



Borough of Telford and Wrekin

Audit Committee

Wednesday 16 July 2025

6.00 pm

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

Democratic Services:	Jayne Clarke	01952 383205
Media Enquiries:	Corporate Communications	01952 382406

Committee Members:	Councillors H Morgan (Chair), C Chikandamina (Vice-Chair), N A M England, G Luter, L Parker, T J Nelson and W L Tomlinson	
---------------------------	--	--

	Agenda	Page
1.0	Apologies for Absence	
2.0	Declarations of Interest	
3.0	Minutes of the Previous Meeting	3 - 12
	To confirm the minutes of the previous meeting held on 28 May 2025.	
4.0	Treasury Management 2024/25 Annual Report and 2025/26 Update	13 - 54
	To receive the Treasury Management 2024/25 Annual Report and 2025/26 Update Report.	
5.0	Publication of information on Councillors who traded with the Council during 2024/25	55 - 58
	To receive the report on Publication of information on Councillors who traded with the Council during 2024/25.	
6.0	Internal Audit Activity Report	59 - 70
	To receive the Internal Audit Activity Report.	

7.0 Strategic Risk Register

71 - 100

To receive the Strategic Risk Register.

If you are reading these papers on an electronic device you have saved the Council £15.22 and saved 6.1kg of CO₂, based on average agenda printing costs for the 2022/23 municipal year.

AUDIT COMMITTEE

Minutes of a meeting of the Audit Committee held on Wednesday 28 May 2025 at 6.00 pm in Council Chamber, Third Floor, Southwater One, Telford, TF3 4JG

Present: Councillors H Morgan (Chair), C Chikandamina (Vice-Chair), N A M England and G Luter

In Attendance: M Brockway (Director: Finance, People & IDT), J Clarke (Senior Democracy Officer (Democracy)), T Drummond (Principal Auditor), A Lowe (Director: Policy & Governance), R Montgomery (Audit, Governance & Procurement Lead Manager) and E Rushton (Group Accountant)

Also in Attendance: Duncan Laird (External Auditor KPMG).

Apologies: Councillors L Parker, T J Nelson and W L Tomlinson

AU1 Declarations of Interest

None.

AU2 Minutes of the Previous Meeting

RESOLVED – that the minutes of the meeting held on 29 January 2025 be confirmed and signed by the Chair.

AU3 Audit Committee Terms of Reference

The Audit, Governance & Procurement Lead Manager presented the Audit Committee Terms of Reference.

It was a requirement of the constitution to undertake an annual review of the Terms of Reference at the first meeting of the municipal year. There were no changes to the Terms of Reference from the previous year and Members were asked to approve the Terms of Reference for the 2025/26 municipal year.

Upon being put to the vote it was, unanimously:

RESOLVED: that the Terms of Reference for the Audit Committee for the municipal year 2025/2026 be approved.

AU4 Annual Governance Statement 2024/25

The Director: Policy & Governance and the Audit, Governance & Procurement Lead Manager presented the Annual Governance Statement 2024/25 (“AGS”) which would accompany the annual accounts and the Local Code of Good Governance.

To complete the AGS, Internal Audit had undertaken a review of the Council's adherence to the CIPFA/SOLACE Framework – Delivering Good Governance in Local Government. To check compliance with this they had issued assurance certificates containing governance-related questions to all Service Delivery Managers, with sign off from Directors and Executive Directors. Sample testing was undertaken for accuracy.

The Annual Governance Statement and Local Code of Good Governance outlined that the Council had a robust governance framework in place and demonstrated the continual review of procedures in order to maintain good governance. Where any development was required, an action plan would be devised and monitored throughout the year which would be reported to the Committee in January 2026.

Based on the outcome of the AGS, the work of Internal Audit and other external assessments, the Chief Internal Auditor gave a reasonable level of assurance on the Council's governance arrangements, reflecting a robust framework despite the challenging economic climate. This was a testament to the hard work of the team and the wider organisation.

Members welcomed the report and thanked the teams for their hard work which had not gone unnoticed.

Upon being put to the vote it was, unanimously:

RESOLVED – that:

- a) the report be noted;**
- b) the Annual Governance Statement 2024/25 be approved; and**
- c) the Local Code of Good Governance be approved.**

AU5 Draft Statement of Accounts 2024/25

The Director: Finance, People & IDT informed Members that under the Accounts and Audit Regulations, the Statement of Accounts must be produced by 30 June 2025, which had been achieved. The Statement had been produced in accordance with the CIPFA code of practice and draft Statement of Accounts for 2024/25 had been published on the website; the outturn position had not yet been presented to Cabinet or Full Council. The document was lengthy and complex and included consolidated group accounts for NuPlace. Members were encouraged to review the statements and raise any queries with the Finance Team.

The audited Statement of Accounts would be brought back to Committee in the autumn for final approval, once the audit had been completed. Prior to the accounts and audit findings being presented, a training session would be held for Members.

The Statement of Accounts must be made available for public inspection for 30 working days. An advertisement would be placed on the Council's website and in the Shropshire Star detailing the dates for inspection.

The External Auditors, KPMG, would be undertaking the audit work and report their findings during the year.

Members were asked to review the unaudited statement of accounts for the year ending 31 March 2025.

Members welcomed the report and commended the team for their efforts, particularly given the position nationally in relation to the deadline for Statements of Account.

The report was noted.

AU6 External Audit Fee Letter and Plan for 2024/25

KPMG, External Auditors, presented the Audit Plan.

The report was divided into two main responsibilities: giving an opinion on the financial statements and providing a value for money (VFM) conclusion. This looked at the arrangements for sustainability, governance, economy and efficiency and effectiveness.

In relation to materiality, this was used to determine if there were any significant errors in the accounts and if they warranted any concern. The threshold was set at £11.5 million for the Group Accounts and £11.4million for the Council.

The materiality level for misstatements is £575k for the Group Accounts and £552k for the Council, errors corrected or uncorrected above these levels will be reported to the Audit Committee.

The significant risks and other risks were broadly similar to previous years, focusing on areas of the accounts such as assumptions that could change numbers (ie discount rates or inflation). Valuation of land and buildings involved calculations and assumptions about future years, often requiring input of internal specialists. There was a potential for the override of controls which was also highlighted as a significant risk.

Two other risks to be highlighted were the adoption of IFRS16 leasing accounting and the difference between revenue expenditure and capital expenditure.

In relation to Value for Money (VFM) work, KPMG were pleased to report that this was progressing well. Initial assessment had indicated there were no significant risks. Ongoing work throughout the audit would continue to support this conclusion. The commentary on VFM formed the basis of the auditor's

annual report which set out to inform the public about the audit work undertaken and the conclusions reached regarding the Council's arrangements.

The audit fee for 2024/25 as set out in the PSAA scale of fees was currently £338k, however there would be fee variations for ISA600 and IFRS16. There could also be additional fees if any significant risks were to be identified as part of the VFM assessment.

Members welcomed the report and the very robust Audit Plan. Some Members felt it would be useful to have training, particularly to understand the terminology and acronyms used and welcomed the training that would be provided by the Finance Team at a future meeting. They thanked the Team for being helpful and encouraging and clarifying any queries.

The report was noted.

AU7 Internal Audit Annual Report 2024-25

The Principal Auditor and the Audit, Governance & Procurement Lead Manager presented the Internal Audit Annual Report 2024-25, the Audit Committee Annual Report, 2024-25 and the 2025-26 Annual Audit Plan.

Planned resources of 610 days had been allocated, but due to some unplanned assignments some of the audits had been deferred and this amended the total planned time to 422 days. Audit Committee had been kept updated during the municipal year and at the end of 2024/25 some audits had been rescheduled.

The Chief Internal Auditor Annual Opinion gave reasonable assurance as set out in the report.

In relation to report issues and gradings, green, yellow and red reports had decreased but there had been an increase in amber reports from the previous year.

The Internal Audit team had achieved or exceeded all of its KPIs that had been set and customer satisfaction surveys showed a 100% satisfaction rate

The Internal Audit Plan 2025/26 set out details of the Council's statutory obligation to provide assurance as part of the its corporate governance framework and effective management of risks. To ensure effective use of resources, reasonable assurance was provided through the development of the annual Audit Plan. The Plan was risk-based with areas of concern identified by management and from intelligence-led information. The Plan had been drawn up on available resources and 628 days plus a two percent contingency had been allocated for 2025/26, although the Plan remained dynamic and could change throughout the year.

In response to a question regarding preventative measures that were in place to prevent fraud and misuse of public monies or public resources, Members were informed that there had not been many cases. There were good open channels of dialogue where any concerns could be highlighted.

Members were also advised that the Council ensured that the right controls were in place in respect of direct payments to ensure that assessments were, and remained, accurate and valid. There was an ongoing role for the Financial Case Management Team to ensure the spend was appropriate. An audit of Direct Payments is planned during 2025/26, to provide assurance to the Committee that processes are being followed.

Upon being put to the vote it was, unanimously:

RESOLVED - that:

- a) the Internal Audit Annual Report for 2024/25 be noted;**
- b) the Internal Audit Plan 2025/26 be approved; and**
- c) the operations of the Audit Committee for 2024/25 be noted.**

AU8 Internal Audit Activity Report

The Principal Auditor presented Internal Audit Activity Report which updated Members on the progress made against the 2024/25 Internal Audit Plan and the recent work of Internal Audit.

In relation to the work undertaken by Internal Audit between 1 January 2025 and 31 March 2025 and the progress on previous reports issued, six reports had been issued: one red, one amber and four yellow reports. Follow up audits would take place at the appropriate time. Where follow up audits had taken place, gradings had improved.

The 2024/25 Plan had approved 46 audits. Eight audits were currently in progress, eighteen had been completed and nineteen audits had been deferred.

Commercial contracts with Academies continued to progress.

The report was for noting.

AU9 Information Governance & Caldicott Guardian Annual Report

The Director: Policy & Governance and the Audit, Governance & Procurement Lead Manager presented the Information Governance & Caldicott Guardian Annual Report which provided an update and asked for approval of the Information Governance (IG) Work Programme for 2025/26.

