements			
Scheme	Service Area	Funding Source	24/25
			£
Highways & Bridges Capital Maintenance	Neighbourhood & Enforcement Services	Prudential	(40,000.00)
Rights of Way	Prosperity & Investment	Prudential	40,000.00
Integrated Transport	Neighbourhood & Enforcement Services	Grant	5,000.00
All Other School Schemes	Education & Skills	Grant	(5,000.00)
AMP - S & FP Approved Bids	Neighbourhood & Enforcement Services	Prudential	(4,500.00)
AMP - General Works & Surveys	Prosperity & Investment	Prudential	4,500.00
Leisure Capital Schemes	Housing, Commercial & Customer Services	Prudential	(150,000.00)
Condition Work	Prosperity & Investment	Prudential	150,000.00
Legacy Fund	Housing, Commercial & Customer Services	Prudential	(88,354.32)
Condition Work	Prosperity & Investment	Prudential	88,354.32
			0.00

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

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

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

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

Capital Expenditure & Commitments - £m

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

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

Capital Financing Requirement/ Borrowing - £m

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

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

Authorised Limit and Operational Boundary (Debt)

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

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

Security

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

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

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

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

Maturity Structure

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

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

Principal sums invested for periods longer than one year

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

Ratio Affordability Measure

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

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