The Local Authority Data Handling Guidelines recommended that each local authority should appoint a Senior Information Risk Owner (SIRO). The SIRO should be a representative at senior management level and had responsibility for ensuring that management of information risks were weighted alongside the management of other risks facing the Council such as financial, legal and operational risk. The nominated SIRO was the Director: Policy & Governance.

It was a requirement that an annual report be prepared in order to give assurance that there were clear, robust processes in place to allow for any relevant risks to be raised to the organisation and that the Council was an ethical and responsible authority.

The Council was required to comply with three main pieces of legislation being the Freedom of Information Act 2000, Environmental Information Regulations 2004 and UK Data Protection Act 2018/UK GDPR in respect of public sector information which supported all of the services across the Council.

During 2024/25 the Council had received 1,262 Freedom of Information (FOI) requests which was an increase of 22% on the previous year. Of those received, 86% had been responded to within the 20 working day deadline which was marginally lower than the target set, although an improvement on the previous year.

There had been three referrals from the Information Commissioner's Officer (ICO) during 2024/25 where the public had been dissatisfied with the response from the Council. Although these did not require any action as a Council, one had been escalated to the first-tier tribunal which fell in favour of the requester and further information was released.

In relation to Subject Access Requests, 136 had been received during the reporting period which was an increase of 32 on the previous year with 96% being responded to on target which exceeded the ICO target.

The Director: Adult Social Care was allocated to the role of Caldicott Guardian who was the Senior information Risk Owner overseeing the use of data in the authority in order to meet good governance within the Council and actively supported efforts to enable information sharing where appropriate and advise on lawful and ethical processing options.

During the debate, Members welcomed the report and noted the Council was not shying away from the use of AI but embracing it whilst balancing the risks. It was asked if the Council required legislation from central government in order to use additional AI technology. In relation to FOI requests, were there repetitive and trending questions and did this impact on the reason for the increase. It was asked if there was any AI that could be used to reduce the workload for staff in relation to the FOIs which were draining on resources and time consuming.

The Director: Policy & Governance explained that there was no need for additional legislation in relation to AI but that it would need to be used responsibly and ethically. The Business Intelligence Team looked at where data could be used and where informed consent was given how the Council could utilise this to maximise efficiency.

The Director: Adult Social Care informed Members that the authority was currently looking at the use of Magic Notes with testing being carried out on how it interacted with client-based systems and compliance with data protection. Within Adult Social Care, work was being undertaken with the Making it Real Board looking at data, transcribing and records systems and the practical use of AI.

In relation to FOI requests, the Audit, Governance & Procurement Lead Manager indicated that there was no clear reason or theme for the increase in requests but peaks and troughs of interest or things occurring locally. Neighbourhood and enforcement and adult social care were more prevalent. The use of AI could not be discounted as a tool, but the law did allow the Council to refuse a request if it would be more than 18 staff hours and exemptions could be put in place if there were multiple requests from the same person on the same topic.

The Director: Policy & Governance noted that the FOI framework was a useful tool in enabling scrutiny of the work of the Council.

Upon being put to the vote it was, unanimously:

RESOLVED – that:

- a) the Information Governance & Caldicott Guardian Annual Report for 2024/26 be noted; and
- b) the Information Governance Work Programme for 2025/26 be approved.

AU10 Corporate Anti-Fraud & Corruption - 2024/25 Annual Report and Policy

The Audit, Governance & Procurement Lead Manager presented the Corporate Anti-Fraud & Corruption - 2024/25 Annual Report which detailed the activity which had taken place and set out the Policy which required approval.

The Annual Report and associated policy supported a key element of good corporate governance – Standards of Conduct and ensured those aims associated with it maintained the high standards of ethics and conduct in public life.

The report contained information in relation to counter fraud and investigation activities within the borough during the 2024/25, undertaken by the

Investigation Team along with Internal Audit, IDT Services and the work that other enforcement teams completed in tackling specific types of fraud. The outcome of the work had returned money to the Council or had ensured future spend had been stopped in the sum of £305,000 which demonstrated the value of preventative activities to stop fraud.

For Member information, there were currently two live investigations that were being looked at regionally due to their scale and complexity, but that the majority of cases were handled internally.

The Anti-fraud and Corruption Policy required approval every two years in order to retain the standards and help limit fraud and corruption.

During the debate, Members welcomed the report and asked if the Council had been involved in any covid fraud investigations locally. It was also asked if single occupancy council tax discount claims were a big issue, where claimants were found not to be living alone. How much work went into reclaiming low value fraud and how did the Council claim back its resource and what proportion did it receive.

The Audit, Governance & Procurement Lead Manager confirmed that in relation to covid fraud, the Council were involved in emergency measures initially when grants were given out. The team has been involved with investigating a small number of suspected frauds. There was currently nothing in the work programme as this work would now be taken up centrally by the government. In relation to single occupancy, value was not a huge issue, many claims were relatively small and not material for accountancy purposes. They did, however, take up a lot of resource and the Team regularly looked at ways to reduce this through proven processes. Where fraud took place, a vetting process was undertaken to confirm what size was the fraud, how strong was the information and how likely it was to be successful.

The Director: Policy & Governance informed Members that there was initially limited guidance for the authority in relation to Covid grants and the Council was really clear that processes needed to be in place from the start. By being proactive, a number of transactions were prevented from being paid and where investigations took place the Council acted quickly in getting payments returned or preventing payments being made. Any current frauds were being dealt with nationally. In relation to single occupancy, not everything was fraud, but it did take a lot of time having to track back through records and it was often an initial genuine claim but at a particular point a failure to notify change in circumstances. The Fraud Team was small, and resources needed to be used efficiently in order to look after the public purse. The Council needed to remain proactive whilst balancing prosecutions ethically and within policy, directing resources where they were needed. National initiatives such as data matching with the DWP and fraud initiatives helped deliver and direct the resources.

Upon being put to the vote it was, unanimously:

RESOLVED – that:

- a) the 2024/25 Annual Report on corporate anti-fraud and corruption activity be noted; and
- b) the Anti-Fraud & Corruption Policy be approved.

AU11 Outline of Business for 2025/2026

Members were asked to note the outline of business for the 2025/26 municipal year.

The meeting ended at 7.11 pm

Chairman:

Date: Wednesday 16 July 2025

This page is intentionally left blank



Telford & Wrekin
Co-operative Council

Protect, care and invest
to create a better borough

Borough of Telford and Wrekin

Audit Committee

16 July 2025

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

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

1.0 Recommendations for decision/noting:

Audit Committee is recommended to -

- 1.1 Note the contents of the report;
- 1.2 Note the performance against Prudential Indicators; and
- 1.3 Recommend the report to Full Council.

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

	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 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.

Capital Expenditure (£'000)	31.3.24 Actual	2024/25 Original	31.3.25 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
Capital Programme Expenditure	83,485	179,788	87,173
Financed in year from Government Grants, Capital Receipts, Revenue	45,118	61,925	42,918

Capital Expenditure (£'000)	31.3.24 Actual	2024/25 Original	31.3.25 Actual
Contribution & External sources			
Unfinanced capital expenditure (Borrowing)	38,367	117,863	44,255

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 Actual	2024/25 Original	31.3.25 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
Closing balance	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

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 -

	31.3.24 Principal	Interest Rate	31.3.25 Principal	Interest Rate	Movement in Principal
	(£'000)	%	(£'000)	%	(£'000)
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
Total Debt	371,324	3.39	434,903	3.85	63,579

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 31st March 2024.

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

	31.3.24 Actual	31.3.24 Actual Split	31.3.25 Actual	31.3.25 Actual Split
	(£'000)	%	(£'000)	%
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
Total managed in house	17,868	100.0	22,062	100.0
Total managed externally	0	0.0	0	0.0
Total Treasury Investments	17,868	100.0	22,062	100.0

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:

	31.3.25 Actual (£'000)	2025/26 Original (£'000)	31.3.26 Projection at 31.5.25 (£'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)
• Loans CFR	563,740	632,120	628,524
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
• Total	22,062	15,000	15,000
Net borrowing			

	31.3.25 Actual (£'000)	2025/26 Original (£'000)	31.3.26 Projection at 31.5.25 (£'000)
• 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

Signed off by	Date sent	Date signed off	Initials
Finance	04/07/2025	04/07/2025	ER
Legal	08/07/2025	08/07/2025	RP
Director	05/07/2025	07/07/2025	MB

This page is intentionally left blank

Treasury Management Annual Report 2024/25

Telford & Wrekin Council

Contents

Purpose	3
.....	
...	
Executive Summary	4
.....	
Introduction and Background	5
.....	
1. The Council's Capital Expenditure & Financing	5
.....	5
2. The Council's Overall Need to Borrow	7
.....	9
3. Treasury Position as at 31 March 2025	13
.....	14
4. 2024/25 Treasury Strategy	15
.....	15
5. Borrowing Outturn	15
.....	15
6. Treasury Investment Outturn	15
.....	
7. 2024/25 Overall Outturn	
.....	
8. Debt on Disaggregation	
.....	
9. Leasing	
.....	
10. The Economy and Interest Rates	
.....	
Appendix Ai: Prudential & Treasury Indicators	18
.....	
Abbreviations used in the Report	19
.....	

Treasury Management Annual Report 2024/25

Purpose

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

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

- an annual treasury strategy in advance of the year,
- a mid-year, (minimum), treasury update report, and
- an annual review following the end of the year describing the activity compared to the strategy, (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 Actual	2024/25 Original	31.3.25 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
Capital Programme Expenditure	83,485	179,788	87,173
Financed in year from Government Grants, Capital Receipts, Revenue Contribution & External sources	45,118	61,925	42,918
Unfinanced capital expenditure (Borrowing)	38,367	117,863	44,255

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 Actual	2024/25 Original	31.3.25 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
Closing balance	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

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 Actual (£'000)	2024/25 Original (£'000)	31.3.25 Actual (£'000)
Gross borrowing position (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 Principal (£'000)	Interest Rate %	31.3.25 Principal (£'000)	Interest Rate %	Movement in Principal (£'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
Total debt	371,324	3.39%	434,903	3.85%	63,579
Loans CFR	511,180		563,740		52,560
Over / (under) borrowing	(139,856)		(128,837)		11,019
Total investments	17,868		22,062		4,194
Net debt	353,456		412,841		59,385

The maturity structure of the debt portfolio was as follows:

	31.3.24 Actual		2024/25 original limits %		31.3.25 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
Total Borrowing	371,324	100.0			434,903	100.0

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

INVESTMENT PORTFOLIO	31.3.24 Actual (£'000)	31.3.24 Actual Split %	31.3.25 Actual (£'000)	31.3.25 Actual Split %
Treasury investments				
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
Total managed in house	17,868	100.0	22,062	100.0
Total managed externally	0	0.0	0	0.0
Total Treasury Investments	17,868	100.0	22,062	100.0

The maturity structure of the investment portfolio was as follows:

	31.3.24 Actual	2024/25 Budget	31.3.25 Actual
--	-------------------	-------------------	-------------------

	£000	£000	£000
Investments			
Longer than 1 year	0	0	0
Up to 1 year	17,868	15,000	22,062
Total	17,868	15,000	22,062

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.

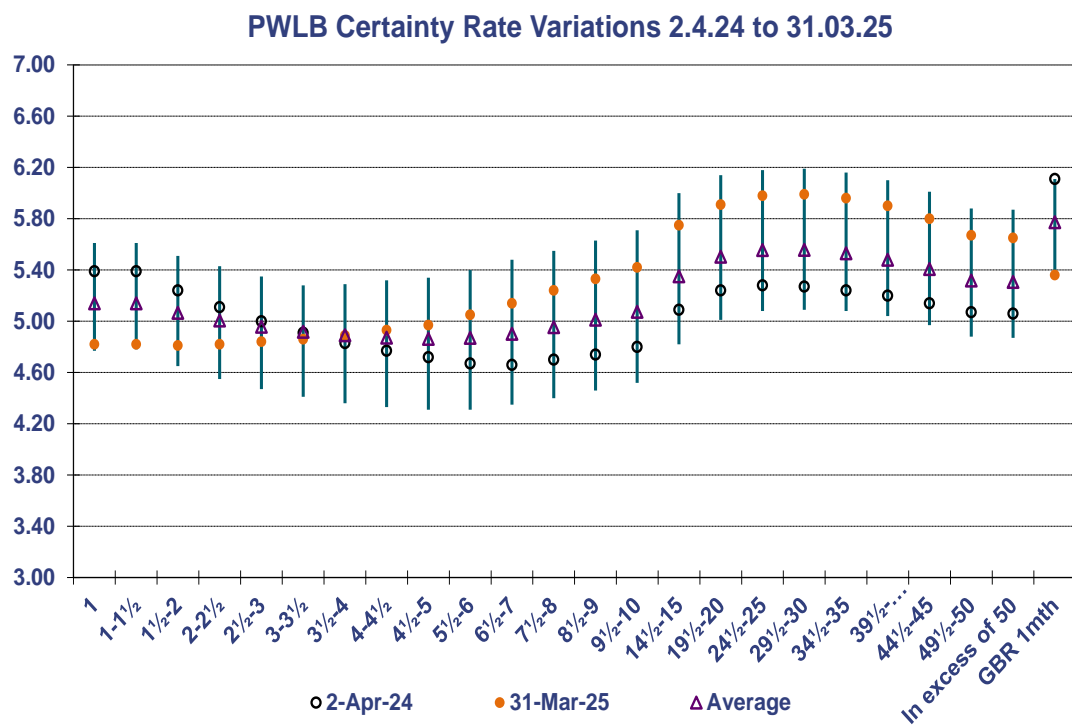
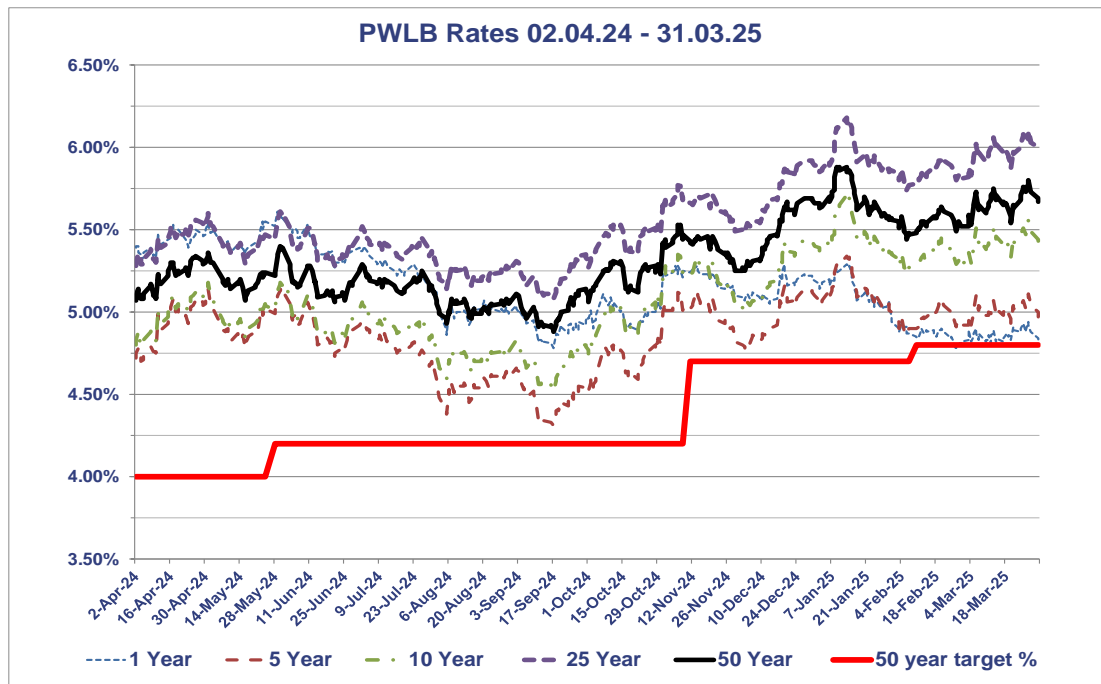
Against this background and the risks within the economic forecast, caution was adopted with the treasury operations. The Director of Finance, People & IDT therefore monitored interest rates in financial markets and adopted a pragmatic strategy based upon the following principles to manage interest rate 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
Low	4.77%	4.31%	4.52%	5.08%	4.88%
Date	26/02/2025	17/09/2024	17/09/2024	17/09/2024	17/09/2024
High	5.61%	5.34%	5.71%	6.18%	5.88%
Date	29/05/2024	13/01/2025	13/01/2025	13/01/2025	09/01/2025
Average	5.14%	4.86%	5.07%	5.56%	5.32%
Spread	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.

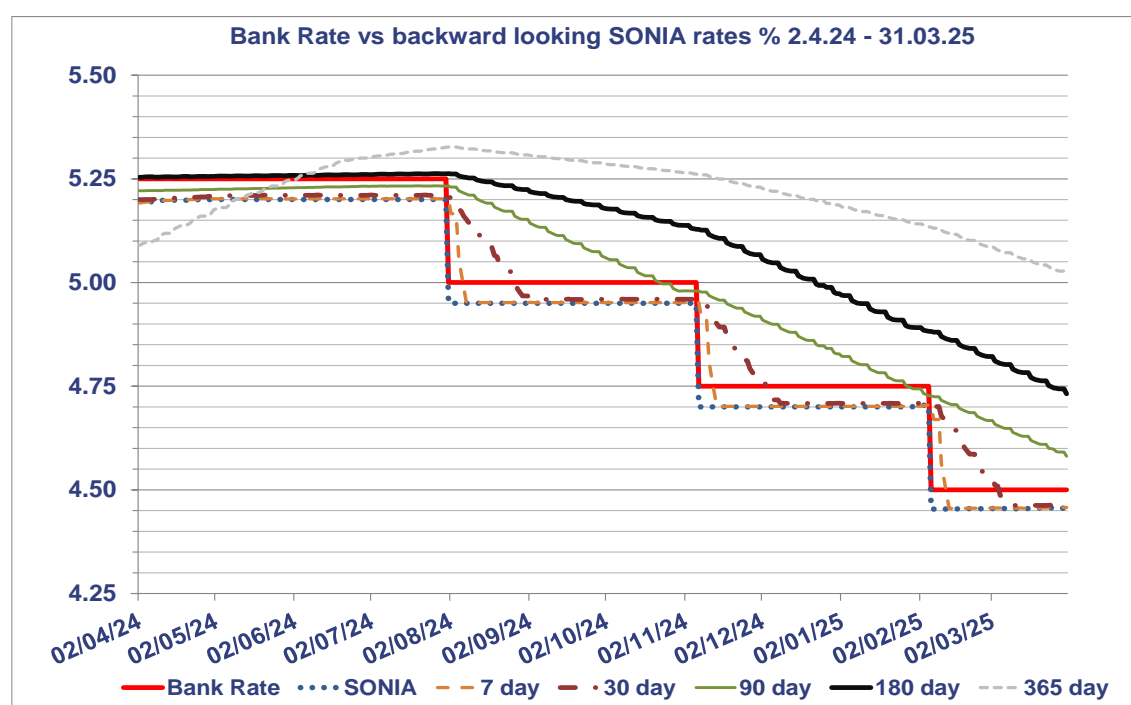
Bank Rate reductions of 0.25% occurred in August, November and February, bringing the headline rate down from 5.25% to 4.5%. Each of the Bank Rate cuts occurred in the same month as the Bank of England publishes its Quarterly Monetary Policy Report, therein providing a clarity over the timing of potential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

	UK	Eurozone	US
Bank Rate	4.50%	2.5%	4.25%-4.5%
GDP	0.1%q/q Q4 (1.1%y/y)	+0.1%q/q Q4 (0.7%y/y)	2.4% Q4 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 3rd 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
TOTAL	619,000	709,000	709,000
Operational Boundary for external debt - borrowing	545,000	635,000	635,000
other long term liabilities	50,000	50,000	50,000
TOTAL	595,000	685,000	685,000
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).

This page is intentionally left blank

Treasury Management Update 2025/26

Telford & Wrekin Council

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

Contents

Purpose	3
Executive Summary.....	4
Introduction and Background	5
1. 2025/26 Treasury Strategy	5
2. Interest Rates	5
3. Prudential Regime	7
4. Borrowing.....	7
5. Treasury Investments	7
6. Project Performance.....	8
List of Abbreviations used in this report	9

Treasury Management Update 2025/26

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 Actual (£'000)	2025/26 Original (£'000)	31.3.26 Projection at 31.5.25 (£'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)
• Loans CFR	563,740	632,120	628,524
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
• Total	22,062	15,000	15,000
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 Actual (£'000)
Gross Borrowing	
• External Debt	426,710
Investments	
• Longer than 1 year	0
• Under 1 year	19,843
• Total	19,843
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 31st 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 1st November 2012.

The latest forecast was provided on 10th 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 30th 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.

INVESTMENT PORTFOLIO	31.5.25 Actual £000	31.5.25 Actual %
Treasury investments		
Banks (Lloyds Bank)	2,723	13.6
Debt Management Office (H.M. Treasury)	12,300	61.5
Money Market Funds	4,980	24.9
Total managed in house	20,003	100.0
Total managed externally	0	0
TOTAL TREASURY INVESTMENTS	20,003	100.0
Credit risk indicator	2025/26 Limit	31.5.25 Actual
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).



Telford & Wrekin
Co-operative Council

Protect, care and invest
to create a better borough

Borough of Telford and Wrekin

Audit Committee Report

Wednesday 16 July 2025

Publication of information on Councillors who traded with the Council during 2024/25

Cabinet Member:	Cllr Zona Hannington – Cabinet Member: Finance, Governance & Customer Services	
Lead Director:	Anthea Lowe – Director: Policy & Governance	
Service Area:	Policy & Governance	
Report Author:	Rob Montgomery – Audit, Governance & Procurement Lead Manager Tracey Drummond – Principal Auditor	
Officer Contact Details:	Tel: 01952 383103 01952 383105	Email: Robert.Montgomery@telford.gov.uk Tracey.Drummond@telford.gov.uk
Wards Affected:	All Wards	
Key Decision:	Not Key Decision	
Forward Plan:	Not Applicable	
Report considered by:	SMT – 1 July 2025 Audit Committee – 16 July 2025	

1.0 Recommendations for decision/noting:

The Audit Committee is asked to:

- 1.1 Note the contents of the report and information that will be published on the Council's website.

2.0 Purpose of Report

- 2.1 The purpose of the report is to present to the Audit Committee information to be published in respect of Councillors who traded with the Council during 2024/25.

3.0 Background

- 3.1 As part of the annual account process, Councillors disclose whether they have an interest in a company/companies that receive payment from the Council. These are shown annually in the Final Accounts that are presented to the Audit Committee.
- 3.2 However, in order to provide better transparency, additional details of any Councillors who have an interest in companies that benefit from trading with the Council will be taken to Full Council via the Audit Committee as a separate report each year and published on the Council's website.
- 3.3 This information will be more readily accessible to the public and demonstrate the Council's co-operative commitment to openness.
- 3.4 It was agreed that the information reported would be the previous year's value and description of any payments received from the Council to any businesses / companies where that Member has an interest.
- 3.5 Only two Councillors were associated with companies (either owners or Directors) that traded with the Council in 2024/25. These were:
- Councillor Stephen Burrell – £403,000 in respect of the company Peace of Mind Homecare. Councillor Burrell is a Director of this company. Peace of Mind Homecare provide domiciliary care services.
 - Councillor Carolyn Healy - £20,946 in respect of the company Red Kite Ltd. Councillor Healy is a Director of this this company. Red Kite Ltd provide landscape architecture and ecological services.

4.0 Summary of main proposals

- 4.1 There are no proposals, this report is for information only.

5.0 Alternative Options

- 5.1 This report could not be written as the information reported is contained within the Council's statement of accounts.

6.0 Key Risks

- 6.1 The risks and opportunities in respect to this report will be appropriately identified and managed.

7.0 Council Priorities

- 7.1 The report supports the Council's values that are embedded in the delivery of all the Council's priorities.

8.0 Financial Implications

- 8.1 There are no financial implications arising from this report. The information is also reported on within Note 48. Related Parties – Members, in the draft statement of account which was considered at the last meeting of the Committee.

9.0 Legal and HR Implications

- 9.1 There are no legal implications directly arising from this report. In addition to the publication of the information referred to in this report, Councillors also have to complete a disclosable pecuniary interests form following their election or within 28 days of an interest arising. This form includes a section where Councillors must provide details of any contracts they have with the Council. The form for each Councillor is published on the Council's website.

10.0 Ward Implications

- 10.1 Ward implications cover all local councils detailed in the Parish Charter.

11.0 Health, Social and Economic Implications

- 11.1 There are no health, social or economic implications.

12.0 Equality and Diversity Implications

- 12.1 Transparency supports equalities and demonstrates the Council's commitment to be open and fair.

13.0 Climate Change, Biodiversity and Environmental Implications

- 13.1 This report has limited environmental impact due to the nature of the work companies reported undertake.

14.0 Background Papers

- 1 Localism Act 2011
- 2 Co-operative Council Commissions Report 2012

15.0 Appendices

None.

16.0 Report Sign Off

Signed off by	Date sent	Date signed off	Initials
Finance	30/06/2025	01/07/2025	AEM
Legal	30/06/2025	07/07/2025	RP

This page is intentionally left blank



Telford & Wrekin
Co-operative Council

Protect, care and invest
to create a better borough

Borough of Telford and Wrekin

Audit Committee

Wednesday 16 July 2025

Internal Audit Activity Report

Cabinet Member:	Cllr Zona Hannington - Cabinet Member: Finance, Governance & Customer Services	
Lead Director:	Anthea Lowe - Director: Policy & Governance	
Service Area:	Policy & Governance	
Report Author:	Tracey Drummond - Principal Auditor Rob Montgomery - Audit, Governance & Procurement Lead Manager	
Officer Contact Details:	Tel: 01952 383105 01952 383103	Email: tracey.drummond@telford.gov.uk, robert.montgomery@telford.gov.uk
Wards Affected:	All Wards	
Key Decision:	Not Key Decision	
Forward Plan:	Not Applicable	
Report considered by:	Senior Management Team – 1 July 2025 Audit Committee – 16 July 2025	

1.0 Recommendations for decision/noting:

Audit Committee are asked to:

- 1.1 Note the information contained in this report in respect of the Internal Audit planned work undertaken between 1 April 2025 and 30 June 2025 and unplanned work to date.

2.0 Purpose of Report

- 2.1 The purpose of this report is to update members on the progress made against the 2025/26 Internal Audit Plan and to provide information on the recent work of Internal Audit.

3.0 Background

- 3.1 This report provides information on the work of Internal Audit from 1 April 2025 to 30 June 2025 and provides an update on the progress of previous audit reports issued.
- 3.2 The key focus for the team during this period was the completion of audits on the annual audit plan and fulfilling commercial contracts.
- 3.3 The information included in this progress report will feed into and inform our overall opinion in our Internal Audit Annual Report. All audit reports issued during the year are given an overall audit opinion based on the following criteria:

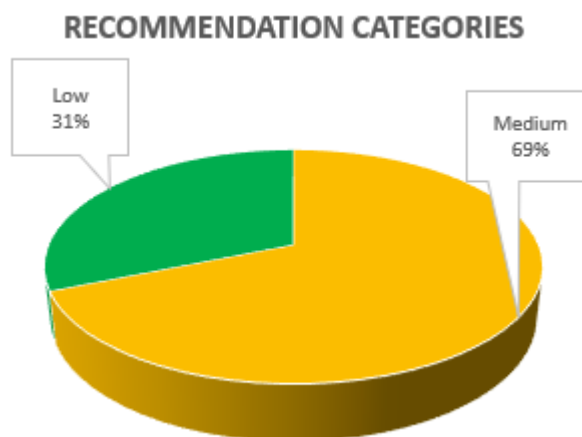
Level of Assurance/Audit Opinion & Definition	
Good (Green) There is a sound system of control designed to address relevant risks with controls being consistently applied.	Reasonable (Yellow) There is a sound system of control but there is evidence of non-compliance with some of the controls.
Limited (Amber) Whilst there is a sound system of control, there are weaknesses in the system that leaves some risks not addressed and there is evidence of non-compliance with some key controls.	Poor (Red) The system of control is weak and there is evidence of non-compliance with the controls that do exist.

Internal Audit Activity Report

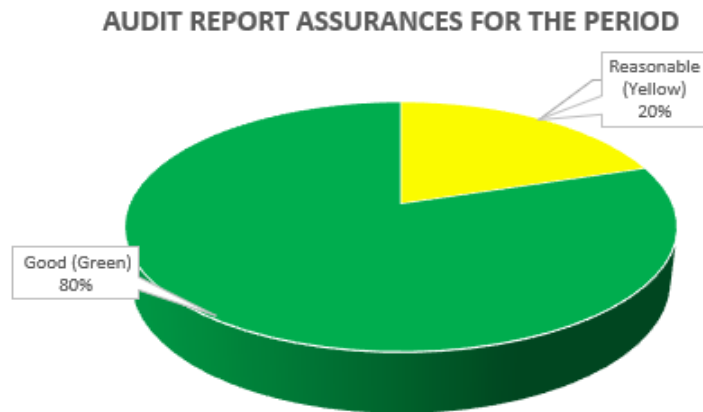
- 3.4 To determine the overall grading of the Internal Audit report each recommendation is risk rated (high, medium or low). The recommendation risk rating is based on the following criteria:

High risk =	A fundamental weakness which presents material risk to the system objectives and requires immediate attention by management.
Medium risk =	A recommendation to address a control weakness where there are some controls in place but there are issues with parts of the control that could have a significant impact.
Low risk =	A recommendation aimed at improving the existing control environment or improving efficiency, these are normally best practice recommendations

- 3.5 The chart below shows the percentage of high (red segment), medium (yellow segment) and low (green segment) risk recommendations made in the reports issued during this period.



- 3.6 The level of assurance (based on the table above) for audit reports issued in this period is detailed below.



3.7 The information in the above pie charts is broken down in the summary table below.

AUDIT REPORTS ISSUED BETWEEN 01/04/25– 30/06/2025 AND CURRENT STATUS						
Area	Date of Report	Level of risk on plan	Original Audit Grade	Follow up Due	Revised Grade	Comments
Treasury Management	24/04/2025	M	Good	n/a – green report	N/a	
Supplementary Substance Misuse Treatment & Recovery Grant	28/05/2025	M	Good	n/a – green report	N/a	
Family Hub Grant	12/06/2025	M	Good	n/a – green report	N/a	
The Home Upgrade Grant Phase 2 (HUG2)	25/06/2025	M	Good	n/a – green report	N/a	
Randlay Primary School	14/05/2025	M	Reasonable	14/11/2025	N/a	

Internal Audit Activity Report

- 3.8 Detailed below is the status of any reports previously issued and reported to Audit Committee. Members should note that once reports have reached a green status and have been reported to members they are excluded from future Audit Committee reports.

PREVIOUSLY ISSUED REPORTS & CURRENT STATUS					
Area	Date of Report	Original Audit Grade	Status previously reported to Audit Committee	Current Grade	Current status / Comments
Holmer Lake Primary	12/03/2025	Poor	Follow up due 12/07/2025	N/a	Follow up in progress
Ski Centre	07/02/2025	Limited	Follow up due 07/05/2025	N/a	Follow up in progress
PSP Register	17/02/2025	Reasonable	Follow up due 18/08/2025	N/a	
Homelessness Reduction	21/01/2025	Reasonable	Follow up due 17/08/2025	N/a	
MIS Headway Planning System	12/03/2025	Reasonable	Follow up due 12/09/2025	N/a	
Ladygrove Primary School	27/03/2025	Reasonable	Follow up due 29/09/2025	N/a	

Internal Audit is confident and has been assured by management that controls have and will continue to improve in all areas where recommendations have been made. There are no other issues to bring to the attention of the Committee at this time.

4.0 Progress on completion of the 2025/26 Annual Audit Plan

- 4.1 Audit Committee members approved the 2025/26 Internal Audit Plan at the May 2025 committee meeting. **Appendix A** of this report shows the progress made against this plan. From a total of 48 audits, 5 audits are in progress, 3 have been completed.

5.0 Unplanned work

- 5.1 Work continues on the commercial contracts with Academies and Town Councils, We provide audit services to a total of 9 Academy Trusts and 2 Town Councils. Internal Audit continue to look for opportunities to expand their commercial offering. This enables the team to positively support the financial position of the Council by attracting income which, in turn, contributes to the budget cost of of the team.

6.0 Quality Assurance and Improvement Programme

- 6.1 Internal Audit maintains a Quality Assurance and Improvement Programme that complies with the Public Sector Internal Audit Standards (PSIAS) alongside the normal quality review process applied to all audit assignments. The Audit & Governance Lead Manager undertakes an independent monthly check of randomly selected (number dependent on number of completed audits that month) completed audit files to ensure they comply with:-

- Requirements of the PSIAS
- Rules of the Code of Ethics
- Agreed Internal Audit process and procedures
- Approved Internal Audit Charter

Only minor Internal Audit procedural issues have been found from these checks and they have been fed back to the Internal Auditors during this time to aid continuous improvement in the service

7.0 Summary of main proposals

- 7.1 That the Audt Committee note the information provided in this report.

8.0 Alternative Options

- 8.1 No alternative options

9.0 Key Risks

- 9.1 The risks and opportunities in respect to this report will be appropriately identified and managed

10.0 Council Priorities

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

11.0 Financial Implications

- 11.1 The planned work undertaken by the Internal Audit Team as outlined in this report is funded through the Council's base budget and approved as part of the Medium Term Financial Strategy. Income generated by Internal Audit from commercial contracts is used to offset the overall costs of the Internal Audit Team therefore reducing the amount of base budget required.
- 11.2 In circumstances where Audit findings result in changes to service delivery or controls etc. the financial consequences are managed as part of the implementation of such changes. There are no financial implications as a result of accepting the recommendations of this report.

12.0 Legal and HR Implications

- 12.1 There are no direct legal or HR implications arising from this report. The Council is required to undertake internal audit activity and to report the outcomes of that activity. It is one way that the Council can demonstrate it is operating transparently and in accordance with good governance.

13.0 Ward Implications

- 13.1 The work of the Audit team encompasses all the Council's activities across the Borough and therefore it operates within all Council Wards detailed in the Parish Charter.

14.0 Health, Social and Economic Implications

- 14.1 There are no health, social or economic implications directly arising from this report.

15.0 Equality and Diversity Implications

- 15.1 Transparency supports equalities and demonstrates the Council's commitment to be open and fair.

16.0 Climate Change, Biodiversity and Environmental Implications

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

17.0 Background Papers

- 1 Annual Audit Plan 2025/26
- 2 Public Sector Internal Audit Standards – Applying the IIA International Standards to the UK Public Sector 2013 and updated January 2017

18.0 Appendices

A 2025/26 Annual Internal Audit Plan

19.0 Report Sign Off

Signed off by	Date sent	Date signed off	Initials
Finance	30/06/2025	01/07/2025	AEM
Legal	30/06/2025	02/07/2025	ELH

Audit Area	Service Area	Days	Priority	Risk rating	status
General ledger, assets & capital accounting - fixed asset module	Finance & Human Resources	15	All	H	
Payroll/HR	Finance & Human Resources	15	All	H	
Sales Ledger	Finance & Human Resources	15	All	H	
Council Tax/ NNDR	Finance & Human Resources	15	All	H	
Purchase Ledger	Finance & Human Resources	15	All	H	
S106	Finance & Human Resources	as below	All	M	as below
IDT x 5	Finance & Human Resources	46	All	H	
Transition Leaving Care	Children's Safeguarding and Family Support	10	1,2 & 5	M	
Together 4 Children	Children's Safeguarding and Family Support	8	1,2, & 5	M	
Commissioning	Children's Safeguarding and Family Support	12	1,2 & 5	H	
Direct Payments	Children's Safeguarding and Family Support	15	1,2 & 6	M	
Brokerage	Adult Social care	12	1,2,3 & 5	M	
Deferred Payments	Adult Social care	12	1,2,3 & 5	M	
Direct Payments	Adult Social care	15	1,2,3 & 5	M	
Money Laundering	Policy & Governance	8	2 & 5	H	
Risk Management	Policy & Governance	8	All	M	
Legal system	Policy & Governance	10	All	M	
Licensing	Policy & Governance	12	2,3 & 5	M	
Future Focus (NEET)	Education & Skills	8	1,2,5	M	
Connect to Work	Education & Skills	8	1,2,5	M	
S106	Education & Skills	as below	All	M	as below
Schools (8 schools)	Education & Skills	40	1,3,5	M	2 In Progress
Gypsy & Travellers	Neighbourhood & Enforcement	9	1,2,3 & 5	H	
S106	Neighbourhood & Enforcement	as below	All	M	as below
Oakengates Leisure Centre	Housing, Commercial & Customer Services	10	All	M	
Town Park	Housing, Commercial & Customer Services	10	All	M	In progress

Benefits	Housing, Commercial & Customer Services	15	All	M	
Housing Management & Temporary Accommodation	Housing, Commercial & Customer Services	As below	All	M	
S106	Prosperity & Investment	9	All	M	In progress
Housing Management	Prosperity & Investment	10	All	M	
Domestic Abuse Act	Health & Wellbeing	10	1,3,5	M	In progress
Grants					
Local Transport Capital block funding	Finance & HR and Neighbourhood & Enforcement	2	2,3,4 & 5	M	
Bus subsidy grant	Finance & HR and Neighbourhood & Enforcement	2	2,3,4 & 5	M	
Substance Misuse Grant	Finance & HR and Health & Wellbeing	2	All	M	Completed
Family Hub	Finance & HR and Childrens Safeguarding	2	All	M	Completed
HUG 2 grant (home Upgrade Grant)	Finance& HR and Housing, Commercial & Customer Services	2	2,3,4 & 5	M	Completed
Happy Healthy Active Holidays	Finance & HR and Educ/Skills	2	All	M	
Reallocated HS2 Funding	Finance & HR	2	All	M	
Stop Smoking Grant	Finance & HR and Health & Wellbeing	2	All	M	
Corporate audits					
Procurement/Contract Monitoring	All service areas	15	All	H	
Mileage Checks	All service areas	12	All	M	

1 -Every child, young person and adult lives well in their community
2 -Everyone benefits from a thriving economy
3 -All neighbourhoods are a great place to live
4-our natural environment is protected - we take a leading role in addressing the climate emergency
5- A community focused, innovative council providing efficient, effective and quality services

KEY	
H	high
M	Medium
L	Low

This page is intentionally left blank



Telford & Wrekin
Co-operative Council

Protect, care and invest
to create a better borough

Borough of Telford and Wrekin

Audit Committee

16 July 2025

Corporate Risk Register

This page is intentionally left blank

TELFORD & WREKIN COUNCIL STRATEGIC RISK REGISTER

DATE OF LAST REVIEW - NOVEMBER 2024

Definitions used in the risk register:

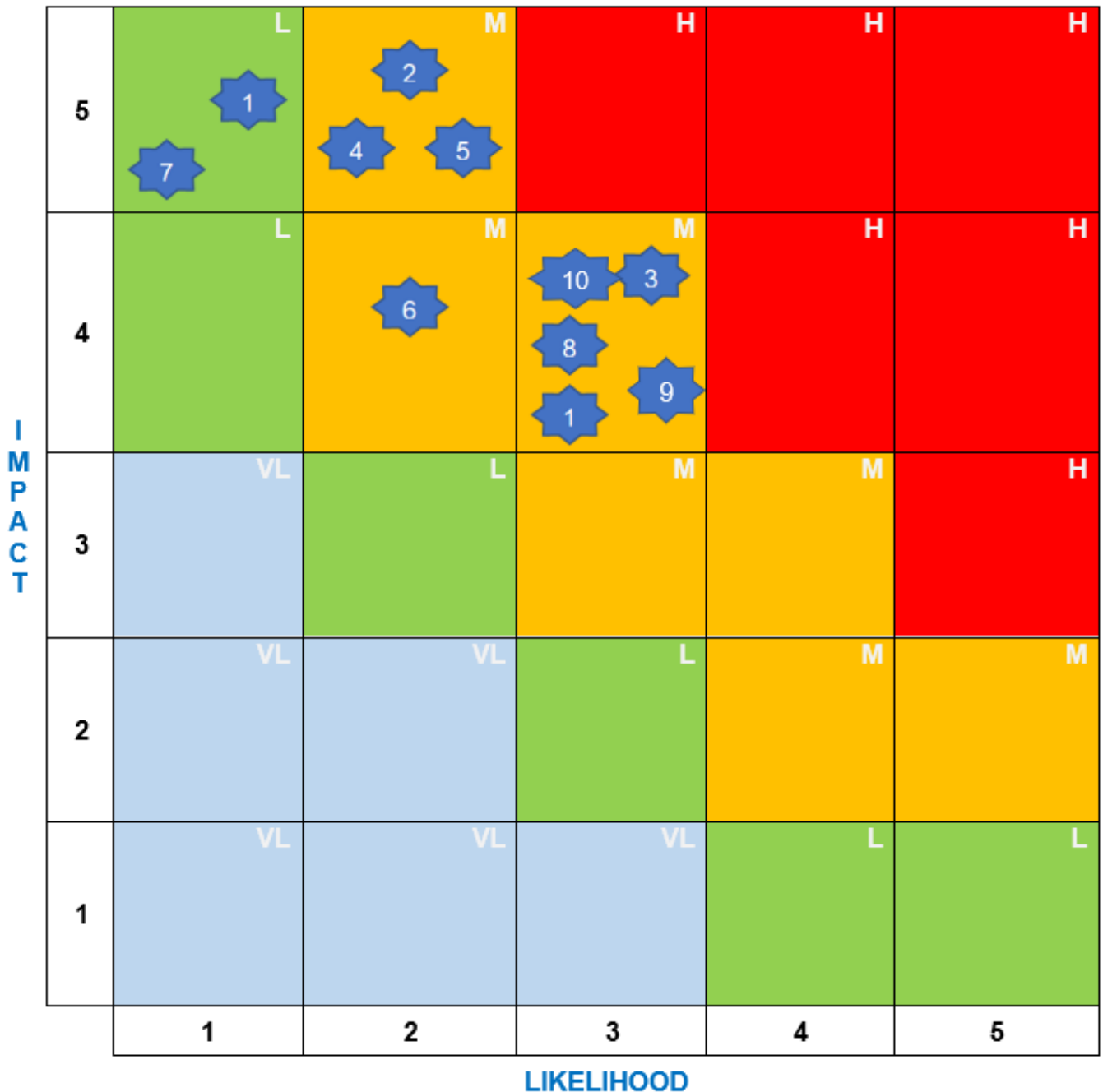
Likelihood of Risk Occurring

Likelihood	Definition
Very Low	May occur in exceptional circumstances
Low	Risk may occur in next 3 years
Medium	The risk is likely to occur more than once in the next 3 years
High	The risk is likely to occur this year
Very High	The risk has occurred and will continue to do so without further action being taken

Impact of Risk if it does Occur

Descriptor	Financial	Reputation	Physical	Environmental	Service
Very Low	None	None	None	None	None
Low	<£250K	Minimal/ minimal media/ social media	Minor	Minor locally, e.g. clearing intrusion on land	Internal disruption only, no loss of service
Medium	£250K to £1m	Extensive local media/social media	Threats of serious injury requiring medical treatment	Moderate Locally, e.g. air quality issue in part of the borough	Disruption/ loss of service less than 48 hours
High	£1m to £5m	National media/social media	Extensive/ multiple injuries	Major local impact, e.g. air quality issue affecting whole borough	Disruption/ loss of service less than 7 days
Very High	>£5m	Extensive national media (lead item)/social media	Extensive multiple injuries/ death	Major national/international, e.g. air quality issue affecting UK as a whole	Severe disruption/ loss of service more than 7 days.

Risk Heat Map



Risks shown throughout this document will prevent the Authority from achieving its priorities. Each risk identified below is linked to a corporate priority which may be affected if the risk is not managed effectively.

Council Priorities - Key

- P1** - Every child, young person and adult lives well in their community
- P2** - Everyone feels the benefit from a thriving economy
- P3** - All neighbourhoods are a great place to live
- P4** - Our natural environment is protected – we take a leading role in addressing climate emergency
- P5** – A community focussed innovative council providing effective, efficient and quality services

Ref	Risk	Likelihood Without Controls	Impact Without Controls	What are we doing to manage the risk? (Controls)	Lead Executive Director / Director	Likelihood With Controls	Impact With Controls
R1	Failure to discharge duty of care for a vulnerable child or vulnerable adult. PRIORITY: P1	Very High without controls <div>Change since last review =</div>	Very High without controls – Physical Reputation Finance <div>Change since last review =</div>	a) Safeguarding Partnership (Adults & Children) Community Safety Partnership and Youth Offending Service Management Board scrutinise performance, hold partners to account and drive practice improvement in the light of learning (e.g. Serious Case, Safeguarding Adult & Domestic Homicide Reviews). b) Safeguarding Partnership works to develop systematic working across children and adult landscape. c) The Council increased investment into Adult Social Care services by £7.7m in 2025/26. The Council's net budget for Adult Social Care is over £77m in 2025/26. d) The net budget for Children's Safeguarding is £49m in 2025/26. e) The combined total net budget allocation for these services is in excess of £126m. f) A general budget contingency of £3.95m is held, with an additional one off contingency of	D Sidaway J Britton S Froud	Very Low with controls <div>Change since last review =</div>	Very High with controls – Physical Reputation Finance <div>Change since last review =</div>

				<p>£3.25m for social care, income and inflation pressures. £6.4m has also been provided for contract inflation and pay awards in 2025/26. These can be used to support pressures in any Council budget including Adult Social Care and Children's Safeguarding which account for two thirds of the Council's net budget.</p> <p>Children:</p> <ul style="list-style-type: none"> g) Safeguarding arrangements are routinely reviewed and developed in response to new statutory requirements as they are introduced h) Workforce development strategy – recruitment and retention, learning and development including Systemic Practice across the Council's children's workforce. i) Children's Services - systematic quality assurance role for all managers from frontline Team Manager through to CEX and DCS j) No staff savings target for Children's Social Workers k) A comprehensive package of market factors and recruitment and retention incentives have been implemented to aid the 			
--	--	--	--	---	--	--	--

				<p>recruitment and retention of social workers</p> <p>l) Work to national inspection standards and respond to actions required from inspections.</p> <p>m) OFSTED inspection of Children's Safeguarding May 2024 retained the "Outstanding" judgement. An action plan has been delivered to respond to the small number of recommendations.</p> <p>n) Independent Review of Child Sexual Exploitation (CSE) commissioned by the Council has been concluded. Recommendations from the review are in the process of being implemented.</p> <p>o) 'Essential learning' for all employees includes both child protection and CSE.</p> <p>Adults:</p> <p>p) Adult safeguarding part of Safeguarding Partnership in compliance with Care Act requirements and new Adult Safeguarding Guidance & Regulations.</p> <p>q) Adult Services - systematic quality assurance role for all managers from frontline team manager through to DAS.</p>			
--	--	--	--	---	--	--	--

				<p>CQC Assessment of the Council's ability to meet our duties under Part 1 of the Care Act 2014 achieved "Good" in November 2024. An action plan is being delivered to address the areas identified for improvement</p> <p>r) Integrated Care Board's Quality and Performance Committee chaired by the Chief Nurse.</p> <p>s) 'Essential learning' for all employees includes adult safeguarding.</p> <p>t) In-house provide, My Options, has robust governance arrangements following the CQC and Ofsted and regulations of the Health and Social Care Act</p>			
--	--	--	--	---	--	--	--

Ref	Risk	Likelihood Without Controls	Impact Without Controls	What are we doing to manage the risk? (Controls)	Lead Executive Director / Director	Likelihood With Controls	Impact With Controls
R2	<p>Inability to:</p> <p>a) Match available resources (both financial, people and assets) with statutory obligations, agreed priorities and service standards</p> <p>b) deliver financial strategy including capital receipts, savings and commercial income</p> <p>c) fund organisational and cultural development in the Council within the constraints of the public sector economy</p> <p>PRIORITIES: P1, P2, P3, P4 and P5</p>	<p>Very High without controls</p> <p>Change since last review =</p>	<p>Very High without controls – Physical Reputation Service</p> <p>Change since last review =</p>	<p>a) Robust commercial approach taken by Council services in terms of increasing income generation</p> <p>b) Rigorous medium term financial planning and regular monitoring and active management through S&FPG, SMT, Business Briefing and Cabinet.</p> <p>c) Efficiency Strategy in place which allows the Council to qualify for the Flexible Use of Capital Receipts which enables the funding of revenue costs of reform and service transformation initiatives which deliver efficiencies</p> <p>d) 'Savings programme, service reviews and restructuring. Including SMT quarterly review of savings using RAG based system to monitor delivery and early identification of need for mitigation or alternative proposals.</p> <p>e) Staffing, economic and environmental impact assessments of all savings proposals and appropriate consultation mechanisms in place.</p> <p>f) In-year savings exercises possible if necessary</p>	D Sidaway M Brockway	<p>Low with controls</p> <p>Change since last review =</p>	<p>Very High with controls – Physical Reputation Service</p> <p>Change since last review =</p>

				<ul style="list-style-type: none"> g) Rationalisation of Council assets and accommodation h) Prudent level of uncommitted one-off resources and in-year budget contingency of £3.95m as well as one-off contingency in 2025/26 of £3.25m for social care, income and inflationary pressures. i) Delivery of capital receipts/rigorous monitoring of capital receipts realisation and impact on the budget j) If necessary, contingency plans reviewing phasing of planned capital expenditure, schemes included in capital programme, alternative potential disposals and further revenue budget cuts would be identified for consultation k) Regular review of reserves and balances against risk exposure with significant level (£21.7m) of uncommitted balances available, held within the Budget Strategy Reserve to support the Council's Medium Term Financial Strategy l) Track record of sound financial management having out-turned within budget for 16 consecutive years despite significant financial challenges arising from public sector austerity, increasing demand for services, high inflation, the COVID 			
--	--	--	--	--	--	--	--

				<p>pandemic and the current cost-of-living emergency.</p> <p>m) Safeguarding Children Cost Improvement Plan in place which is monitored by senior officers and members.</p> <p>n) Adult Social Care Cost Improvement Plan in place which is monitored by senior officers and members.</p> <p>o) Commercial project(s) for additional income generation as well as wider economic, social and regeneration purposes</p> <p>p) Housing Investment Programme</p> <p>q) Robust assessment of potential new investments through a proper due diligence and business case process to ensure that the Council is not exposed to an unacceptable level of risk either on an individual basis or when considering the entire investment portfolio</p> <p>r) Specialist legal and taxation advice taken as required</p> <p>s) Active Treasury Management in conjunction with regular advice and updates from specialist Treasury Management Advisors</p> <p>t) Cabinet Members regularly briefed</p> <p>u) All necessary strategies, policies and procedures in place to fully comply with CIPFA and MoHCLG codes and regulations with regular review</p>			
--	--	--	--	---	--	--	--

- | | | | | | | | |
|--|--|--|--|---|--|--|--|
| | | | | <ul style="list-style-type: none"> v) Established approval process for agreement of business cases for new investment from the Council's Growth Fund and Invest to Save/Capacity Fund. w) All reports to SMT and Cabinet include a financial comment prepared by, or on behalf of the Council's 151 officer, that identifies the financial implications arising from the recommendations to avoid significant additional ongoing commitments being committed without appropriate consideration. x) Completion of Equality Impact Assessments. y) Undertake regular benchmarking of services including with peer groups and via the LGA z) Make or Buy Reviews to consider if services should be continued to be delivered in-house | | | |
|--|--|--|--|---|--|--|--|

Ref	Risk	Likelihood Without Controls	Impact Without Controls	What are we doing to manage the risk? (Controls)	Lead Executive Director / Director	Likelihood With Controls	Impact With Controls
R3	<p>Losing skills, knowledge and experience (retention & recruitment) in relation to staffing.</p> <p>PRIORITIES: P1, P2, P3, P4 and P5</p>	<p>Very High without controls</p> <div>Change since last review =</div>	<p>High without controls – Financial Reputation Service</p> <div>Change since last review =</div>	<p>a) Workforce Development Strategy in place (being updated during 2025) with focus on delivering ambition of the Council being employer of choice. Strategy will focus on the following aims:</p> <ul style="list-style-type: none"> • ‘Our workforce will have the skills and abilities to deliver our priorities and will have the opportunity to further develop • Our managers will be leaders and will empower staff to deliver our priorities • ‘Our organisation will be more diverse and inclusive offering a voice and fair treatment for all’ • ‘Our workplace will be healthy and we will support our employees’ wellbeing’ • Our employment package will be attractive and will offer fair terms and conditions • We will effectively recruit and retain suitably qualified staff across all areas of the council 	D Sidaway M Brockway	<p>Medium with controls</p> <div>Change since last review =</div>	<p>High with controls – Service Reputation Finance</p> <div>Change since last review =</div>

				<p>b) Senior Management, SDM and team leader development programmes.</p> <p>c) Each service area has a workforce plan considering</p> <ul style="list-style-type: none"> • skills gap analysis and needs • apprenticeships <p>d) Specific HR policies:</p> <ul style="list-style-type: none"> • use of market factor weighting for key groups • flexible working policy • staff benefit schemes <p>e) “Grow your own” scheme for roles that are hard to recruit to.</p> <p>f) Review of induction programme and ongoing training and development completed. Leading to a robust and comprehensive training programme for all staff irrespective of role.</p> <p>g) The development of the Council’s employment “offer” is ongoing</p> <p>h) Council values, ethos, rewards and recognition</p> <p>i) Annual Personal Performance and Development discussions for all staff along with regular one to one meetings involving employees and their line managers.</p> <p>j) Staff awards ceremony to celebrate and encourage outstanding performance.</p>			
--	--	--	--	---	--	--	--

				<ul style="list-style-type: none"> k) Review of the use of apprentices l) EDI Strategy in place m) Inclusive Recruitment Champions in place to support managers to maintain a diverse workforce and ensuring the Council advertises vacant posts to reach all parts of the community while maximising the number of applicants. n) Employee survey undertaken in November/December 2024. Results reviewed by SMT, actions taken and disseminated to staff – ‘you said, we did’ o) Collaboration with West Midlands Employers and CIPD during 2024 to upskill managers and increase competence and confidence in applying strategic workforce planning principles successfully and consistently p) Working with partners around recruitment and role availability. q) Employer Value Proposition developed to support attracting talent to the workforce when recruiting. r) Strategic Workforce Planning, which is taking a medium-term view on capacity, impact of changing work patterns, digitisation/AI to ensure future proofing of workforce. 			
--	--	--	--	---	--	--	--

Ref	Risk	Likelihood Without Controls	Impact Without Controls	What are we doing to manage the risk? (Controls)	Lead Executive Director / Director	Likelihood With Controls	Impact With Controls
R4	<p>Significant business interruption affecting ability to provide priority services, e.g. critical damage to Council buildings, pandemic, cyber-attack loss of power or infrastructure etc.</p> <p>PRIORITIES: P1, P2, P3, P4 and P5</p>	<p>Very High without controls</p> <p>Change since last review =</p>	<p>Very High without controls – Physical Reputation Service</p> <p>Change since last review =</p>	<p>a) Each Service Delivery Team has Business Continuity Plans to enable them to respond appropriately (people, systems etc.), these are reviewed annually and updated following team changes and or incidents.</p> <p>b) Corporate Business Continuity Policy reviewed. Following this review the Service Delivery BC Template has been updated and will be rolled out during 2025.</p> <p>c) Continuity plans for loss of key buildings tested in live environment Different scenario testing requires completion by individual teams and monitored by the BC Board.</p> <p>d) Serious Incident Protocol has been adopted but requires review.</p> <p>e) Continue to invest in ICT capital programme. Data centre investment complete.</p> <p>f) Improvement/upgrade/replacement of key IDT systems IDT controls – Disaster Recovery facilities in place based on Priority Services in line with Business Continuity Plans.</p> <p>g) Roll out of “office 365” and the cloud.</p>	Executive Directors	<p>Medium with controls</p> <p>Change since last review =</p>	<p>Very High with controls – Service Reputation</p> <p>Change since last review =</p>

				<ul style="list-style-type: none"> h) Investment in cyber security and awareness programme and training (see risk 7 also). i) Implementation of a 3rd generation firewall. j) Strong and effective support provided by corporate IDT team to support the implementation of new service specific and corporate systems and upgrades to these systems which also ensures effective system testing arrangements. k) Sound operational management of Council buildings. l) Simulation exercises have been undertaken to further educate staff with practical examples of phishing. 			
--	--	--	--	--	--	--	--

Ref	Risk	Likelihood Without Controls	Impact Without Controls	What are we doing to manage the risk? (Controls)	Lead Executive Director / Director	Likelihood With Controls	Impact With Controls								
R5	<p>Inability to manage the health & safety risks in delivering the council's functions (including building security and cyber security).</p> <p>PRIORITIES: P1, P2, P3, P4 and P5</p>	<p>Very High without controls</p> <table><tr><td>Change since last review</td><td>=</td></tr></table>	Change since last review	=	<p>Very High without controls – Physical Reputation Financial</p> <table><tr><td>Change since last review</td><td>=</td></tr></table>	Change since last review	=	<p>a) Reviewing, writing and monitoring of health and safety policies, incidents and audit findings through and the Health and Safety Committee who meet 3 times a year.</p> <p>b) Risk based health and safety audit process of Telford & Wrekin buildings and local authority managed schools, which not only audit implementation of health and safety policies but also proactively identifies shortcomings, actions and controls that need to be in place to manage those risks.</p> <p>c) Management of health and safety within services is undertaken annually. Results from audits are fed back to Team Managers, Directors and H&S Committee</p> <p>d) Internal Health and Safety work to Health and Safety Executive (HSE) guidance and revise Policies and Procedures to ensure compliance with legal standards. Revisions reported back through the H&S Committee.</p> <p>e) A Health & Safety Competency Framework has been implemented. It details the</p>	Jo Britton / Director of Public Health	<p>Low with controls</p> <table><tr><td>Change since last review</td><td>=</td></tr></table>	Change since last review	=	<p>Very High with controls – Physical Reputation Finance</p> <table><tr><td>Change since last review</td><td>=</td></tr></table>	Change since last review	=
Change since last review	=														
Change since last review	=														
Change since last review	=														
Change since last review	=														

Page 88

				<p>necessary training and competency of the key roles of the Health & Safety Policy.</p> <p>f) There is a corporate lone worker risk assessment in place. Each service should also consider lone working within their team risk assessments. Lone member risk assessments are undertaken, and appropriate processes are in place. There is a council wide lone worker monitoring system available</p> <p>g) System in place for reporting all accidents, incidents and near misses. Non reportable accidents are investigated by each service area.</p> <p>h) All reportable accidents are additionally investigated by Internal Health and Safety Team and significant findings reported to Health and Safety Committee. All findings are reported back to relevant service area management</p> <p>i) Training to ensure health and safety compliance is provided on Health and Safety through a mixture of e-learning and face to face.</p> <p>j) Essential learning training for all employees includes health and safety and fire safety awareness.</p> <p>k) Consultation and communication with Trade</p>			
--	--	--	--	---	--	--	--

				<p>Unions occurs through the H&S Committee.</p> <p>l) Personal Safety Precautions Risk Register available to employees.</p> <p>m) Appointed Cyber Security Manager to review and improve cyber security where required.</p> <p>n) Cyber security part of essential learning for all employees. Simulation exercises have been undertaken to further educate staff with practical examples of phishing.</p> <p>o) Annual corporate review of list of 1st aiders and fire -safety trained staff to ensure adequate resource in place</p> <p>p) Enhanced risk assessments for specific individual/services</p> <p>q) Updated personal safety training</p> <p>r) Increased security at main Council buildings and at meetings as appropriate</p> <p>s) Review of lockdown procedures at key Council buildings and security plans for major events.</p> <p>t) Building security kept under review.</p> <p>u) H&S is a standing agenda item at SMT meetings and Service Area Management Meetings.</p>			
--	--	--	--	--	--	--	--

Ref	Risk	Likelihood Without Controls	Impact Without Controls	What are we doing to manage the risk? (Controls)	Lead Executive Director / Director	Likelihood With Controls	Impact With Controls
R6	<p>Inability to deliver effective information governance.</p> <p>PRIORITIES: P1 and P5</p>	<p>Very High without controls</p> <p>Change since last review =</p>	<p>Very High without controls – Financial Reputation</p> <p>Change since last review =</p>	<p>a) The Council has an Information Governance Framework which includes the Corporate Information Security Policy (CISP) and other policies (Data protection, Information Sharing policies)</p> <p>b) Knowledgeable, qualified and experienced team, dedicated to promoting sound Information Governance within the Council and ensuring that good practice is shared across the Council</p> <p>c) Training and awareness programme put in place and Information Governance modules form part of induction and essential learning programmes.</p> <p>d) Data Protection Officer reports regularly to SMT on IG related matters</p> <p>e) Data Protection Officer attends a number of management team meetings.</p> <p>f) General Data Protection Regulations 2018 implemented.</p> <p>g) SMT oversight of reported data breaches and incidents.</p> <p>h) All data breaches recorded, investigated and lessons learnt identified</p> <p>i) Detailed report is sent to relevant Director in respect to</p>	D Sidaway A Lowe	<p>Low with controls</p> <p>Change since last review =</p>	<p>High with controls – Reputation Finance</p> <p>Change since last review =</p>

				<p>breaches occurring in their service area</p> <p>j) Directors email all employees that have contributed to a data breach or incident highlighting the potential consequences.</p> <p>k) Information Governance related posters in all main Council buildings</p> <p>l) Staff complete randomly generated questions on data protection/information security every quarter</p> <p>m) Regular bulletins on information governance related matters published in staff newsletter</p> <p>n) Completion of annual Data Security and Protection (DSP) toolkit.</p> <p>o) Annual Governance Statement process encompasses key information governance related matters</p> <p>p) Key elements of information governance and IDT security are audited by an external company.</p>			
--	--	--	--	--	--	--	--

Ref	Risk	Likelihood Without Controls	Impact Without Controls	What are we doing to manage the risk? (Controls)	Lead Executive Director / Director	Likelihood With Controls	Impact With Controls								
R7	<p>Inability to respond adequately to a significant emergency affecting the community and/or ability to provide priority services.</p> <p>PRIORITIES: P1, P3, P4 and P5</p>	<p>High without controls</p> <table><tr><td>Change since last review</td><td>=</td></tr></table>	Change since last review	=	<p>Very High without controls – Environment Financial Service</p> <table><tr><td>Change since last review</td><td>=</td></tr></table>	Change since last review	=	<p>a) Work collaboratively with other Local Resilience Forum partner agencies, maintaining effective working relationships with the relevant bodies</p> <p>b) Council Emergency Plan 2024 has been tested in 2025 and improvements being implemented following this exercise.</p> <p>c) Human resource challenges to maintain appropriate levels of trained staff to be able to respond to an emergency, for example, to set up rest centres are monitored. For example, recruitment for volunteer rest centre staff was undertaken in the Winter 2024.</p> <p>d) Strategic, tactical and recovery training provided for SMT and relevant SDM's. Further training identified for those that have not received any. Emergency Planning exercise undertaken in 2025.</p> <p>e) Service level agreement in place with Shropshire County Council to share resource of a Resilience Manager.</p> <p>f) Maintaining appropriate, risk based contingency plans (Civil</p>	Exec Directors / Director of Public Health	<p>Medium with controls</p> <table><tr><td>Change since last review</td><td>=</td></tr></table>	Change since last review	=	<p>Very High with controls – Service Reputation Finance Environment</p> <table><tr><td>Change since last review</td><td>=</td></tr></table>	Change since last review	=
Change since last review	=														
Change since last review	=														
Change since last review	=														
Change since last review	=														

Page 93

				<p>Resilience Manager) which are reviewed on regular basis</p> <p>g) 'Land Instability in Ironbridge Gorge' – multi agency plan to respond to landslide in the Gorge is in place. It was reviewed and exercised in October 2024. Working with MOD during 2025 on a further review of the plan.</p> <p>h) Individual Service Delivery Managers are responsible for maintaining and exercising their Business Continuity Plan. These plans would be coordinated corporately and the emergency plan activated if necessary.</p> <p>i) Provider contract monitoring in place.</p> <p>j) Public health mechanisms in place to manage response to significant incidents. However prolonged incidents will result in a significant human resource challenge</p> <p>k) Corporate budget contingency of £3.95m available to cover unforeseen costs arising up to Bellwin threshold where relevant.</p> <p>l) On-call arrangements in place, including for SMT</p>			
--	--	--	--	--	--	--	--

Page 95

Ref	Risk	Likelihood Without Controls	Impact Without Controls	What are we doing to manage the risk? (Controls)	Lead Executive Director / Director	Likelihood With Controls	Impact With Controls								
R8	<p>Inability to respond to impact of climate emergency on severe weather events including heat, cold and flood.</p> <p>PRIORITIES: P3 and P4</p>	<p>High without controls</p> <table><tr><td>Change since last review</td><td>=</td></tr></table>	Change since last review	=	<p>Very High without controls – Environment Reputation Financial</p> <table><tr><td>Change since last review</td><td>=</td></tr></table>	Change since last review	=	<p>a) Investment in highways capital programme.</p> <p>b) Corporate capital budget specifically for projects that support the Council to address/mitigate the impact of climate change are included within capital programme.</p> <p>c) Monitor ground stability in the Gorge and water levels.</p> <p>d) Use and testing of flood barriers in Ironbridge</p> <p>e) Adoption of Climate Emergency Becoming Carbon Neutral action plan which includes a commitment to ensuring that its operation and activities are carbon neutral by 2030. 63% reduction to date, showing strong progress.</p> <p>f) Delivering a wide range of schemes to reduce carbon emissions.</p> <p>g) Driving partnership engagement and action on climate change through the Telford and Wrekin Borough Climate Change Partnership</p> <p>h) Addressing biodiversity through actions plans.</p> <p>i) Climate Emergency is at the forefront of the Council's priorities. In addition, there is a new Council priority defined –</p>	F Mercer	<p>Medium with controls</p> <table><tr><td>Change since last review</td><td>=</td></tr></table>	Change since last review	=	<p>High with controls – Environment Reputation Finance</p> <table><tr><td>Change since last review</td><td>=</td></tr></table>	Change since last review	=
Change since last review	=														
Change since last review	=														
Change since last review	=														
Change since last review	=														

				<p>'Our natural environment is protected – we are taking a leading role in addressing the climate emergency</p> <p>j) Strong relationships with key partners including the Environment Agency.</p> <p>k) Work of the Environment Scrutiny Committee is used to help inform policy development and highlight areas of best practice in this area</p> <p>l) Development and adoption of the Climate Change Adaption Plan meaning key measures are identified through a risk-based approach.</p>			
--	--	--	--	---	--	--	--

Ref	Risk	Likelihood Without Controls	Impact Without Controls	What are we doing to manage the risk? (Controls)	Lead Executive Director / Director	Likelihood With Controls	Impact With Controls
R9	<p>Projects not delivered effectively - Increasing number of projects and resource challenges to deliver those projects leads to project failure and inability to continue to deliver existing council services effectively and efficiently.</p> <p>PRIORITIES: P1, P2, P3, P4 and P5</p>	<p>Very High without controls</p> <div>Change since last review =</div>	<p>Very High without controls – Financial Service Reputation</p> <div>Change since last review =</div>	<p>a) Major Projects Board in place</p> <p>b) Capital monitoring undertaken by all services/Directors</p> <p>c) Monitor business plans</p> <p>d) Workforce planning</p> <p>e) Monthly meetings of Specific Officer Boards providing oversight of major schemes particularly those LUF and TF Funded.</p> <p>f) Project Managers who monitor and report on delivery of key projects (internal and external).</p> <p>g) SMT oversight on large projects.</p>	All of SMT	<p>Medium with controls</p> <div>Change since last review =</div>	<p>High with controls – Financial Service Reputation</p> <div>Change since last review =</div>

Ref	Risk	Likelihood Without Controls	Impact Without Controls	What are we doing to manage the risk? (Controls)	Lead Executive Director / Director	Likelihood With Controls	Impact With Controls
R10	Failure to deliver partnership priorities. PRIORITIES: P1, P2, P3, P4 and P5	Very High without controls <div>Change since last review =</div>	Very High without controls – Financial Service Reputation <div>Change since last review =</div>	a) Vision 2032 detailing partnership priorities and shared delivery of actions b) Engagement with those with lived experience in developing strategies c) Partnership agreements in place detailing clear partnership priorities d) Making it Real Board which provides opportunity for services to test policy/operational delivery with service users.	All of SMT	Medium with controls <div>Change since last review =</div>	High with controls – Financial Service Reputation <div>Change since last review =</div>

Risks Removed for Register

Ref	Risk	Reason for Removal	Date of Removal
R9	Inability to respond to the impact and implications of Brexit.	This risk is no longer applicable.	27/1/2022

Document Version Control

Version	Date	Author	Sent To	Comments
n/a	19/1/21	R Montgomery	SMT	Approval prior to register presented to Audit Committee and Cabinet
2022.2	27/1/22	R Montgomery	SMT	Update of register in respect to additions/changes to mitigating actions and deletion of risk R9
2022.2.1	23/12/22	R Montgomery	SMT	Update in relation to mitigating actions against each risk.
2023.2.2	10/1/24	R Montgomery	SMT	Includes updates provided by SMT
2024.2.3	11/11/24	R Montgomery	SMT	Amendments suggested from previous SMT meeting and additional risks added
2025.0.1	16/12/24	R Montgomery	SMT	Added clear linkages between corporate risks and council priorities
2025.0.1	07/07/25	T Drummond	SMT	Approval prior to register presented to Audit Committee and Cabinet